SUPPLEMENT TO THE REAL ESTATE RECORD.

TO WHOM IT MAY CONCERN.

THE RECORD presents to its readers to-day a supplement containing hints which may prove of value to those wise enough to heed them. It seems to be an opportune time to call upon investors to halt and examine more closely than they have hitherto done the various plausible schemes which of late seem to be so temptingly spread before them, and it is the wish of the editor of THE RECORD to lay before its readers in characters so large that he who runs may read, the extreme danger that they are in should they allow themselves to be seduced into putting their money into these worse than wild cat enterprises, for such must be called nineteen-twentieths of all the mining stock companies to be found in New York to-day.

In doing this we are well aware that we are treading upon the corns of many who are already rich men, and more who hope to be, but that fact does not deter us in the least, and should this note of warning so much as save even one of the readers of THE RECORD from an unwise investment the editor of this paper will not consider the work as having failed of bearing fruit. We believe that anything worth doing at all, should be well done, hence instead of distributing what we have to say in a series of articles in THE RECORD, we at once launch out with enough of them to attract attention to the subject matter interested.

The working of gold and silver mines is, in itself, a perfectly legitimate industry. If conducted by individuals, business firms or private corporations, it is, we believe, a reasonably lucrative means of investing money. Senator Jones, in his speech in the Senate on the silver question, doubted whether, on the whole, mining investments paid more than 4 per cent., that is, taking the entire expenditures and offsetting them against the total bullion product.

The public hear all about the great strikes in the bullion mines, but there is no record kept of the heart-breaking failures; of the vast sums of money invested, of which there is no return, nor hope of any. All the great prizes in the lottery of business are very rare and mining is no exception to the rule.

We publish this supplement as a "danger signal," to warn the investing public against the excesses which have characterized previous speculative frenzies, such as the petroleum fever and the speculation in railway stocks which ended so disastrously in 1873. We do not promise to keep this matter up. We publish it in supplement form so as not to interfere with the regular matter of THE REAL ESTATE RECORD. If there should prove to be a demand for a journal dealing honestly with mining or other investments we may continue these supplements or issue a paper designed especially for the information of investors in securities. In any event we have done our duty to the wealthy interest represented by THE REAL ESTATE RECORD by issuing this one supplement.

THE FATHER DE SMET.

We have every reason to believe that this is one of the finest properties in the Black Hills, but nevertheless we warn the investing public that there is a risk in purchasing it. There are three factors to be considered in purchasing the shares of a mining company. In the first place the property must be a good one. In the next, it must be wisely and economically handled, and last, but not least, it must be honestly managed.

We have admitted that this property is a good one. We do not know that it is dishonestly or unwisely managed, but in view of the fact that it is a California property in the hands of Californians, that it is selling for a much higher price in New York than it ever could command in the State where it is organized, and also from the fact that it is an assessable property, we would advise our readers to keep clear of it. The Father De Smet is owned mainly by "Archie" Borland, a shrewd and lucky Pacific coast operator, originally a working miner, who has made his money by driving good bargains, by understanding his business, and, like most rich men of the Pacific coast, by getting the best of those with whom he had dealings. Mr. Borland brought this property to New York, it having a splendid reputation in mining circles. He was, it seems, unable to affect a sale to New York capitalists after trying the market for several months. He had the advantage of Deadwood and Homestake, selling at extravagantly high figures. His is as good if not a better property, and it is now offered at a less price than they are selling at on this market. People who purchase the Father De Smet should remember that it is managed by Pacific coast operators, and that it is assessable stock, organized under the laws of California. They should remember that sometime or other all California stocks are assessed. No matter how good the mine, the assessment comes sooner or later. If we are not misinformed, certain New York capitalists examined this property but did not purchase it, and the reasons would not be far to seek. The Black Hills are distant, the grade of the ore is low (from seven to ten dollars to the ton), to make a profit it requires an immense outlay for machinery and very economical management. There must be no waste, and there must be no mistakes. The prices at which Homestake and Deadwood and the Father De Smet are offered to the New York public is altogether too high. At thirty cents a month per share mining property should never sell for more than ten dollars. Indeed, the axiom is frequently laid down by those who understand mining that no stock should be sold for more than two years' product. The price of Homestake is absurd. True, it is an immense mine, a huge gold quarry, but the grade of the ore is low, the amount of machinery necessary to use and use up is very large (two hundred stamps are now employed) and yet the yield does not begin to compare with that of the Standard mine in Bodie, which employs only thirty-five stamps. Even the Little Bodie Consolidated, with its ten stamps, has turned out far more in a month than the Homestake with its two hundred stamps. Then we do not yet know what change will occur after the water level is reached. So we tell our readers that if they buy into the Father De Smet they are assured of putting their money into a good mine, only it is too high priced. Ten, or, at the most, twelve would be the proper market valuation, but even then, not knowing who the managers are, and the property being at such a distance, there is no assurance that in the long run the shareholders will get their money back.

