

THE CALIFORNIA OF ASIA

FRANK G. CARPENTER WRITES OF THE
NEW MINES OF KOREA WHICH MAY
RIVAL THOSE OF THE ROCKIES.

(Special Correspondence.)
SEOUL, 1909.—There is a big mining movement going on in Korea. Prospectors are finding minerals in every part of the peninsula, and concessions for gold, copper, graphite and iron are being granted by the government under the new mining laws. The long suit of the Colliery Development Company regarding its concession for the Kapsan copper mine, which was settled last year, has so delayed the mining regulations that foreigners can now get clear titles and they are rapidly taking advantage of this. A number of the new mines are now working and the prospects for a broad mineral development are bright.

KOREA'S BIG GOLD DEPOSITS.

Indeed Korea may develop into a second California. There is no doubt but that there is gold in many parts of the peninsula. The people have been mining it in a rude way for many generations. They have been washing it out of the streams. During my visit to the country 20 years ago, the merchants showed me goose-quills filled with gold dust and during my stay in Seoul in 1894, Thomas R. Power, the electrician from Washington, who put up the first light plant in Seoul, told me how he had gotten a soap box filled with over \$1,000 worth of gold dust and nuggets in payment of one installment due for his work.

The way it happened was this: Mr. Power contracted with the emperor, but his payments were not through the emperor, who was very corrupt and who thought they should have a rake-off from all money. Mr. Power had gotten his electric light plant running and the Koreans were operating it. They thought they had a right to get paid and concluded to let this young American wash the gold for them. Mr. Power, a big bribe. The young American, however, realized that his royalty was in deadly fear of assassination and that he would go crazy if he had to spend all night in the dark. In order to bring matters to a crisis, Mr. Power went back to the plant and by the disconnection of a screw arranged it so that it would run perfectly without giving light. About dusk that evening there was a great excitement at the palace. The buttons were turned, but the globes would not burn. As it grew darker the emperor sent his messengers to Mr. Power to ask what was the matter. He replied that he had not had his money, and that the spirits who run the light plant would not work until he was paid. His majesty thereupon asked why the money had not been sent and told the corrupt officials that if it was not delivered at once their heads would go off. The result was the soap box of gold dust.

Mr. Power told me that the gold was in grains and in nuggets and he described how Gen. Clarence Greathouse, the American adviser to the king, who had had some mining experience in

California went almost crazy as he bent down and laved his hands in it. Some of the nuggets were flat, showing that they had been rolled from the mother lode and one was as big as the palm of your hand. The gold was sent to the mint at Osaka. It netted in the neighborhood of \$3,000, and Mr. Power took out the \$47,000 due him. I neglected to say that as soon as he got the gold, the spirits of electricity began to work and that they are still laboring for his majesty today.

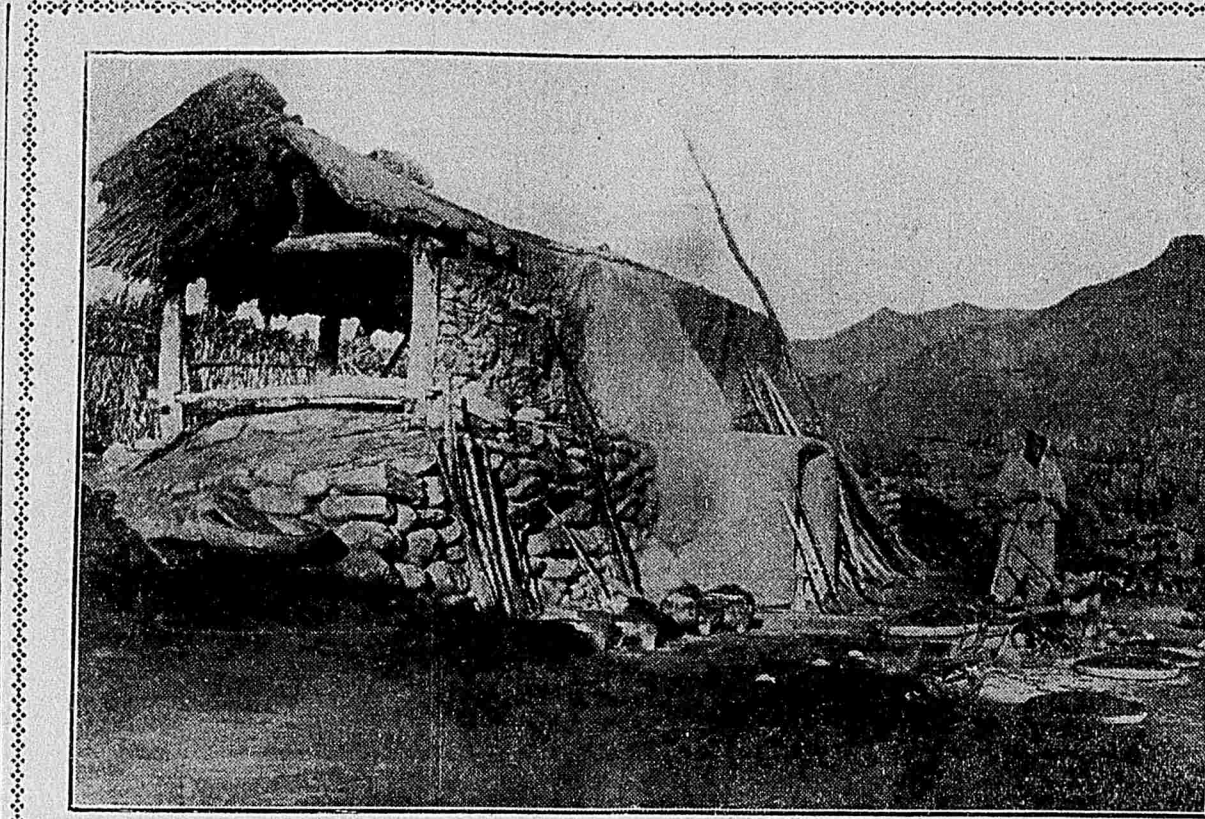
AMERICA'S BIG GOLD MINES.

