

Start Placer Mining Operations at Milnet, Near Sudbury

Sees Promise of Reviving in charge of the work at Milnet and and Sault Ste. Marie. Old Town Near Capreol.

Capreol, July 26-The ghost town of Milnet on the C.N.R. mainline, 34 miles north of Sudbury and 12 miles from Capreol, that once echoed to the logging industry, may become Ontario's only major placer mining centre.

Rich Samples

The main street, between the empty weatherbeaten shacks which make the town of today, is being patched with sand and gravel from test pits sunk along the banks of the Vermilion River, from which samples have been taken assaying from 45 cents to \$2 per cubic yard in gold. Costs in the operation are expected to be no higher than 15 cents per cubic yard.

The writer was met at an empty shack which is the present headquarters, by A. Maclean Moffat, a tall suntanned middle-aged man in a white sun hat and breeches. He showed his guests around the preliminary work, of which he is in charge, but until such times as more work is done he would make no prediction on the scope of the

operations. However, within a few weeks, it was learned, the campany hopes to be producing with an excavator capable of 1,000 cubic yards per day. Even preliminary operations have given employment to about 40 men and brought hopes of eventual prosperity to the district. In addition to the Milnet operations, exploration and sampling is going on opposite Milnet, on the other side of the river, while further work is being done at Meteor Lake, 25 miles

north of Capreol. Known for Years

Gold has been known to exist in the gravels of the lakes and rivers of the district for many years, and attempts were made in the '90's and as late as 1926 and 1927 to recover it commercially but mining methods at that time were such that ordinary sluice methods of recovery were ineffective. Since then developments have been made so that with the values as high as they are said erected a steam-driven plant between centrates will be sent away. Onaping and Meteor Lake using the old-fashion and ineffective sluice process with water pumped from the lake. The gold recovered in samples so far has been so fine, Mr. Moffat said, that loosely packed. this old method would be useless.

In 1896 a report upon the area was made by A. P. Coleman, for the Dominion Department of Mines who opined that the gold-bearing gravel of the Vermilion and Onaping rivers was, reached. brought great great distance by glacial action and then rearranged by work of rivers and lakes.

Working with Mr. Moffat, is Mayor Coyne and W. Read, of Capreol, and O. M. Trano, a director of Onwatin Placer Mining Syndicate, incorporated under Act with a capital of \$35,000.



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This company has several claims in the Meteor-Onwatin area and for several months has been putting down test shafts such as Mr. Moffat has been doing at Milnet.

A. Maclean Moffat, who visited the district three years ago, and who is and possibly Fort William, Port Arthur also at Norman Beach, north of Capre- Gypsum would be used mainly in a ol, pointed down the river and stated calcined form for manufacture of hardthree and a half miles down the bank and as a flux with galena and certain of the river, and that shafts had been nickel ores. sunk at intervals and samples taken with excellent results.

and we think bears commercial gold. We have 2,700 acres staked and 36 square miles leased," he explained.

"The Meteor Lake Mining Syndicate | Figuring production costs and freight is also working at Norman Beach, just out of Capreol, where several years ago operators spent some \$35,000 in develop- and when the T. & N. O. Railway were ment work," he added.

man Lake property we've been working bec mining field. everyday since February 20.'

tent. "We have cleared a path 50 feet donia wide back into the bush for several hundred yards and have sunk our 12foot shafts at intervals of 100 feet and the river," he said.

Mr. Moffat said that soon he hopes to have two power boats on the river to ferry men and ore across the river from the clearing to a dock now being repaired at the foot of stairs down the steep bank.

A gasoline shovel that will be capable of lifting 1,000 yards per day is exwill be transported avross the river to French River itself. this spot by boat.

