The only things of note in the last month are the discoveries of rich ore at great depth in the Golden Cycle and the Vindicator and the strike at the Standard mill. The latter has been pretty thoroughly discussed in the papers. In connection with this affair it is interesting to figure on what may be gained and lost should the strike extend to Cripple Creek. It seems to be the universal sentiment of the mine managers that if the Union forces a strike they will shut down and stay shut down till a lower scale of wages and a lower scale of treatment charges is established.

Let us consider what this would mean to the camp as a whole.

I am using the new years edition of the Cripple Creek Times as a source of data together with the yearly statement of the U. S. R. & R. Co. In the year 1902 there were 674,927 tons marketed from the entire district and from this tonnage $2,384,470.00 were declared in dividends.

Of the entire output 270,000 tons went to the U. S. Ref. & Ref. Co. As this Co. depends solely upon Cripple Creek ores it is interesting to figure what profit is made per ton. This Company is bonded for $2,000,000.00 and capitalized with $6,000,000.00 common stock and $4,000,000.00 preferred stock. I think I am safe in saying that the bond issue more than covers the actual investment. The stock is all water. In addition to paying interest on the bonds they made last year a total of $1,017,007.00 or $2.75 for every ton of ore treated.
It is safe to assume that the shelters and other reduction works made a similar profit over and above legitimate earnings for they are all paying dividends on watered stock. $276 on the entire output would be $1,064,866.35. It is probably beyond the range of possibilities to get an average reduction of $2.75 a ton but a determined and united effort might effect a reduction of one half of this or $27,000.00 yearly.

The pay roll for last year amounted to $7,336,208.00 for working miners. The miners work about 8 1/2 hours under present arrangements. That is they go and come on company time and custom has established the habit of blasting 30 to 45 minutes before quitting time. If the miners were made to put in an honest 8 hours even if no reduction is made in wages it would result in saving 1/6 of the pay roll or $1,204,278.00

In other words with a reasonable reduction in treatment charges and an honest work day and all other conditions remaining unchanged the mines last year, could have declared $4,665,650.00 in dividends instead of $2,864,472.00 or practically twice as much in dividends. If the dividends of Cripple Creek were doubled our property, with its large acreage and large possibilities, would get at least its share of the general prosperity.

As I heard a man say in the Cripple Creek Club "The dividends that belong to the mine owners are being declared to the miners and the owners of the reduction works."

It will be seen from the above figures that a strike promises the chance of large gain along with the certainty of sore loss.

EAGLES SHAFT:

Surface: The new compressor is now working in good shape and effecting a great saving in coal. Two old and bent smoke stacks have been replaced with new ones making the boilers steam much better.
On the 6th. level the drift south on the Mineral Rock vein was continued 70 ft. and abandoned at a point about 100 ft. from the Pikes Peak shaft. No ore was struck. I am greatly disappointed at the result of this work for the vein immediately above has been stopped continuously and rumor says the ore was fabulously rich. Of course, the chance remains that we have been following the wrong vein. This chance is a large one, for it is very easy to lose one of these Grapple Creek veins and the vein which we have been following has not all the characteristics of the Mineral Rock vein. I think this work should be continued south to the Pikes Peak shaft and a connection made. It will be very easy then to get true bearings and if the vein we have been following is not the right one it will be easy to see which way and how far we ought to crosscut. Mr. Robins the Super. is crosscutting to the west at present. There are two strong veins, lying west of that one which we call the Mineral Rock vein and exposed in the main crosscut. His new crosscut will cut them about 300 ft. further south. He has already run 25 ft. without result. An upraise was put up 32 ft. on the Mineral Rock vein at a point 56 ft. from the breast. Nothing of value was found.

There was a little ore left in the north stop of the Mineral Rock vein and this was partly removed during the past month. 116 ears were hoisted from this place.

EIGHTH LEVEL:

The new strike mentioned last month has been called the Wilson vein. The month's developments have been disappointing. A drift 71 ft. and an upraise 24 ft. have failed to find continuous ore, although high assays are had every day or so. The drift on the Crossvein was continued 34 ft. The Murphy vein should be cut any day now.

The main stop between the 8th. & 9th. levels is looking even better than I had thought possible. The stop is widening out like a fan and is now 180 ft. across the top. This ore chute is so extremely erratic that it is impossible to
make any sort of a reliable estimate on the ore in sight. Mr-
Robins figures that he can keep up the present production for
180 days. My figures are less than this, but in any case
the ore between the 8th. & 11th. levels will soon be exhausted.