LITTLE PITTSBURG REVELATIONS.

The *Mining Record* deserves a great deal of credit for having given to the public a full list of the stockholders of the Little Pittsburg Mining Company, together with the amount of stock held by them just previous to the break in the price. If a list of the stockholders after the stock was first subscribed for could also have been furnished, it would have been still more valuable, but even the present one will attract a great deal of attention, especially from persons who are loaded with the stock, which they bought upon the recommendation of the directors and others, who seemed to have got out of their stock before the break. Of course, all the directors of the Little Pittsburg are high-minded gentlemen. They stand very high in the community, and are supposed, naturally, to be men of wealth and repute. They gave their names to float the stock of the company; they induced their friends to subscribe. We have heard pitiable stories of poor people, women and others, who came to the office of the company when the stock broke below twenty, to ask what was the matter. They were told it was a raid upon the part of Gill and some others for stock jobbing purposes. They did not suspect that the mine had been gutted and badly managed, nor did they dream that the very respectable gentlemen, who formed the Board of Direction were so well aware of the true state of the case that they had disposed of their holdings while the price of the stock was still high. General Charles C. Dodge is a very reputable and wealthy gentleman. The firm of Dodge & Potter sold large quantities of the stock of the Little Pittsburg, but it seems that General Dodge himself, if this publication is correct, owned only one hundred shares on the 13th of this month. Of course, being an honorable gentleman, he must have informed all his friends and customers whom he induced to purchase the stock to sell at the proper time. Mr. Henry Havemeyer, also one of the directors, was very active in getting the stock placed, yet he, it seems, had only one hundred and twenty-five shares when the list was taken, although W. J. Havemeyer is down for seven hundred. Mr. C. L. Perkins, another director, had only one hundred shares, at last accounts. Mr. J. E. Babcock, another director, does not appear in the list at all. Mr. Dam had in his name some thirteen hundred shares when the stock broke. It will strike him as remarkable that his associates on the Board were so much more lucky than he was. Mr. H. A. W. Tabor, also, the honest millionaire miner from Leadville, who made such immense sums of money out of the original sale of the Little Pittsburg, is down for one hundred shares. Some little bird must have told him what was coming. Then the honorable Ex-senator J. B. Chaffee, who fathered this great enterprise, and who added to his enormous fortune by another fortune in selling the mine, is down for only one hundred shares. From February 21 to March 5, he and Moffat transferred fifty-one thousand shares. Ex-Congressman Abram Hewitt, the honest politician, owned originally, it is said, four to five thousand shares of the stock bought, it is believed, upon the recommendation of his partner, Rossiter Raymond, who was the expert chosen to examine the property. He seems to have sold out and did not have a share of stock in his name when the break occurred. Now, who told Mr.

Hewitt? Was it Professor Raymond, his business partner? The professor, it is said, never owned any of the stock himself and has not been near the mine since he made his report last year. He is now again examining the property.