This excavator is expected to feed a Fahrenwald Flotation Machine, devised for the recovery of fine placer gold, by Dr. Fahrenwald, formerly chief of the mines department at Washington State College, Pullman, Washington. It includes a system of trommels and screens for scrubbing, washing and screening down to 60-mesh, and the to be, recovery will be profitable. In residue is then passed through pigs and 1898, the Onaping Gold Mining Co. a patent impact amalgamator. Con-

taking ti. sand and gravel and treating the ground also failed. it would run about 15 cents per yard low as 61/2 cents per yard have been

Preduction of \$682,851 in Six Months at Davidson

Young Davidson Mines, Matachewan district, being operated under Part No. 1 of the Ontario Companies' the direction of Hollinger Consolidated Gold Mines, reported production of \$682,851 in the six months ended June 30, compared with \$596,759 in the same period of 1938, an increase of \$86,082.

In the period 187,199 tons of ore were milled, a daily average of 959 tons, or a total increase of 13,570 tons over the comparable period of last year. The average recovery was \$3.65 in 1904 and of the Moose River deposits per ton against \$3.42.

ground development program, cost of which is being charged to current expenses for the period were a little higher at \$474,812, or \$2.53 a ton, against 417,848, or 2.40 a ton. However, increased production was more than able to take care of the \$56,964 at \$208,040 was \$29,128 greater than the \$178,912 reported for the first six months of 1938.

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TIMMINS

Moose River Gypsum Co., to Start Work

(Continued from Page One)

Meet Competition

Since gypsum is a low-priced product "This is all sand and gravel deposit the Northern Ontario deposits would have to meet the competition of the Caledonia field in Haldimand county of Southern Ontario.

rates, the Ontario Department of Mines as long ago as 1929 established that "if Northern Ontario gypsum could under- Canada to Create "We sank a total of 30 shafts and are Northern Ontario gypsum could undertaking between 50 and 60 samples sell the Caledonia product in all T. & daily," Moffat stated. "We've been N. O. line towns, North Bay, Sudbury, working at the Milnet properties here, Sault Ste. Marie, Port Arthur and Fort for about two weeks, while at the Nor- | William and in the Northwestern Que-

Gypsum can be shoveled out of the Mr. Moffat indicated a clearing in the Northern Ontario field, while underbrush across the lake where stood a ground mining is necessary at Cale-

New uses for gypsum are continually being found in the building and construction industry, while in its crude samples are as good as on this side of form, the mineral can be used as a fertilizer, a retarder for concrete and as a flux with certain nickel cres.

First survey of Northern Ontario's gypsum resources was made as early as 1875 by Robert Bell, a geological expert in the employ of the Dominion

He prepared extensive reports on gypsum deposits along the banks of the pected soon. This will be set up on the Moose River, the Cheepash River, the Milnet side of the river within 100 yards | Gypsum Mountain midway between the of the railway station. Sand and gravel French and Abitibi Rivers and on the

Three Exposures

The deposits along the Moose form three series of exposures, one of them two and a half miles in length, and along the Cheepash River, 15 miles north of the occurrence on the Moose, Additional deposits are found along the

Part of the Moose River deposit was staked in 1911 by W. Tees Curran and a party of engineers while en route "Recovery will depend on what shows from Montreal to carry out assessment on mill tests," said Mr. Moffat as he led | work on the islands of Hudson Bay for the reporter to a test pit and lifted a the Ungava Miners and Traders Limhandful of fine sand, which came away ited, a company holding large interests in the Far North. Claims were allowed It was estimated that the costs of to lapse, and a second attempt to hold

But in 1923, according to a report of although extensive operations costs as the Ontario Department of Mines, Curthen awaiting only the arrival of the operations."

At that time the T. & N. O. railhead was at Island Falls, 40 miles south of of the gypsum deposits, and the steel wasn't to be pushed through to Moosonee until 1931 and '32.

The first outcropping of gypsum appears 11 miles below Portage Island, and can be followed down the Moose River for two and a half solid miles. On the southern side of the river, the sypsum is found in two series of ex-

J. M. Bell, a geologist of the Ontario Bureau of Mines, surveyed the field reported: "The cliffs of gypsum on the Because of the extensive under- river banks are often bizarre and grotesque, sometimes appearing as a series of snow-white columns divided by deep caves and caverns.