I have an idea that it was Gen. Greathouse who carried the first evidence of the actual existence of gold in great quantities to the United States. At any rate the fact has been noted abroad, and for the past 15 years Americans have been after concessions for mines in this country. Among these was James R. Morse who got the original grant from the Korean government for the district which is now known as that of the Oriental Consolidated Mining Company. This company has by far the biggest gold mines of Korea. It has already taken out \$10,000,000 in bullion and its output last year was more than \$1,000,000 in gold. It is crushing 300,000 tons every year, and it has over 1,000,000 tons in reserve. The company is now working 5,000 Koreans, 500 Chinese and more than 100 Japanese, together with 75 or more Americans, and it can continue to operate on its present basis for years to come. This company has a plant which cost \$1,250,000, and it produces more than half of all the gold that is exported from Korea today.

HOW LEIGH HUNT & COMPANY MADE MILLIONS.

The men who got the concession for this mine made practically nothing out of it. I believe it was first taken up by James R. Morse and that Leigh Hunt was made a member of the company. The region in which it lies had been worked in a rude way by the Koreans for centuries. Their method of mining was to build a fire on a ledge and heat the rock. They would then throw on water and thus crack the quartz, digging it out with rude picks. After that they crushed ore by lying it on flat stones beneath heavy round granite boulders which they rocked back and forth by hand. They also acquired a great deal of gold by placer mining.

When Morse and Hunt sent their engineers to examine the property they reported that it contained gold, but that it was of a very low grade and that it would not run more than \$7 or \$8 per ton. They also said that it would take ten Korean miners to do as much work as one average American, and that they would have to pay 25 cents per day at the start with a probable raise of 50 cents in the near future, and that on the whole the work would not pay. Upon this report, I am told, Morse refused to spend more money on the conces-



A NATIVE IRON SMELTING FURNACE. KOREA HAS A LARGE DEPOSIT OF IRON

Photographed for the Deseret News by Frank G. Carpenter.

sion and that Leigh Hunt, upon a buy or sell proposition, secured a full title and rights to the mine for less than \$30,000. At that time Leigh Hunt had no money to speak of, but he went to America to make the arrangements. He persuaded the United States works of San Francisco to sell him a twenty-stamp mill on tick and interested J. Sloat Fassett of New York and the Crookers of San Francisco in the undertaking. He got enough money to pay for the concession and to start work in a moderate way. He brought his little mill out here and carried it into the country upon the backs of bulls and porters and by means of bull carts. He set it up at Chitabon on one part of his concession and began to work. Rich ore was almost immediately developed and in a short time enough gold had been taken out to pay all expenses and the company on easy street. As a result, all of the partners in the business have made millions and they still own a concession of very rich territory covering an area which is 25 miles wide and upon which they have the exclusive rights to all minerals until 1954. After opening the mine, Mr. Hunt left for Korea to operate it, but it is now many years since he left here for Egypt, where he owns a great plantation on the Nile and is raising American cotton.

