

W. I'd say that generally a district is very much better off not to have any normal boom. A decent interest or a widespread interest can be shown in a town, together with the investment of money, without a boom and its evil effects.

Mr. HAMILTON. Are there any other points that you want to bring out, Mr. Billings?

Mr. BILLINGS. No, sir; except that there are quite a few here who perhaps can give you some points I have overlooked, even if you don't happen to notice them.

Mr. HAMILTON. I have no doubt but that all the gentlemen here have some experiences in the past they would like to relate to us.

Mr. BILLINGS. I would suggest first, as a representative of the lead and silver interests here, that you call upon Mr. Maxcy, and of the gold interest Messrs. Moore, Phelps, and Dimmick, and of the composite ores—base ores—Mr. Wishon and Mr. Gibson.

Mr. HAMILTON. All right. Thank you very much, Mr. Billings.

I want everyone to realize that these hearings are being held for the benefit of the mining men, to give them an opportunity to recite the facts and conditions under which they have operated; and everyone at the hearings is perfectly welcome to record anything that he desires to place in the record. The scope of the hearing is large and broad, and the aim of the commission is to find out, if possible, any angles touching upon the mining industry where it can aid either by active legislation or direct legislation or by moral suasion in benefiting the industry in any way. So I feel it is an opportunity for the mining men to give their assistance in presenting whatever difficulties they may have had or may be having at the present time, no matter whether it is operation, whether it is in the acquirement of lands or whether it is in land conflicts or whether it is because of the interference of any other Government agency, or whatever the cause may be. And I believe that instead of keeping some of our grievances to ourselves, as a miner is prone to do, if we did recite and bring out into the open what experience we have had in the past, by throwing the light of day upon those experiences, something might be accomplished. The miner, as a rule, is an individualist, and he is willing to take his chances. If he loses, he is a good loser; if he wins, he is a good winner. But I believe there is much that can be done by cooperative effort on the part of the industry, and it is necessary for the individual to partake of cooperative methods in order to combat the other interests which are working along those lines. One of the reasons the mining industry has not held its own with other industries is because of the fact no publicity is given to their operations; no active, cooperative, and joint effort is made to accomplish anything for the industry, or to combat the encroachment of other industries upon the field of mining. It has all been individual effort, to a large extent. So, if we can, through these hearings, build up a feeling of the individual having an interest in everything that goes on in the industry, I believe that a good deal will be accomplished.

I did not intend to start out to lecture you as to what the mining industry should be, but when we get together informally this way an exchange of ideas sort of comes is a good thing.

Mr. Maxcy, will you take the chair and give, for the benefit of the record, your name and your connections?

#### STATEMENT OF MR. CHARLES H. MAXCY, TREASURER SIGNAL MINES CO., KINGMAN, ARIZ.

Mr. MAXCY. Charles H. Maxcy, treasurer of the Signal Mines Co., Kingman, Ariz. I don't know just what I can say. Our troubles are high cost of production, and that is labor, supplies, and freight.

Mr. HAMILTON. How long have you been operating, Mr. Maxcy?

Mr. MAXCY. About two years here.

Mr. HAMILTON. And previous to that time, Mr. Maxcy, how long had the mine that you reopened been closed down?

Mr. MAXCY. Well, the mine was worked years ago, the old McCracken mine.

Mr. HAMILTON. It had not been worked for many years until you reopened it?

Mr. MAXCY. I guess 30 years; I don't know just how long.

Mr. HAMILTON. What is the nature of the ores that you are treating at your place?

Mr. MAXCY. It is silver-lead.

Mr. HAMILTON. And you are recovering the silver-lead values by flotation?

Mr. MAXCY. Yes, sir.

Mr. HAMILTON. To what points do you ship your concentrates?

Mr. MAXCY. To Midvale.

Mr. HAMILTON. Could you give a brief outline of the methods of mining and the treatment of your ores, and the marketing of them, Mr. Maxcy? In other words, just go roughly through the flow sheet of your operations?

Mr. MAXCY. We bring the ore into the mill, and it is crushed and then put through a rod mill and then through the flotation plant.

Mr. HAMILTON. Is the mine opened through a tunnel or a shaft?

Mr. MAXCY. Both a tunnel and a shaft, but principally by a tunnel.

Mr. HAMILTON. How many men are employed in the operations?

Mr. MAXCY. Oh, about 40, when we are running.

Mr. HAMILTON. Do you have any difficulty in getting a labor supply?

Mr. MAXCY. Yes; we have had more or less trouble.

Mr. HAMILTON. How far are you from the railroad?

Mr. MAXCY. Forty miles.

Mr. HAMILTON. What, in general, are your costs of operation at the present time?

Mr. MAXCY. Our mining and milling costs have been in the neighborhood of \$5 a ton.

Mr. HAMILTON. That is your mining and milling, or just the mining costs?