The stope maps which our Mr. Jones has been making, at my
suggestion, have shown several things which may work out to
our great advantage. Probably the most important is the
fact that the chute of ore on the "Eighth" vein pitches to the
north on the raise at such an angle that it may very possibly
cross our 8th. level north of the north breast of that level.
I have previously advised prospecting this vein toward the
surface by continuing the north upraise on 8th. level till the
8th. level is reached. This is a hard and dangerous piece
of work but it is the only way to conclusively prove that we
have been developing the right vein on the 8th. level. When
that matter is settled I would drift to the north far enough
to either get the ore or prove that it does not occur on this
level.

The result of prospecting this "Eighth" vein on the 11th
level, where the showing was very poor, at first, have been so
gratifying that I believe we should repeat the experiment on
8th. level south where there is a little spot of ore.

I would also suggest sinking a winze on eleven where the
ore chute goes down. Mr. Robins prefers to prospect in this
direction by continuing work on fifteen—400 ft. below. This
is in line with what I call "heroic" prospecting. Four hun-
dred feet is a long jump. It will be alright if he gets the
ore chute but if he does not we are left in the dark. We do
not know that he has the right vein. We are apt to spend
more money in the long run than if we go down on the ore chute
from eleven at least half the way. As the ore chute pitches
to the south in depth I would start the winze at the south end
of the stope.
The Eagles mine will soon have exhausted all its known ore. Unless new ore bodies are discovered before long the development work will have to be done at the expense of the estate or the mine shut down. The equipment at any of our mines is capable of handling many times the work that has ever been required of it. It is a common error in mining to neglect development when there is ore to work on. On several different occasions I have called attention to the fact that our fixed charges are a very large percentage of our total expense and that it is good policy to put at work just as many men at development work as is possible. I have again and again recommended putting men to work on the tribute system in our working mines. I realize the disadvantages of having lessees underground with day-a-day men but all the disadvantages are very small matters if compared to the expense of running a mine for several months without ore. The tributors would cost us nothing unless they struck ore. If the tribute system is objectionable for some reasons I know nothing about then it seems to me that there is no question of the advisability of putting on more men at development work. I have always been refused all information connected with the financial management so I cannot give the percentage of fixed charges to the money which is spent in actually breaking ground and tramming it to the shaft. Practically all the expense of our entire operation except the actual cost of breaking ground and tramming may be considered as fixed charges in this argument because the addition of as many as one hundred men under ground would add very little expense to this list. Figured in this way I think the fixed charges will come to over 50%. All our machinery is now working at much less than full capacity and machinery worked in that way is much less economical per unit of work performed than when worked at full capacity.

In speaking of matters of this kind the board must realize that I speak from the standpoint of limited information in
which the board has placed me. I have heard a rumor that
the estate is in immediate need of a large amount of cash.
If this is so it would make a difference but I am refused in-
formation on this subject also. I do not even know whether
our company is making money or losing it, so I hope the board
will bear these facts in mind in considering my remarks.

Our Mr. Rice is to be very much commended on his success
in reducing expenses. The question to which I call the at-
tention of the board is whether the reducing of expenses
may not have been carried beyond the point of true economy.
THE SILVER TIP STRIKE:

I made a compass survey of the Silver Tip ore-discovery and plotted it on our map. I find that it is probably the continuation of the New Zealand vein and that the New Zealand vein is probably the continuation of the Mineral Rock vein. This vein is thus shown to be mineralized in places from the Last Dollar to the Silver Tip a distance of 3600 ft. At my request our Mr. Rice asked our Mr. Jones to ascertain if the ladder were such that a man could get down the New Zealand shaft. He reported the ladders safe to the 1st. level but too rotten to venture very far below that level. My idea was to sample and survey the New Zealand shaft and see if there was any encouragement to prospect that ground. There is rich ore on the surface just south of the New Zealand shaft and the showing on the Silver Tip is good as far as the leases have gone. These two showings only indicate surface pockets, taken by themselves, and unless there is something encouraging in the New Zealand lower workings the prospect of driving the Eagles 4th. level the 320 ft. necessary to connect with the New Zealand shaft is not as encouraging as some other prospects on our ground. Owing to the rotten condition of the New Zealand shaft I have let the matter drop. I went through the Isabella mine and they have a drift on their II th. level which is said to go through our Hidden Treasure ground on the Cheyenne vein. Mr. Campbell the Supt. says that no ore was encountered and I saw nothing to indicate to the contrary.