As to the grade of the ore of those mines it is low. It does not come up on the average to the estimate of the engineers upon which Morse turned the mine down. Its average value is much more than \$5 a ton, although in some places it is \$10. It has been found, the Koreans however, have proved far less costly as miners than was supposed and the work of two of them is equal to that of one of our men. At the same time they receive only 25 cents a day of ten hours, which would equal a fifty-cent day for the American miner, according to his work if the same rates were employed. The Japanese workmen are paid \$1 a day and the 600 Chinese receive 20 cents. The Americans are paid about \$5 a day each, with house rent and board. The company now has five large mines on its concession and over 300 stamper mills. It has a cyanide plant, and it is treating altogether, on the average, about 1,000 tons of ore daily. The net profit is \$1.85 a ton, so that the mines are making from their quartz works alone \$1,850 of clear money a day. This means almost \$80 an hour all day and all night the year through. Much of a property which brings in more than a dollar every minute all the year round and you have some idea of the profit of this kind of work.

In addition to the quartz mines, this company has large placer deposits, which have been worked for centuries, but which will probably pay well under dredging. There are altogether about 32 square miles of such ground. The company is using American machinery and it gets the most of its supplies from the United States. It pays out more than \$100,000 a year to Americans in salaries, and its importations for the mines amount to \$250,000 every twelve months. It is now spending upward of \$10,000 for candles used by the miners and \$30,000 per annum for dynamite.

THE NEW GOLD MINES.

There is a great deal of placer mining done by the Korean natives. They are satisfied with small profits, and a man will work at such mining when it nets him 10 cents a day, where he would not labor steadily in the quartz mines at 25 cents a day. Altogether, the total export of gold from this country is about \$2,250,000 a year, and about \$1,000,000 or more of this comes from mines and placers on the side the Oriental Consolidated company above mentioned.

I have just had a long talk with Mr. A. R. Weigall, a well known mining engineer in the employ of the Colliery and Bostwick Development Company. Mr. Weigall is a graduate of the Sydney, Australia, mining university, and during the past nine years has been spending throughout the far east. He left the famous Mount Morgan mines of Queensland to prospect in the Dutch East Indies, and later on was employed in Siam, Siberia, Japan and Korea. He has been about over Korea, and he tells me the country is well mineralized. I asked Mr. Weigall about the gold mines. Said he:

"Nearly every stream shows more or less color, and we have reason to believe that there is gold in every province. There are several large concessions in the same region as the Oriental Consolidated, which have been more or less worked. One of them belongs to the English, another to the Germans, and a third to the French. The English ran a twenty-stamp mill for some years on high-grade ore, but they shut it down about five years ago and have left. The Germans are still mining and they are said to be making money. They have rich ore, but will give no information as to their profits. The French are also operating near Chosan in the same district."

"In addition to these mines in northern Korea, are the Suan gold mines, belonging to Colliery and Bostwick. They lie about fifty-six miles from Pyongyang, and can be reached in eight hours by train and two days across country. These mines promise to pay very well. They have been worked about a year, and they have taken out about 40,000 tons of ore, which will yield \$12 per ton. In addition, there is 3 per cent of copper in the ore. The company is putting up a plant, and by next October it will be reducing about 100 tons daily. This mine was discovered by an Englishman, who took Mr. Colliery in as a partner. He got up a combination, including the Mitsui of Japan. They sent engineers to investigate it, who reported against it, and so the Mitsui dropped out. Then the Englishman gave up, and Colliery and Bostwick organized a company in Seoul, on a capitalization of \$500,000. It will not take more than \$300,000 to develop the property, and it promises to be one of the most valuable mines in Korea."

THE CHICKSAN GOLD MINES.

"Are there any other gold mines now being worked?"

"Yes," replied Mr. Weigall, "and there are several which promise to pay much more in the future. One of these is the Chicksan mine, which lies 45 miles south of Seoul, not far from the sea. That mine has large quantities of low-grade ore, and it can be worked at a profit, if on a large scale, at as low as \$2 per ton. The ore contains seven or eight dollars per ton, and it is better on the average than the ore of the Oriental Consolidated. The country is granite, and the lodes are of quartz and of great size. This mine was originally granted to the Japanese, but they gave it over to a young American, named Desher, a stepson of the late Gov. Nash. He came out here from Columbus, Ohio. After he got hold of the mine he interested Columbus capital in it, and also the well known millionaire of Japan, Baron Shibusawa. The company began work, but in some way or other it has gotten tangled up, and is now in bad shape. It is said that Jardine, Mathieson & Co., a well known English firm which is operating in the far east, is about to get hold of the property, and that they will develop it."