We think it but proper to publish names in connection with these mining enterprises. In all the great gambling eras the outside public have been caught out by the use of reputable names in connection with questionable enterprises. If any of our readers will look back at the time when the petroleum excitement was raging he will find our leading citizens acting as directors and manipulators of petroleum stocks. Of course we do not say that in every case these gentlemen were consciously giving their influence to sell extravagantly appreciated stocks to the unsuspecting and gullible public, but we do say that their names were made use of to exploit the public. We think it but right that the gentlemen who were foremost in handling properties like the Little Pittsburg should be known and honored of all men. It will doubtless give weight to all the properties which they may hereafter recommend to the public. If we have any influence we are determined that these gentlemen shall not hide their lights under a bushel.

Among other persons who strongly recommended the Little Pittsburg was Senator Jones, of Nevada. Jones has quite a reputation as an honest miner. His name, however, did not appear upon the list of stockholders of the Little Pittsburg when the stock broke. A number of gentlemen connected with the Stock and Mining Exchange will recall the readiness with which Senator Jones gave points to buy Imperial Consolidated on the Comstock. It is supposed that over 40 per cent. of that stock was bought for the New York account from San Francisco and mainly through the influence of points honestly given, of course, by Senator Jones. To be sure all the boys got stuck, badly stuck, but still Jones is Senator of the United States, and would not do any man any wrong. His was merely an error of judgment. If it should prove that he was a large owner of Imperial stock before it was sold at high figures and did not own any of it when the bubble broke, it might provoke some comment, but we suppose there is no way of getting at the true inwardness of that deal, as it is impossible to secure a list of the stockholders under the California method, as ownership is disguised by the use of trustees names. By the way, on this Little Pittsburg list, an office boy, in a broker's office, down town, is credited with 20,000 shares. We judge there are many persons owning Little Pittsburg and other mining stocks who are afraid that their credit would be injured if it was known, and hence we see the name of two or three trustees holding large blocks of stocks for unknown parties. Happy thought! Perhaps General Dodge and Abram Hewitt, Senator Chaffee and other directors, who appear with such small amounts opposite their names, may be the owners of the stock held in trust.

It will strike our readers as a somewhat remarkable fact that, while this list was published last Saturday, the daily press, which has given so much space to the puffing of mining properties, has not thought fit to analyse it, or to make any comment upon the gentlemen who figure as directors and stockholders. We said last week the daily press could not be expected to tell the truth about mining. Their interests are on the side of the sellers of property and not of the investors.

THE NEW MINING BOARD.

This organization has now been trying to be born for some six months. It will probably go into operation some time during the month of April. It is understood to be fathered by gentlemen who have a great deal of stock to sell to the public. A number of mines have been placed upon this market, the stock greedily taken up in large blocks, but this stock has not yet been marketed at a profit. Among the mines which the promoters of this new Board are interested in are the Chrysolite, Little Chief, Bull Domingo, Freeland, Spring Valley, Big Pittsburg, Horn Silver, Bassick, Iron Mine, as well as several others. The experiment is to be tried of running an Exchange with a view to selling shares and to keeping their prices up. To do this there is a trust fund and banking department to be associated with the Exchange, to lend money on the stocks that are dealt in. We do not believe this scheme will succeed. It will be regarded, and justly, as an attempt to foist properties on the public with some kind of a "boom." Banking is not stock operating. While money lenders have a great deal to do with stock operators, yet the interest of both are anything but identical, and it will be mixing oil and water to attempt to combine them in one enterprise. Still, we are willing to see the matter tested. We can quite sympathize with the desire of the promoters of this new board to protect their stock from the raids which would be made upon them if they were placed upon the regular Stock Board or Mining Board. The business of a broker is to create fluctuations in prices. He cares nothing for the property he deals in. His interest is not that of the seller of a mine. Nay, it is to his advantage, if he can, to purchase a twenty dollar stock for ten dollars, and hence we do not wonder that gentlemen who are laden up to the eyes with mining shares, which they wish to distribute at good prices to the public, should dread any exchange where the real price of the property or public confidence in it can be tested by free and open sales. But we advise the investing public, before they listen to the voice of the tempter, to see whether the other highly puffed mines are not going to follow the example set them by Little Pittsburg.

THE TRUTH ABOUT LEADVILLE.

