

UNDA AS A COMPETITOR

Testimony of One Who Has Made the Subject a Close Study.

THE BIG WHITNEY SYNDICATE

With Its Facilities for Cheap Transportation and Its Large Accessible Deposits It Can Radically Cut Into Our Seaboard Market

The commercial editor of the Baltimore American, William M. Byrne, was recently commissioned by that enterprising newspaper to make a thorough investigation of the bituminous coal mining industry, present and prospective in Nova Scotia, especially bearing in mind the locality and proximity of the coal industry of Pennsylvania, Maryland, and the Virginia. In a letter dated at Sydney, Cape Breton, Mr. Byrne writes: "The most formidable competitor of the Georges Creek, Elk Garden, Pocahontas and Clearfield coal regions of the United States is undoubtedly the Dominion coal company [Lethbridge] of Cape Breton, especially since the mines it controls passed into the possession of the syndicate of American and Canadian owners led by Henry M. Whitney, of Boston, brother of the ex-Secretary of the Navy, William C. Whitney. This combine and their friends are pushing their trade with a vigor and energy unequalled by any other in the country. United States and they tried hard to secure the admission of their coal into the manufacturing districts of the United States free of duty. They have been shipping it in limited quantities, to be sure—down the coast as far as Boston and paying a duty of 75 cents a ton; and it would be only fair to suppose they will largely increase such rates now that the duty is only 40 cents a ton."

Can Compete Even Now.

They have an enormous field of bituminous or soft coal suitable for making coke, gas, and generating steam for mills, factories, and marine boilers as well as for domestic use in grates and stoves. With good harbors—sheltered, having deep water, their own railroads leading to mines, of which there are more than forty miles of track, and a large fleet of steam vessels—the coal producers, railroads and vessel owners of the coal regions like Cumberland, Elk Garden and Pocahontas must hereafter take this region into very serious consideration as a competitor, for there is no doubt in the world that the users of coal will not fail to consider the offers from a new field that was almost able to compete at 75 cents a ton due to their disadvantage when it has been reduced to 40 cents.

It is very remarkable that the coal men of this region do not speak of the consumer paying the duty. They say they pay the duty of 40 cents of 75 cents, just as Senator Camden says that the Monongah mines, near Fairmont, W. Va., pay the 60 cents duty charged by Canada upon the coal he sends into the Dominion across Lake Erie.

The Giant of Them All.

The Dominion Coal company (Limited) was incorporated by act of the legislature of Nova Scotia on Feb. 1, 1883, with an authorized capital of \$18,000,000, of which \$16,500,000 common, and \$1,500,000 preferred have been issued. The authorized bond indebtedness is \$3,000,000 first mortgage bonds, bearing six per cent.; \$1,000,000 second mortgage bonds, bearing seven per cent.

The president is Harry M. Whitney, of 95 Milk street, Boston, and he is a brother of Hon. William C. Whitney, late secretary of the navy. The Canadian office is at Glace Bay, Cape Breton, Nova Scotia. David McKenney, member of Parliament, is resident manager. Messrs. Kingman Brown & Co., 14 Place Royal, Montreal, and M. R. Moreau, 10 Bedford Row, Halifax, are the Canadian selling agents.

The company was formed to carry on the business of mining, transporting and selling bituminous coal from Cape Breton, Nova Scotia. It operates under a lease which gives a tenure of its mining property of ninety-nine years, the royalty to the Nova Scotia government for the whole period being fixed at a maximum of twelve cents per ton, with a minimum gross amount for each year to be paid on at least as many tons as were sold in 1891 from all the mines owned by the company.

Up to the first of March, 1894, the company had acquired an area of some seventy square miles of coal lands in Cape Breton, and owns the following collieries: Caledonia (formerly the property of the Caledonia Coal and Railway company, Limited); International (formerly owned by the International Coal company, Limited); Gardiner (formerly owned by Burchell Bros., Sydney); Glace Bay (formerly owned by the Glace Bay Mining company, Limited); Lingan (formerly owned by the Sydney and Lonsdale Coal and Railway company, Limited); Old Bridgeport (formerly owned by the International Coal company, Limited); Gowrie (formerly owned by the Gowrie Coal Mining company, Limited); Victoria (formerly owned by the Low Point, Barnsford and Lingan Mining company, Limited); the Ontario colliery, the St. John, Moncton, and other coal areas, steamers, lines of railway, etc. These lands extend from Glace Bay to Sydney Harbor along the northeastern end of Cape Breton.

