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PRODUCTION OF SILVER

The recent report made by the Senate Committee on Mines and Mining was briefly mentioned in the dispatches at the time it was presented by the chairman, Senator Stewart. Mr. Stewart received his data relating to Utah mines from R. C. Chambers, superintendent of the Ontario and Daly mines. Mr. Chambers communication was as follows:

Hon. Wm. M. Stewart, United States Senate, Washington, D. C.

Dear Sir—You favor of the 11th inst. duly received, in which you say that "statements have been made by the opponents of free coinage that silver can be produced at a cost of from thirty to fifty cents an ounce," and what I believe to be the average cost of production.

From a general and varied experience in silver mining during the last twenty years, I feel justified in asserting that for every ounce of silver produced on the Pacific coast at least $1.30 has been expended in silver mining. As a reasonable basis for this assertion I have had prepared exact statements (hereto attached) of the cost of producing silver in the Ontario and Daly mines at Park City, Utah, during my management both before and since incorporation to date.

From these it will be seen that at the Ontario mine the cost has been 61 7-16 cents per ounce, and at the Daly mine 68½ cents. These two mines that, as dividend payers, have made a record that place them in a list of perhaps five or six great silver mines today operated in the United States. For each mine that makes a record as good as these, there are hundreds that barely pay operating expenses—to say nothing of cost of plant—and thousands of smaller ventures that have not returned $1 for every $10 expended.

In saying this I am not using "glittering generalities," but making an assertion capable of itemized proof, although to furnish it would require a considerable amount of time and expense for gathering and tabulating.

Individually for myself and others, I have expended over $1,500,000 in attempting to find just one good mine, and have worked over a hundred mines in U[illegible]h and Idaho that have made such [illegible] returns that now the total loss equ[illegible] the above named sum, and most of the mines are now practically abandoned. This expenditure is not included in the Ontario and Daly statements.

As another instance of the same character, I have in mind a prominent mining man in Utah, who some years ago sold an interest in a mine for over $1,000,000. He is a sober, industrious, steady man, with no extravagant habits. A few years subsequently he found himself "dead broke," having spent nearly every dollar in an attempt to find another paying property.

I have obtained some statistics and general information concerning a few properties whose opera ions have been of such magnitude as to attract attention in this Territory.

The Crescent Mining company, one of the largest mines in Park City, has been operated for about thirteen years, and up to October 1888, has paid dividends amounting to $238,000, a sum not equal to the cost of the plant, leaving the purchase of the property out of the question. Since 1888 the mines have been operated at a loss, the assessments having been $60,000.

I attach a statement showing that the loss for 1892 was $22,872, and that the silver produced cost $1.10 per ounce on operating expenses alone.

The Anchor Mining company, on the same lode as the Ontario and Daly mines, has spent over $1,000,000 for plant and expenses, and has produced lead-silver ores. Taking the proportionate silver output, it is found that the 463,524 ounces silver thus produced have cost $550,083.96, or $1.18⅔ per ounce. The assessments on this property to date are $480,000, and no dividends. Statement of superintendent attached.

There are other mines in Park City, which have paid small dividends within the last year or so, but only because their ores were of such character that they could be sold to smelters and required no outlay for plant.

The above comprises the list of the larger properties in Park City, one of the renowned mining camps of this country; and the Ontario and Daly alone have, up to this date, made a large profit. It is to be noted in their case that practically they have been in pay ore continuously from the surface, and have paid every month more than their operating expenses—probably the only instance of the kind on record.

Outside of those above mentioned are the Old Empire, the Alliance and numerous others that have been heavy losers, and I should estimate that not less than $2,000,000 have been lost in a smaller way and through individual efforts to find a paying claim in this acknowledged wonderful mineral region. The Empire expended about $150,000 and did not take out $10,000 worth of ore, while the Alliance silver output has thus far cost $10.50 per ounce, per statement attached.

I attach statements of the manager of the Utah Gem and the Old Jordan mines (at Bingham and Ophir, Utah,) by which it appears that the silver product cost $2.37 and $0.87 per ounce respectively.

The Ramshorn Mining company operations in Bay Horse, Idaho, if presented in detail, would furnish a most convincing argument as to the difficulties in the way of successfully producing silver even after a good mine has been discovered. The bare results of this company's attempts are shown in the statement of Mr. Salisbury, their silver output having cost $1.33 per ounce.

W. G. Galigher's statement covers operations mostly in Arizona, and Martin K. Harkness' statement represents the result of years of patient development work in the Frederick Tunnel company, Utah.

The foregoing is a typical list of mining operations showing the extremes of success and failure. But it cannot be emphasized too strongly that with mines, as with men, the occasional success heralded to the world cannot be accepted as a criterion, to the exclusion of the innumerable failures.

There is a large class of mines that are worked on year after year, now at a loss and again at a profit—the owners loath to abandon them as long as there is a fair prospect ahead. The City Rock mine, at Alta, Utah, may be taken as an example. It has been worked for twenty years, and today shows a net loss of $85,973. Evidently the silver product has cost more per ounce than the average market quotation.

Even in the case of bonanzas it has usually happened that the original profits have been subsequently lost in continuing the prospecting and other work. Not to mention the Comstock, where this process is now going on, allow me to direct your attention to the Little Cottonwood district, U. T., and the Yankee Fork mining district