Mr. MAXCY. Mining and milling.

Mr. HAMILTON. What hauling rates do you have to pay?

Mr. MAXCY. The cost of hauling from the mine to the railroad is \$8 a ton—that is, concentrates.

Mr. HAMILTON. Is that contracted or do you do your own hauling, Mr. Maxcy?

Mr. MAXCY. We contract it.

Mr. HAMILTON. Is there any other market for your concentrates other than the Midvale plant?

Mr. MAXCY. Yes; El Paso and Selby either take them.

Mr. HAMILTON. How do the smelter rates compare as between those different plants?

Mr. MAXCY. They are about the same. They are different propositions. We have made a contract with the United States Smelting Co. at Midvale. We got a little better contract from them than we were offered by the others.

Mr. HAMILTON. How do the distances between the smelters compare—that is, between the property and the different smelters you deal with?

Mr. MAXCY. You mean the hauling figures?

Mr. HAMILTON. The freight rate.

Mr. MAXCY. I think the freight rates to Midvale and to El Paso are the same.

Mr. HAMILTON. And how does the distance compare?

Mr. MAXCY. I think it is practically the same.

Mr. HAMILTON. Do you recall the rate per ton?

Mr. MAXCY. A new rate went into effect last month, of \$13.30, and I think that rate was met by the roads going into El Paso.

Mr. HAMILTON. Have you ever estimated or figured the percentage of the value that was paid to you by the smelter?—in other words, the percentage of return of the assay value of the ore?

Mr. MAXCY. The lead is usually paying about 10 per cent.

Mr. HAMILTON. What I mean by my question is: If you have an ore that would return \$75 or \$100 as a concentrate, what percentage of that \$100, say, the value of your concentrates, would you receive from the smelter?

Mr. MAXCY. I understand if our ore was \$75 ore, we would have to deduct our freights from that.

Mr. HAMILTON. Yes.

Mr. MAXCY. But we labor under a little disadvantage in shipping concentrates. We have to mine from 15 to 30 tons of ore to produce 1 ton of concentrates, and the railroads make no difference between shipping green ore or concentrates.

Mr. HAMILTON. Has that point ever been taken up with the railroads, Mr. Maxcy?

Mr. MAXCY. We have tried to take it up with them. We got a concession in shipping to Canada, eastern coast. We could ship from Canada into New York. They gave us a rate there on concentrates; gave us a less rate than they would charge on the green ore of the same value.

Mr. HAMILTON. I understand you have a railroad commission or public service commission in Arizona?

Mr. MAXCY. Yes; I suppose they have. We have never struck them yet.

Mr. HAMILTON. I understand they are in every way endeavoring to assist the lowering of freight rates.

Mr. MAXCY. Yes. We have been taking that up with the Santa Fe the last few weeks, but I don't know how far we will get with it.

Mr. HAMILTON. What wages are paid at the mine, Mr. Maxcy?

Mr. MAXCY. We are paying about \$5.50 for miners—\$5.50 to \$6; \$4.50 to \$5 for common labor.

Mr. HAMILTON. Is there any shortage of trained or experienced miners at this time?

Mr. MAXCY. Miners have been rather scarce with us lately.

Mr. HAMILTON. What, as a rule, is the nationality of the miners?

Mr. MAXCY. We have a few Mexicans, but mostly Americans.

Mr. HAMILTON. Does the area in which you are operating give promise of a large development of ore reserves?

Mr. MAXCY. We have a pretty good sized body of ore developed, and some of our neighbors want to bring ore to us to be treated, and we have told them we could if we could agree on the right basis.

Mr. HAMILTON. How many other properties are being developed in your section?

Mr. MAXCY. Offhand, I would say five or six, but there may be more.

Mr. HAMILTON. Are they all lead-silver properties?

Mr. MAXCY. Most of them are lead-silver properties; maybe one of two copper properties are being developed there also.

Mr. HAMILTON. What, in general, is the size of those operations?

Mr. MAXCY. They are pretty small, I take it, at the present. I am not very familiar with it. There are quite a number of prospects between us and the Bill Williams River.

Mr. HAMILTON. Has the opening up of your property in the last year or two increased the amount of prospecting and development in that area?

Mr. MAXCY. I think it has, but I don't know whether they would have developed if we had not opened up.

Mr. HAMILTON. What percentage of the value of your ore consists of silver—in other words—

Mr. MAXCY (interposing). Why, I should say about 2 to 3.

Mr. HAMILTON. Were you operating at any time during the—or milling during the operation of the Pittman Act?

Mr. MAXCY. Yes; for a short time.

Mr. HAMILTON. Did you have any difficulties in adjustments at the time the Pittman Act was closed?

Mr. MAXCY. No; they just stopped paying us the amounts; that is the only difficulty.

Mr. HAMILTON. Was any of your silver ore tendered to the smelters that was not received?