People who have money to invest would do well to be on their guard against any of the companies organized on Leadville property. Not but that the district is rich, very rich, but it should be remembered that the ore in that camp is a deposit and is not likely to last. Old Californians shake their heads and look dubious when examining the Leadville mines. These are rich in silver carbonates; are easily worked because near the surface and hence the first output is very large and the mine apparently very profitable. But as has been demonstrated by Little Pittsburg and other Leadville mines, the deposit does not last long. Uninitiated investors may not know that the most permanent mines are those which bear ore in fissures; that is, openings in the rock in which is quartz bearing metal. But instead of running down into the earth as is the case with true fissure veins these Leadville deposits are horizontal or as one well known miner says, "in Leadville the fissures are on their backs." Hence instead of having the centre of the earth to go for, the Leadville mines have at best, less than a hundred feet of depth. Old, experienced miners say "beware of specimen mines." That is, distrust any rock which shows gold or silver to the naked eye. Nature is never or very rarely lavish. Wherever gold or silver is found in an almost pure state, one may be sure that there is not much of it. The most profitable mines, so far, have been those in which the silver has been mixed largely with lead or, as in the Black Hills, where the gold is a very low grade but covering a large amount of rock. Silver Cliff has been well styled the silver Black Hills for there the ore is in immense quarries. This one is of low grade requiring expensive machinery to work. But that region, like the Black Hills, exemplifies the experience of all miners, that the most profitable districts to work is where the grade of the ore is low, while there is plenty of it. The Plumas County region, in California, has this peculiarity, hence the first popularity of mines like the Green Mountain, Empire and Grass Valley, where dividends have been paid almost for a generation. But Leadville has literally put its best foot foremost. The ore was near the surface, of very high grade, easily mined, and the first output was so astonishing that it led to the organization of companies and their capitalization at most monstrous figures. It was very easy to compute that if a mine could pay two hundred thousand dollars in dividends in a month that it must be worth many millions of dollars. The manipulators, however, very well understood that this could not last, but the ignorant public bought upon that basis. This is why so many mine manipulators are anxious to have a new Mining Board, to get rid of the stocks now paying large dividends, but which, in all human probability, will run out and run down, as has the Little Pittsburg. The figures at which the leading Leadville properties are placed on this market are simply monstrous. They are a fraud upon the public. True, they seem to be justified by the dividends paid, but the public must bear in mind that nature does not scatter her riches in any such way. The people who finally make the money are those who get the properties for a few thousand dollars and then put them on the market for many millions. Beware of high-priced Leadville stocks.

THE HOMESTAKE, ONTARIO, DEADWOOD, ETC.

The most successful and satisfactory mine ever put upon this market was the Ontario. It has paid dividends of fifty cents per month ever since the mine was listed upon the New York Stock Board, and in the first year and a half it repeatedly declared dollar dividends. Those who originally bought the stock at twenty had the satisfaction of getting all their money back and several dollars besides. Indeed, it was the story of the Ontario which gave the first impetus to mining investments in this city. Professor Newberry declared before the Bullion Club that he believes the Ontario will pay its present dividend for many years to come, accidents excepted. The mine has been developed only to the six hundred foot level, and there is no reason why it should not continue in good ore for several thousand feet lower. The Last Chance mine adjoining is soon to be consolidated with it, and that promises to be as rich a property as is the Ontario.

The firm that put the Ontario on this market exercised a great deal of judgment. It was placed at $20, and the price gradually advanced up to $40. It is an open secret that the stock of this company has been manipulated. That is to say, a wealthy pool has stood behind it, never allowing it to fall below a certain figure, and always ready to offer more stock above a certain figure. The natural timidity which all capitalists feel in putting their money into mining shares was thus overcome. Day after day, month after month, yes, year after year, it was noticed that there were no fluctuations, or next to none, in Ontario. The price was gradually marked up and timid, conservative investors were not terrified by any "slump" in the stock. The same firm that floated the Ontario, also put the Homestake upon this market. That started at $20 and $22.50, and was moved up to nearly $40, the same tactics being adopted in its case as in that of the Ontario. A gravel property and the Deadwood

Mine in the Black Hills District have also been placed upon the New York market by the same firm, and for a time were protected. Lately, all these stocks have had a set back. Their market value has declined somewhat. Deadwood is selling for less than the subscription price, Homestake is seven to eight points lower than it was last December. They are all on the down track.

