

The Market and The Mines

It remains to be seen whether the discovery of ore in the Sioux Consolidated and the Iron Blossom will alienate the affections of the stock speculator and drag these properties down to the level of mere dividend payers. After the comment on the Tintic situation was written last week, the shaft of the Sioux broke into a bed of silver-lead carbonates carrying minor values in gold and a heavy excess of scandal. When the news of the strike was confirmed a mighty roar went up from the large contingent that had been induced to sell Sioux by the rising prices and the official assurances of "no ore in sight." The storm of indignation beat with particular fury upon Manager A. N. Holdaway, the original discoverer of no-ore, but there was plenty of wrath left for the higher-ups—President Reed Smoot and Director E. C. Loose. It was charged by the stung that the management of the company knew of the strike before the stock started upward and deliberately misrepresented conditions to induce ignorant stockholders to sell.

The history of the market affords prima facie evidence that someone knew of the impending strike when the stock boom started. To ask us to believe that the sudden and sustained demand for Sioux shares grew out of nothing and that the ore find was simply a coincidence, is to overtax our credulity. The incident of the broken compressor was another significant circumstance. The alleged accident to the machinery delayed by at least twenty-four hours the publication of the strike news, and in those hours thousands of shares of stock were gathered in with a regularity which suggested an overruling intelligence rather than a fortuitous concurrence of "hunches."

If the case of the Sioux strike is not to go down among the unsolved mysteries of history it must be investigated according to the accepted rules of evidence. The theory of a "revelation," which has been suggested, deserves no consideration—first, because revelations have been adjudged irrelevant in mundane affairs; second, because President Smoot was getting his from one Mr. La Follette at Washington when the Sioux scandal was incubating; and, third, because Manager Holdaway and Director Loose are not qualified as mediums for revelations. No, the earliest information of the Sioux ore body came from below, not from above. Something—an isolated handful of ore among the lime or an almost invisible seam of yellow in a crack of the country rock—told someone that the shaft was nearing ore, and this recipient of nature's secret hastened to cash it in the stock market.

The key to the enigma is concealed in the safes of the brokerage firms. If the orders upon which the early purchases of Sioux were made could be examined the truth would come out. The brokers know who the insiders were. The insiders themselves know. Is it expecting too much to hope that someone will turn state's evidence? It is an unpleasant accusation to rest under—this charge of betraying confiding stockholders and using a position of trust for selfish ends. If the Sioux officials are innocent they are deserving of sympathy and they are entitled to the presumption of innocence until the gutt is brought home to them. It should be remembered that the executive officers of a mine do not always know everything that is happening in the property. More than one mining magnate in this western country got his start while working as a miner for day's pay, because he saw things

that the boss overlooked, or drew conclusions that did not occur to his superiors. If the buying orders for Sioux came from the miners of Tintic and their friends, Messrs. Holdaway, Loose and Smoot should be acquitted.

Iron Blossom has also come into ore, if the reports from Tintic are to be credited, but no outraged ex-stockholders are hurling imprecations at the heads of the management. In the first place, Iron Blossom hardly has enough ore to hurt, and in the second place, it is the evidence afforded by Sioux that the Colorado ledge is making toward Iron Blossom, rather than the actual showing on the latter property, that accounts for its popularity. From no source has there been an intimation that the Iron Blossom management has made a dollar in speculation from its inside knowledge. Carisa, Utah Con. and other companies owning ground near the Sioux and south of the Colorado have profited to some extent from sympathetic advances, but the public still shows a profound distrust of developed mines that have been tried and found guilty of having ore reserves in their possession. Colorado has actually receded and May Day has been at a standstill during the liveliest weeks that the local mining exchange has ever known.

We can no longer close our eyes to the fact that a boom is upon us. The sale of a million and a half shares of stock for nearly a million dollars in the first week of June proves it. Naturally, everyone is surprised. Three weeks ago the most hardened optimist did not believe that the mining situation contained the "makings" of a boom. Who could have been expected to know that the grouchy citizen standing on the street corner with his hands in his pockets, complaining of the hard times, had both those pockets full of money and was fairly aching for a chance to pick a winner on 'change the moment the market offered him some red and green fireworks?

Had the talent even suspected that the public was in a speculating mood, the fireworks would have been provided long ago. With nothing better to start them the gang would have utilized Emma Copper and Little Chief. Verily, there is no reliable method of gauging the moods and tenses of old Vox Populi!

The worst of it is that these folks who are plunging into the vortex of the boom take no heed of real values, estimated production or the probability of dividends. Twelve out of every dozen of them think only of buying while stocks are on the up grade, and of unloading at the top. The whole market is suffering from brainstorm. The real investor is out of it. He is not unwilling to buy, but he is waiting for the rich pickings that will come when the summit is crossed and the stocks start down the other side of the hill; or, if he buys at all, he takes advantage of the low prices that still obtain for the old and reliable producing mines. It is a safe course for the conservative man, but he misses lots of fun, doesn't he? Judging by the appearance of the game at this moment, the boom is booked for a long engagement—all summer, perhaps. When the possibilities of Sioux Consolidated and Iron Blossom are exhausted, new favorites will be taken up and extolled with the same irrational enthusiasm until the fiesta is over and the guests under the table.

If the market were in a logical and calculating frame of mind, the news from Park City that the Daly-West has begun the augmentation of its working force and entered upon an active campaign would be given due weight. Few mines in this state can make a better showing than the Daly West, when conditions are favorable, and the outlook for its progress during the coming year is all to the good.

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