Owns Its Own Railroad.

The company was organized on February 15, 1883. Since then all the properties then held under option have been acquired and paid for in full. The report of the directors to December 31, 1893, shows that about \$20,000 were expended in the construction of the railroad built from Lethbridge to Lethbridge, 150 miles, for \$150,000 for discharging plants and for mining machinery, and about \$100,000 for barges and tugs. The total quantity of coal mined was \$34,019 tons, exclusive of the output of the Victoria mine, which, by the terms of the option, was not to be delivered until the season for mining and shipping was ended, but will be included in the present year's business. The shipments of coal from the mines under the control of the company for the year 1893 showed an increase of about \$9,000 tons over the preceding year, with prospects for a very large increase in the year 1894, and so far this promise has been more than fulfilled.

The company is to be expanded as expected to be completed by Jan. 1, and then the company will have a line of railway from Sydney to Lethbridge, a distance of forty miles, and after drawing off the output of every mine discharging from its wharves and coal piers to one of the finest harbors in the world for shelter and depth, and a port that is never closed by ice.

Does a Profitable Business.

The financial statement of the company for the year 1893 shows that its net cost of coal, per ton, was \$1,350.44, for which it can be obtained net cost of mining, railway, transportation, royalty, etc. \$29,273.52, with agency and general office expenses, interest provision for bad debts, etc., \$29,652.71, to which must be added profits on steamships, barges and railway, \$163,267.95. From this was deducted its profit and loss for the year, \$167,983.44, for office furniture, \$3,160.19, 10 per cent off for cost of tugs, barges and equipment, \$8,343.42; 10 per cent. of discharging plant in Montreal, \$6,328.77; 33 per cent. (Sydney hotel investment), \$2,500; total, \$87,732.12, leaving net profit after working expenses \$246,709.44. From that was deducted dividends on preferred stock, \$10,000; and \$10,000 in payment of mortgages bonds, Sept. 1, 1893, \$45,000; accrued interest bonds to Jan. 1, 1894, \$30,000; sinking fund, \$14,731.56, making \$194,731.99, leaving \$51,977.48 to be carried forward to credit profit and loss. If full year's charges were deducted from net profits, the amount car-

ried forward to profit and loss would have been \$21,077.48.

Capital stock, \$100,000; reserve, \$100,000; 15,000 preferred, par \$100; \$16,500,000, or about \$120 per capita for all the people of the United States; \$1,500,000; sinking fund, \$14,731.56; balance profit carried forward, \$51,977.48; total, \$18,154,063.85; \$21,977.48 for division on \$10,000,000 stock.

The Company's Collieries.

The Caledonia mine is one mile from the Glace Bay. Persons were originally above ground and worked in shafts in 1883, 169,041 tons. Phalen seam of 7 feet worked; dip averages one foot in ten; vertical depth of shaft, 185 feet; length of slope, 1,600 feet; system of working, pillar and borg; ventilation by Murphy fan, 1,236 feet, running at 120 revolutions per minute, and giving 100,000 cubic feet per minute; 100,000 tons; coal heading machines, two (Stanley).

The Glace Bay colliery is fourteen miles from the town of Sydney and one-half mile from Glace Bay Harbor, front which shipments were made. Persons employed, 343; total coal raised, 1893, 128,318 tons; Harbor seam, 6 feet; dip averages one foot in ten; vertical depth of shaft, 185 feet; length of slope, 1,600 feet; system of working, pillar and borg; ventilation by Murphy fan, 1,236 feet, running at 120 revolutions per minute, and giving 100,000 cubic feet per minute; 100,000 tons; coal heading machines, two (Stanley).

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