We have no hesitation in saying that while these mining properties are held in high esteem by conservative investors, that they are still dangerous stocks to hold. The Black Hills properties are altogether too high priced. Mines, at best, have but a short life. There are so many uncertainties connected with the best of them that no prudent man will gauge his estimate of their value by the dividend. In other words, a poor mine may pay a large dividend. Belle Isle, in the Tuscarora District, paid fifty and seventy-five cents a month for a time, but to-day the stock is selling for $1.05, and never reached $4. It was simply a rich pocket, out of which the dividends were paid. The criticism upon the Homestake, Ontario, Deadwood and the Excelsior is that they are deceptive, because the stock has not been dealt in openly. They were maintained at a price far above what they should have been placed at. Any mine in which the investor cannot get his money back in two years is over valued. It is in this way that New York and the Eastern public are certain to lose money by and by. We are paying too much for mining properties. People will confound a mine with a transportation line. The New York Central, the Pennsylvania road, the Baltimore & Ohio, have been in existence over twenty years, and may live half a century longer, but mines are short lived; they do not renew their business day after day or month after month. The more you take out, the less there is in the mine for another generation. Mr. Haggin, of California, who has been instrumental in putting these properties on the New York market, is a man of immense wealth. He did not make his money by giving the public a chance. It was rather by getting property at low and selling it at high figures. This he has successfully done in California, and in the case of the mines we have mentioned, has also accomplished in New York. Some day the support will be withdrawn absolutely from these stocks, and then the conservative people will suffer in temper as well as pocket.

THE CENTRAL ARIZONA.

This was originally known as the Vulture Mine. It was worked shortly after the war, when the country was full of Indians, and, although $500,000 was taken out, all who invested in the property lost their money. Provisions were high, supplies costly, and then the mine was some nine miles away from water. But the mine was developed far enough to gut it of all the rich ore in sight, and when it was finally abandoned, it was pronounced practically worthless by experienced engineers. One of the owners, taking advantage of the mining excitement recently developed, sold the mine to a syndicate of Chicago grain operators, who determined to make a deal in it on the New York market. It was quietly listed last summer on the regular Stock Exchange, and a few sales of the stock were made at $10, but late last fall there were heavy dealings in the stock as high as $25, since which time it has fallen back to $6, and has fluctuated back and forth ever since. In fact, it has proved to be a very lively "wild cat," and has the distinction of being the only one so far listed upon the regular Stock Board. The mine is worthless, and is so pronounced by its former Superintendents, Mr. Robert Barton and Captain Taylor. The ore, such as there is, is low grade, water is nine miles distant, and it will not pay to haul the ore. This wretched stuff has been extensively puffed by the daily papers. The New York *Herald* money column has frequently spoken approving of it, and has helped to "shear the lambs" who deal in mining stocks. It ought to be striken from the list of the Stock Exchange.

AN OLD MAXIM.

Investments in mining shares justify the old maxim that "high interest means poor security." There is no royal road to wealth. In speculative times a few persons may profit largely, but it is at the expense of a multitude of people who lose all their money. For the great mass of mankind it is decreed that the return for hard labor is small but sure recompense. It may be laid down as an axiom that any business which offers large returns is, in its very nature, risky. Commerce is profitable because of its uncertainty, and smuggling and blockade running are still more so because of the peril of life and property in the undertaking. The readers of mining prospectuses would do well to keep these plain truths in mind. If great profits are promised, corresponding risks must be run. Very often you have to take risks with the certainty that the profits will be secured by the persons you are dealing with. The truth of this remark will be recognized by the Little Pittsburg shareholders. Our readers will do well to bear all this in mind.

THE DAILY PRESS AND THE MINING BUSINESS.