Geologist Bell found the average thickness of the gypsum bed above water to be 15 feet, but as the deposits extended down below the water line, rise in costs, so that operating profit he was unable to determine their true thickness without drilling.

It was in 1928 that J. Lanning, a geologist of the Canadian Mining Journal, reported that four drill holes had been sunk in the gypsum beds to depths of from 25 to 47 feet without reaching the bottom of the deposit. **********************

The gypsum has been found to be usually granular and finely crystalline and snow-white in colour; but grey, pink, green and brown gypsum is not

On the Cheepash River, a small I stream which flows eastward into the Moose River near the mouth of the Abitibi River, an even better series of gypsum exposures occur. The first is found on the south bank, 16 miles up stream, and runs unbrokenly for more than six miles.

The thickness of the beds as seen above the water line is greater than on the Moose River, the depth running

around 20 feet of sheer gypsum cliffs. The Gypsum Mountain, mid-way between the Abitibi and French Rivers, was surveyed in 1904 by Bell, the Ontario Bureau of Mines geologist, who reported on the Moose River deposits.

The mountain, rising 15 feet above the level of the surrounding country, is more than two miles long and about a mile and a half wide, although its exact measurements have not been de-

Geologist Bell reported that the surface of the mountain is rough and uneven, and contained many deep holes, filled with water, caverns and natural

The gypsum runs deep, judging by the holes seen by Bell, and sheer cliffs 20 feet high rear their snow-white faces up from the muskeg country which surrounds the mountain

Other deposits occur along the banks of the French and Harricanaw Rivers, the beds above water running to a thickness of 10 to 12 feet.

Editor of the High River Times Changes Opinion

A volte face has been taken by Charles Clark, editor of the High River (Alberta) Times. So impressed was he by seeing Their Majesties that he set in verse his new opinion.

I used to think I'd hate to be His Majesty the King And have to go upon parade, while

people shout and sing; To have to change my uniform a dozen

times a day that he has leased the property for well plasters, possibly as a fertilizer And take a scheduled part in ceremon-. ial display.

To have to live in that fierce light that beats upon a throne Hold nothing glamorous for me-I'd

rather live my own. That's how I felt about the King; 'twas natural, I ween.

But I confess I changed my mind the day I saw the Queen.

Powers of Bank of Cash and Credit

Responsible Management of Bank of Canada, Essential.

(By Wellington Jeffers in Globe) Supposing all Canadian depositors in Canadian chartered banks called for their money at once, would the banks be able to meet the call? This question, so often asked and answered by the asker in the negative, was answered in the affirmative by Graham Ford Towers, Governor of the Bank of Canada, when it was put to him in the the House of Commons at Ottawa.

a situation could only arise if all the of the banking system. people of Canada got into an active funk with regard to their deposits and also if they would lose all confidence in was true that at the end of May, 1939, nation-wide run could develop.

pothesis that Canadians might lose Government securities or gold or forconfidence in all of these bonds and eign exchange or any other assets or all loans, could the chartered banks get of these for cash. cash to meet all calls? They could. Of course, to get the note issue to ran and a Mr. R. M. P. Hamilton, of The Bank of Canada has \$205.7 mil- \$2,500 millions, as indicated, would Montreal, carried out all assessment lions in gold in its reserve and can mean the suspension of the minimum work on new claims staked and "were | legally issue notes to four times that | gold reserve. Independent of gold, the amount, or \$882.8 millions. Deducting Bank of Canada is also able to put the \$415.8 millions for total deposit and cash reserve to any figure desired by a note liabilities, it is plain, therefore, straight issue of Government paper. that more than \$400 millions additional As the Governor put it, the sky is legal tender could be issued to the the limit. The deposits under possible banks. If that huge cash increase were powers could be brought from \$2,500 not enough to meet such a run, the millions, as at present, to \$13.2 billions, Government could either buy more gold or suspend the minimum reserve con- "Now, why," asks Jerry McGeer, M.P. dition and permit the issue dollar for "with Parliament creating all that dollar of legal tender until deposits were means to supply such an abundance of paid off. After a year that power money, why is it that cur National would require the authority of Parlia- Governments, our Provincial Govern-

how large the run may be, unless a for-It is a highly hypothetical question eign fee takes possession of the country because, as Governor Towers says, such and impounds the gold and other assets