"Is it considered very valuable?"

"The indications are exceedingly good," said the mining engineer. "The concession is 20 miles long and 14 miles

all their kitchen furniture is made of this material. They wash in brass basins and eat from brass bowls, and their furniture has hinges of brass. There are scores of brass stones in the city of Seoul, and copper has been more or less exported for years. A large part of the native ore of this kind has come from the mines of the emperor, and the most from the Kapsan mines, which are situated in northern Korea, and which have been fought over in the courts for the past four years, and settled only last June, in favor of the American claimants. These mines now belong to Colliery and Bostwick, and they promise to produce a great amount of valuable ore. I talked with Mr. Weigall about them. Said he:

"There is copper in many parts of northern Korea. The country is covered, however, with great fields of lava, which prevent mining under it. The chief copper mines are now around the edges, where the lava has eroded, and this is the character of the Kapsan property. The mines are situated about a mile above the sea and 150 miles from the coast. They are in the northeastern part of the peninsula, where the winter climate is very severe. We have to go over two ranges of mountains to reach them, and we shall have to take our machinery in on pack ponies. We shall put up a small smelter right away, beginning our work in the spring, and shall increase our plant right along."

"Are these mines extensive?"

"Yes, and the copper is rich. They have been worked as far back as a 1,000 years ago, and with rude native methods have produced something like 300,000 tons of smelted copper per annum. The ore runs, on the average, about 10 per cent copper, which is far higher than that of other copper mines. The concession is 20 miles long and 13 miles wide, and there is copper all over it."

"How did the Americans get this mine, Mr. Weigall?"

"It originally belonged to the king, and it was one of his principal properties. Mr. Colliery secured a concession from his majesty to take up a mining property anywhere in the country of the dimensions I have mentioned, and this concession was to include any mines belonging to the king. Mr. Colliery investigated the Kapsan region and selected this property. He realized

that he would have difficulty holding it, and when the papers were drawn up by the presence of his ministers at the palace, he then had them certified to before the United States minister to Seoul, Dr. Allen. They were then taken to London, and then to Washington, where the Korean minister to America asked his indorsement. Then the war with Russia came on, and the Japanese had prospecting that region, and declared to Mr. Colliery's concession aside. The matter was fought over in the courts, and, to make a long story short, it has now been settled in Mr. Colliery's favor."

"What other copper mines has Korea?"

"There are three great belts here in which copper is found. The Japanese have some mines in the southern part of the country, and the Italians are developing the Kang-so mines. They have five foot bands of 1 per cent copper in diorite limestone, or about the same type of formation as the gold of Suan. So far, however, the only really great mine of well known value is the Kapsan."

"What other important minerals has Korea?"

"One which promises to be very valuable is graphite. This is of a high grade, and samples which have been sent to London have assayed values of \$100 a ton. An engineer sent here by one of the lead pencil companies, which use so much of that metal, speaks highly of the prospects. Already mines are being opened, the largest of these now in operation being worked by Morris & Co., an American syndicate. The Japanese have a graphite mine near Fusan, from which they are now exporting 500 tons a month. Most of it goes to Nagasaki and thence to New York or London."

"In addition to the minerals we have talked of," continued Mr. Weigall, "this country has large bodies of iron to the northeast of Pyongyang, and considerable coal. All of these are in the hands of the Japanese, and they will probably be developed at an early date."

FRANK G. CARPENTER.

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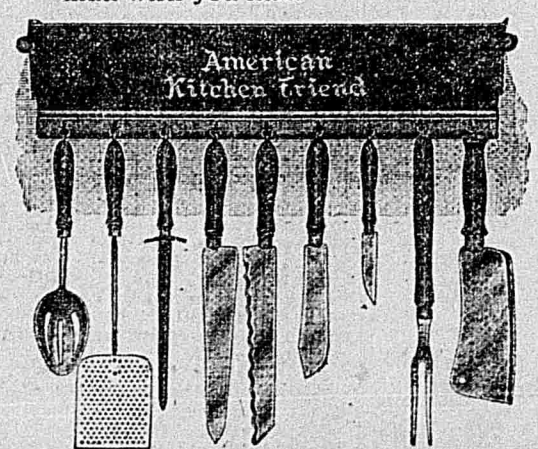


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