The vultures of the press are hot after the carrion which follows the wake of the mining "boom." In addition to the *Tribune* and the *World*, the statistical *Bulletin*, as well as the sedate *Journal of Commerce*, have opened mining departments. We do not find a word in any of these journals cautioning the public against unwise investments. On the contrary, they use their several departments to coax prudent investors to risk their means in the shares of mines of which nothing is known. It should be borne in mind that the companies keep a secretary who sends to the newspapers all the telegrams and news of a favorable character, while his business is to suppress all news likely to throw light on the conduct of the mine, or which is of an unfavorable character. Every day the public is treated to accounts of developments of mines which are entirely *ex parte*, and intended to induce investors to purchase the securities of the property advertised. In other words, the press of New York, to-day, is practically leagued to promote the interest of mine owners and speculators, and to coax the money out of the pockets of the business and investing community. The daily papers discredited themselves during the railroad mania which culminated in 1873. They never warn the public against unwise investments. The monstrous abuses of the life insurance business were never brought to light by the daily press, and now, as in former times, we find there is a conspiracy to make the public view all enterprises which advertise largely in a favorable light. If a few more Little Pittsburg affairs occur it will help to discredit the daily press. Indeed, it is curious that this disaster to the mining interest should have come about at the very time when the leading papers were organizing mining departments to puff mining schemes, without reference as to whether they were good, bad or indifferent.

IN OTHER COMPANIES.

Are any of the directors of the Little Pittsburg directors in any other mining properties sold on this market?

Yes. Here is a list of some of them:

James D. Smith, Iron Silver Mining Co., Leadville, Col.

W. H. Barnum, Carbonate Hill Mining Co., Leadville, Col.

Chas. C. Dodge, Breece Mining Co., Leadville, Col.; Colorado Central Cons. Mining Co.

Chas. L. Perkins, Iron Silver Mining Co., Leadville, Col.

H. A. W. Tabor, Chrysolite Silver Mining Co., Leadville, Col.; Del Monte Cons. Mining Co. Leadville, Col.

Henry Havemeyer, U. S. Mining Investment Co.

LITTLE PITTSBURG STOCK OWNED BY DIRECTORS, MARCH 13TH.

Jerome B Chaffee	100	shares
Charles C. Dodge	100	"
James D. Smith	200	"
A. J. Dam	1,310	"
Chas. L. Perkins	100	"
James T. Soutter	300	"
David S. Draper	1,000	"
Henry Havemeyer	125	"
I. C. Babcock	....	"
James H. Chase	500	"
H. A. W. Tabor	100	"
D. H. Moffat, Jr	10,000	"
W. H. Barnum	1,000	"

In addition to this list, the firms of Moffatt & Chaffee hold 2,000 shares, Soutter & Co. 300 shares, and Dodge, Potter & Co. 642 shares.

"WILD CAT" MINES ON THE STOCK EXCHANGE.

Under the rules adopted by the Securities Committee of the Stock Exchange it will be possible hereafter to put any "wild cat" mining scheme upon the regular stock board. All that is now demanded is that the "hole in the ground" shall have a good title and that a certain amount of development shall have taken place. Under these new rules Bertha and Edith, or Lacrosse could be placed on the regular stock list and be bought and sold by customers of its members. With the exception of the Central Arizona all the mining stocks heretofore listed were good producing properties, but possibly because it is afraid of the competition of the new Mining Board the regular Exchange is now going to list every "cat" that comes along. Had the Exchange been wise, originally, it would have given the public some guarantee that the mining stocks it dealt in were well managed. If it had insisted upon full quarterly publications of the condition of the mines, and demanded that the books should be opened to the inspection of any stockholder dealing in them, the business, so far as the Exchange was concerned, would have been free from scandal. But now the door has been opened for the public to be plundered through the machinery of the regular stock board.

Perhaps it is all for the best. If any one Exchange kept any part of the business clean there would be danger of this stock gambling in mining shares being kept alive. But if the "wild cats" are allowed to befoul even the regular Stock Board, it will hasten the day when the public will condemn the whole business. We warn investors to keep out of the mining share market. Those whom you deal with play with loaded dice.