Mr. MAXCY. No; we had in the affidavits of all of our cars. Several moved after the Pittman Act stopped. I don't know whether it will amount to anything or not.

Mr. HAMILTON. What is the capacity of your plant, Mr. Maxcy?

Mr. MAXCY. About 150 tons a day—that is, flotation.

Mr. HAMILTON. One hundred and fifty tons of crude ore you mine?

Mr. MAXCY. Yes.

Mr. HAMILTON. What power is used?

Mr. MAXCY. We use the "Y" Fairbanks Morse hot head type of engine.

Mr. HAMILTON. Has there been any reduction of freight rates?

Mr. MAXCY. Yes; \$1.20.

Mr. HAMILTON. And when was that in effect?

Mr. MAXCY. It became effective either the latter part of February or the 1st of March.

Mr. HAMILTON. That is upon your concentrates shipped to Midvale?

Mr. MAXCY. Yucca to Midvale; yes, sir.

Mr. HAMILTON. What do you pay for lumber or mine timber?

Mr. MAXCY. Pretty nearly \$75 a thousand by the time it reaches us.

Mr. HAMILTON. At the mine?

Mr. MAXCY. Yes. Right in that neighborhood.

Mr. HAMILTON. Is that timber purchased in the Los Angeles district. Mr. Maxcy?

Mr. MAXCY. We generally get it here in Kingman. It comes from Los Angeles.

Mr. HAMILTON. You buy your lumber locally?

Mr. MAXCY. Yes; we buy it in small lots.

Mr. HAMILTON. Have you any other difficulties of any kind, any other obstacles to contend with other than the high cost of materials and labor?

Mr. MAXCY. The high cost of materials, labor, and freight is the principal thing with us. Of course, we have a long truck haul.

Mr. HAMILTON. Is there any opportunity for the development of methods whereby you could improve the extraction of values from the ores? I mean something that would be—

Mr. MAXCY (interposing). Of course, they are working at that all of the time. I don't know just—

Mr. HAMILTON. But nothing that would make a radical change in your operations?

Mr. MAXCY. I don't think so; I don't know of anything just now. We are putting in a chlorination plant to treat some of our ores—a certain class of them. We haven't run on them; we have only the tests that have been made elsewhere.

Mr. HAMILTON. You feel that under the present conditions you can operate at a profit?

Mr. MAXCY. Yes; upon certain grades of ore.

Mr. HAMILTON. Are there any considerable tonnages of ore that you have developed that are not—that it is not possible to treat at a profit to-day?

Mr. MAXCY. Yes; we have quite a body of ore; that is what we are putting in the chlorination process for, to treat that particular ore.

Mr. HAMILTON. Have you any figures to show whether the tendency of you costs is down or up?

Mr. MAXCY. No; I have not those figures with me. They are running pretty even; they have in the last few months that we have run.

Mr. HAMILTON. That is, you have not noted any material changes in the costs of any of the commodities that you use?

Mr. MAXCY. Most of our commodities are pretty nearly just about the same.

Mr. HAMILTON. Have you any other points that you want to bring out, Mr. Maxcy?

Mr. MAXCY. No, sir; not that I know of.

Mr. HAMILTON. All right. I thank you very much.

Mr. HAMILTON. Mr. Phelps will you come forward, please? Will you give your name and connection for the record?

# STATEMENT OF MR. W. B. PHELPS, SUPERINTENDENT TOM REED GOLD MINES CO., OATMAN, ARIZ.

Mr. PHELPS. W. B. Phelps, superintendent of the Tom Reed Gold Mines Co., Oatman, Ariz.

Mr. HAMILTON. Could you give us, Mr. Phelps, a brief outline or history of the operations of the Tom Reed; when they started and—

Mr. MAXCY (interposing). The operations started in rather a small way. It was one of those mines that was built up, and we have produced approximately between twelve and thirteen millions of dollars. I think about one-third to one-fourth would represent profit paid in dividends to the stockholders. We have had a number of mills. The mills were changed, due to improvements mainly. We now have a 300-ton cyanide plant which we are not operating to full capacity. We are treating approximately 150 tons of ore at the present time and we are making a profit.

Mr. HAMILTON. Is the curtailment of your tonnage due to the necessity of treating a higher grade ore than in the past, or is it due to ore reserves?

Mr. PHELPS. No; it is due to a depletion of our ore reserves. I was just talking that over with Mr. Moore before you called me. Our ore either runs good or it is a way below grade, with the exception of a small tonnage. We are approximately at the end of our ore reserves, and we figure we will discontinue our operations about the 1st of June. What we are mining now is the remains of ore bodies—pillars. We are practically just robbing the mine of the pillars at the present time.

I asked Mr. Moore if he could extend the life of his mine to any appreciable extent if we should receive an increase in the price of gold. He will tell you