FAVORITE:

I have repeatedly heard a rumor that ore thieves are at work in the Eagles mine and have every reason to believe that some ore is being stolen. Thinking that they might be using the Favorite Shaft as a road to the Eagles 4th. level, I made an examination of the Favorite Shaft and uprising. I think it extremely improbable that anyone is packing ore up the Favorite shaft for between the 3rd. & 4th. levels there is a
place where all the rounds are gone from one ladder and six from the next and the cribbing is so rotten that it cracks with a man’s weight. I noticed that the Favorite ore chute pitches farther and farther north as one goes down the shaft. On consulting the maps it appears evident that the Logan 5th. (or Eagles 8th.) was not driven north far enough to catch this chute if it comes down that far. The Favorite is credited with a production of $75,000.00 so this chute is worth going after. For the present the dirt from development work could be stowed away in some old drift, to save tramming, and if the work is done by single jackers, a very small drift can be made.

WAR EAGLE:

The War Eagle leases have cut down a few more of our trees. They have ore in sight in only one place now (Mar. 6) and that is the south chamber shown in my rough sketch of last month.

The Leases are putting a crib in the big chamber. This is a clumsy way to timber but it will do pretty well in this case.

From the bottom of the winze a drift has been run on the vein in both directions on the main mad vein. The work is very poor the drifts are low and out of level and the north one has been left half-full of dirt.

From the end of the south one a short crosscut west has cut another vein and a small body of ore on the contact was extracted. The country here was very broken and the vein was lost.

Down hill to the south-south-east of the main shaft is a little windlass shaft 36 ft. deep and another little body of ore on the crossing of a vein and contact was found and extracted. This makes four veins which have made ore at the contact.

It is well to recall that we own a lot of this contact a little further east.
On the 500 ft. level of the new shaft two little cross veins have been developed in the past month. They come into the main vein system at the junction of the main vein and the Lillie basalt dike. This junction is where the stope on the main vein occurs. This stope has been carried up 70 ft. high and 50 ft. wide and 4 ft. thick and is remarkably well timbered for lessee work.

FERGUSON LEASE:

This Lease expires March 20th, and I did not examine it.

ABE LINCOLN:

The Abe Lincoln is looking better this month than last. As usual, the ore discoveries have been simply pockets but we are taking ore from three places now and each one gives promise of some continuance while last month at this time the only ore in sight promised to be short lived and lived up to its promise.

I would advise putting this mine entirely on the tribute system. I think it would be poor policy to lease this mine, equipment and all, to a leasing company. The tribute system gives us complete control of the property and if any ore is discovered which extends beyond the limits of the small leasing blocks customary to this system, it would give us a show to get some ore in sight. I have already set forth the many advantages of this system from my standpoint of enforced ignorance and will not repeat them here. I went through most of the old workings this month and find there is considerable ore in small streaks which a tributary would skin out and pay royalty on. There are also dozens of prospects which, I am sure, tributaries would work on. I would think this was a good opportunity to give the scheme a six months trial, at any rate.

In going through the old workings I find that very extensive stopes occurred on the Abe Lincoln dike and I notice that this dike has been drifted on very little on our 500 ft. level. It has been cresscut in 3 places, one of which struck ore.
This is the place where I discovered ore on the wall from which our Mr. Mehloud got 185 tons. I think this dike promises well for further prospecting on 500.

The months developments are as follows:

840 ft. level:

At a place on the Lillie vein where a little values occurred a stope was started and 55 fathoms have been removed and there is some ore left. The stope is 3 ft. wide and the shipments average $30.00. (about 1/3 is shipped)

On the Abe Lincoln dike there is a split going off into the east wall 80 ft. south of the main crosscut. Mr. Mehloud is going to follow this, it gives some promise. He is also at work on the south Breast of this stope where there is a little ore in sight. The little ore developed in the N. E. vein was removed and this month the drift is started east again along this dike. In about 100 ft. we will enter the C. O.D. ground and I think it is about 100 ft. across C. O. D. ground into our own again. Mr. Burbridge of the C. O. D. says he will grant us right of way and a lease of everything we get, 25 ft. high, if we want to continue this work east through his ground. Now I am strongly of the opinion that this is the same dike which made the extremely rich ore in the Gold Pass and it is not a bad prospect to follow it east under the Gold Pass ground. It would, however, be a long run to get under the Gold Pass ore chute.

500 ft. Level:

The Abe Lincoln dike was cut in the southern part of our workings by an old crosscut and Mr. Mehloud got a few assays here so he commenced developments and got a nice little bunch of ore and there is still ore in the roof. He drifted 62 ft. and crosscut 18 ft. finding some values the entire length of the drift.

A drift was run south on the Trilby dike to its junction with the Lillie and the latter is now being followed under the ore on the 840 ft. level. This is a good prospect.
Supt. McCloud seems to me to be a very conscientious and able mine foreman.

THE CALLIE:

The leasees have replaced the broken timbers in the shaft in good shape. They have carried the stope north of the tunnel up 45 ft. There is apparently a little chimney of ore there. There is still ore in the back (roof). They are drifting south but the showing is poor.