JOHN BONNER ON MINES.

In a recent number of the Evening *Post* there appears a letter from Mr. John Bonner, which contains a couple of paragraphs that are worth heeding. He says:

If the mining mania is to last and be a source of steady profit to miners and dealers in mines, the present fashion of overcapitalization and strained monthly dividends and absurd newspaper reports must be stopped. Ore shoots, as the Mexicans say, are as uncertain as women, and the only safe rule in capitalizing a mine is to estimate its value at twice its reasonably figured annual product. Nothing can be lost by doing so, for if the mine continues to yield after the two years the stock will command a premium. On the Boston Exchange some Lake Superior stocks which were capitalized on sound principles are steady at from two to three hundred per centum premium, and need no new bank to make them pass current as collateral security. As to monthly dividends, they are dangerous indeed. No miner can tell whether the next stroke of his pick may not disclose a pinch-out or a lean streak. What shall the manager do in such case, if the board of direction require him to furnish them money for a monthly dividend, in order to maintain the price of the stock? He has no choice. He must gouge his mine. And of this the result, sooner or later, is inevitable collapse.

There are more millions than it would be discreet in your correspondent to estimate to be dug from the soil of Colorado in the next ten years. Leadville alone will probably yield twice as much as the Comstock lode, which added three hundred millions to the world's stock of silver. But if the present race of promoters continue as they have begun, Eastern capitalists who invest money in mining enterprises in Broad street will be much more likely to lose than to gain. The way to establish confidence in mining companies is not to found banks which are to receive money to be lent exclusively on fancy mining stocks, but to incorporate the companies with modest capitals, and to pay dividends only when a sufficient quantity of ore has been mined on correct principles, and sold, and there is a cash surplus in the treasury. On the stock of companies so organized and so conducted, any bank would be glad to lend, and investors would buy without fear of a fifteen per centum collapse in six weeks.

This is a matter which should be taken up by the New York mining boards. It is vital to them that their business should last. It will not last—not be profitable—if one stock after another collapses from over-capitalization and strained dividends. It well be as it was in 1855, when certificates of mining stock were sold by the pound avoirdupois.

BROOKLYN REAL ESTATE.

ACTIVE BUILDING OPERATIONS—BETTER PRICES FOR BUILDING LOTS—LARGE DEMAND FOR SMALL HOUSES.

A trip on the Franklin avenue, Nostrand avenue or Tompkins avenue cross town cars, from the Broadway ferries, affords a fine opportunity of seeing the large number of really fine dwellings that have gone up or are going up. On De Kalb and Gates avenues there have been some beautifully arranged "flats" erected, but they are not in as great demand as it was thought they would be, for the reason that people prefer small houses, even with less improvements, than living in flats or apartments. A remarkably large number of new buildings, generally of brown stone fronts, have been erected on or along the line of the elevated railway, and others are contemplated there, notwithstanding the hesitancy to build on acconnt of the increased cost of materials and labor. Mr. Paul C. Grening is one of the most enterprising real estate brokers in the Twenty-third ward, and his business extends not only over that ward, but through the Twenty-first and Twenty-fifth wards. A *Times* reporter made two attempts to get an interview at the main office, and each time found Mr. Grening busily engaged with customers. The second attempt to secure a little of Mr. Grening's time was successful, when the following conversation occurred:

Reporter—How are prices and rents compared with last year?

Mr. Grening—The prices realized on sales have been at least 10 per cent. higher than last year, and the same may be said of rents, if we take the average.

R.—How do builders view the future? Are they putting up many buildings?

Mr. G.—Building in this vicinity is very active, and builders view the future with great confidence. Many of their houses are being sold before they are completed.

R.—Where do the applicants come from, and what class of people are they?

Mr. G.—I have sold a large number of houses for investment, and to business gentlemen living in this vicinity, who have the means of judging of the advantages and prospects of property in this neighborhood, as relates to rapid transit; among others, Mr. Hoagland and his friend, here. You have heard what they think. I further find many persons coming from upper New York, since the enormous advance in property there on account of the elevated railroads, seeking cheaper homes in Brooklyn, and they are of an excellent class of citizens.