Can Have Money to Burn But

All Paper How far can the Central Bank by the securities of their Governments. It | monetary policy and management hypothetically increase the deposits in banks all have one thing in common: the Canadian deposits of the banks | Canadian banks? Starting with the fact reached \$2,567 millions while the cash that the banks have with the Bank of can be followed almost continuously of the chartered banks stood at \$260 Canada and in their tills a 10 per cent millions in accordance with the practi- cash reserve behind their deposits, can cal banking maxim that a 10 per cent the Bank of Canada, by increasing cash reserve is sufficient to meet all within its powers those cash reserves, Harricanaw River near the Quebec foreseeable stresses at present, but the cause the deposits to go up to ten times chartered banks held \$1,504 millions in as much? By law a 5 per cent reserve Dominion, Provincial and other securi- is enough, but the present policy neverties as well and have lent \$1,019 mil- theless is to require 10 per cent, and lions to Canadians and Canadian com- that is banking policy everywhere. The panies and instituitons. That is why percentage is not accidental. It is Bank Canadians would have to lose con- of Canada policy, and the Governor fidence in all these assets before a stated that if the banks tried to operate under a smaller percentage, the Bank of Cash-Creating Power Is Tremendous Canada would use its power to restore But if one grants the untenable hy- the cash reserves percentage by selling

Is Money Wealth?

the issue of \$2,567 millions of Bank of "has never said that it considered mon-Canada notes. Every one would be ey as wealth, nor has it assumed, as legally paid, but how good would be far as I know, that by issuing more the money? Canadian banks can meet paper money the best interests of the to provide financial security for themselves and their dependents to an amount of \$6,778,000 (exclusive of Industrial and Group Insurance).

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Banking and Commerce Committee of any run in cash, therefore, no matter country would be served."

ment. The point is, if one carries the ments, are unable to finance the prohypothesis to its logical but insane gress of Canada without resorting to conclusion of everybody wanting cash burdensome and confiscatory taxation?" for his deposits, it would require now | "Parliament," replied the Governor,

change the management.

"If I were in Germany I should probably be trembling in my shoes right Dictore Porcupine to now," said the Governor, "Central their monetary policies must conform to the policies of their respective Governments. No other conception of the situation is possible in this day and age, nor would any other state of affairs be desirable in view of the vital effects which monetary policy can have on the aflairs of a country... That does not lessen by one iota the responsibility of Central Bank executives and directors. If they do not agree, they should say so and be replaced by others."

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the liberty which has been increasingly In Central Bank policy, the great es- | associated with our "enterprise econsential is management. If Parliament omy" would also give place to regulaor the Government does not like the tion of prices, wages, all our goings and policies of those in charge, they can our comings, what we eat and wear and perhaps what we breathe.

Arrange Drilling Plan

Toronto, July 26-On the advice of M P. McDonald, mining engineer, directors of Dictore Porcupine Gold Mines are arranging for an immediate diamond-drilling program on company's Porcupine property to explore the eight known quartz veins at depth and check results of surface exploration. It is also planned to drill a wide sulphide shearing which traverses the property and which has been indicated for length of All of which underlines once again 3,300 feet. Crew has been employed the fact that almost anything can now for the past three weeks erecting camp be done with our banks and our money | buildings and preparing the numerous system. By "funny money" the owner- | test pits for an intensive program. Reship of capital and wealth as at pre- | cent strength in the shares is attributed sent considered could be shifted, enter- to a substantial interest having been prise could be squelched in favor of acquired in company's financing ar-

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