R.—What class of houses are in the greatest demand?

Mr. G.—Two and two and a half stories and basement, brick or brown stone. The demand for three-story and basement houses is greater than before, and builders have somewhat anticipated that demand, by putting up a greater proportion of that class than formerly.

Messrs. Sumner & Dorland stated—From letters and calls which we receive from New York, we find that prices and rentals of up-town property have already gone so far beyond the ability or willingness of many business men and others resident in that city or elsewhere, as to demonstrate that the New York elevated roads have finally produced a reaction in favor of our own market. For, while during the last two-and-a-half years New York property has been advancing, even in the Harlem Districts—and there largely—Brooklyn property continued to depreciate until the spring or summer of 1879; so that now purchasers of desirable residence property have more to gain by coming here than at any time since 1863. A few owners have advanced their prices, but, while the market is firmer, we are still offering nearly all except the newly built houses at the prices touched in 1879. Ours is slower to move than the New York market, but the people cannot for any considerable length of time resist the elements that make the basis of values.

Rents are firm and there will be more money received from the same this year than last; but there is not a perceptible general advance. We are renewing most of our houses at last year's rates. 1881 is likely to witness some advance. We are renting the bulk of our three-story brick and brown stone houses, containing twelve rooms, at $500 to $800, and two-story houses at $300 to $500. The supply of parts of houses is as yet limited, but is increasing and the rentals for the same do not vary materially from 1879 rates.

Mr. George E. Hoyt said—Parties are daily dropping in the office from New York to look for houses, and the supply in no way comes up to the demand. Rents have not advanced materially. Such owners as those for whom I am doing business prefer to have their tenants stay another year. There is not one of the tenants occupying my houses but what has decided not to move.

The general complaint among people coming from New York to look for houses here, is that rents over there have advanced. It is chiefly such people who are looking for houses. There are no indications of much moving among Eastern District people this spring. Those who come from New York are of the better middle class, and are looking for houses that rent at $500 to $700. The great demand is for two-story and basement brick houses.—*Brooklyn Times.*

WHAT IS THE MATTER WITH SENATOR ASTOR.

To the Editor of THE REAL ESTATE RECORD:

Can you inform a subscriber what is the "true inwardness" of Senator Astor's attempts to deprive the community of the comforts they have enjoyed in travelling over the lines of the Manhattan Railway Company. I leave you and others to discuss the five cent fare question, and trust that all those favoring the movement will never more enjoy the luxury of a comfortable seat. I may say, however, that the other evening some wag, at the Windsor hotel spread the report that Mr. Astor was interested in a patent for a "self supporting strap" to be offered to passengers the moment the five cent fare rule should crowd the cars to suffocation. This is, however, digressing from the purpose I had in view when addressing you. I see that the Senator is now making an onslaught on the neat and tidy looking news stands, where I have been able to buy my papers just when I wanted them, and changing off from one paper to another whenever I pleased. Are we to be deprived of this comfort also? I regard these news stands as veritable societies for the diffusion of knowledge, and if the elevated road or the news company makes money by the transaction, I say, good luck to them. They deserve it, for the people at large and the readers of journals generally are greatly benefited. Your own useful RECORD, by the aid of these stands now reaches a class of builders who are being instructed by the contents of its columns, and Mr. Astor's own property will one of these days reflect the knowledge that has thus been diffused among the building fraternity.

SUBSCRIBER.

[While thanking "Subscriber" for his pleasant remarks in regard to THE RECORD, we cannot assume to speak in behalf of Senator Astor. As a legislator he has the undoubted right to introduce whatever measure he may deem of importance to the public, and the public press has the right to discuss it as such. Personalities are at all times out of order, but we can assure "Subscriber" that whatever measure the Senator introduces, though based upon a mistaken policy, arises from an honest desire to benefit his constituency, and, as he thinks, the general public.—EDITOR RECORD.]