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# RECO SILVER

## THE RECO SILVER STORY

SOME OF THE MOST COLOURFUL CHAPTERS IN THE HISTORY OF NORTH AMERICA INVOLVE STORIES ABOUT MINING. IN THEIR DOCUMENTATION, THEY PROVIDE US WITH THE HISTORICAL RECORD OF OUR NOW LARGE MINING INDUSTRY. THE STORY OF RECO IS ONE OF THE MOST FASCINATING AND EXCITING OF THESE HUMAN ADVENTURES.



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# RECO SILVER

*Perhaps the first and most impressive thoughts about nearly all mining stories concerns the overwhelming influence that the discovery of a mine and its development has upon the lives and destiny of very often, a great many people. For during its life-span, a mine shares with its human participants, all the measures of success, as well as the failures.*

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## THE STORY OF RECO

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THE STORY OF RECO BEGINS IN 1892 at a place that was later to be named the town of Sandon, in the silver-rich Slocan district of British Columbia.

“Silvery-Slocan” was booming from the stories of gold and silver that spirited northward, seemingly endless numbers of those who sought fortune in an unexplored land.

In those days, British Columbia was still only a district and Vancouver, now its largest city, only six years old with a population of 8,000. Probably, however, Sandon was better known then to North Americans than is Vancouver today.

Once its streets echoed to the sounds and murmurings of 7,000 people. Fifty years ago it had 33 saloons and 23 hotels. Miners by the hundred jostled along its crowded main street on Saturday nights, eager for a brief good time before they returned to the mines. Sometimes, to add to the bizarre scene, it was difficult to make one’s way down the street because of the scores of loaded pack mules and horses which were used to transport supplies to the hills. The year was 1899.



*As owner of the rich Reco Mine, Harris, who lived at Sandon from 1892 until his death in 1953, always believed that his beloved town would come back. He affirmed that somewhere "up there" was the greatest ore body of them all. It would be a great thing for the country if he were right.*



One of the early ones was John Morgan Harris, born at Vernon Mills, Virginia, on January 26, 1864.

Fired by the reports of great silver-lead discoveries in the Coeur d'Alene district of Idaho, Harris struck out west in his early 20's, settling first at Wallace, Idaho, then in the throes of its first mining boom.

When news of the fabulously rich silver-lead discoveries in the Slocan district reached Wallace, Harris set out immediately for the new Eldorado of the north.

From Spokane, he took the first train out of the city on the Spokane Falls & Northern Railroad (then completed as far as Marcus), then on the Columbia River boat of the C.P.R. under Captain Troup, landing at the mouth of the Kootenay River, across the Columbia from what is now the growing community of Castlegar.

In the previous year, the short line from that point to Nelson had been completed to carry freight for the booming Ainsworth district on the lake.

Harris and his partner, a man named Smith, outfitted at the

embryonic capital of the Kootenays, returned by rail to the Slocan River crossing and from there, heavily-laden fought their way up the river towards Slocan Lake.

A few miles from the Lake, the partners found a canoe hidden in the bushes and Harris had no compunction in admitting that it was "borrowed" for the remainder of the trip up river and lake to the mouth of Carpenter Creek, where New Denver now stands.

Perhaps as a deserved visitation for canoe-lifting, the partners experienced a very severe storm when nearing their destination and were nearly drowned. Much chastened, but safe, they struggled up the rough terrain of Carpenter Creek, past the coming townsite of Three Forks, up the south fork of Carpenter Creek and pitched camp at what is now Sandon.

Among other early arrivals at that point was Fred T. Kelly, who became the life-long partner of Harris in his operations from Sandon. The new partnership bought, for \$2,700, the Ruecau, New Denver, Clifton, Ephriam and Texas claims just located by a prospector named Ruecau, on the southwest slope of what is now Reco Mountain, adjoining and partly surrounding the Noble Five group of five claims, staked in the first rush of 1891 by Frank Flint, Jack McGuigan, Bill and Jack Hennessey and Jack Seaton—the original "Noble Five".

The Ruecau group, rechristened Reco, was bonded in 1892 to French & Campbell, the leading operators of Spokane, for a very large sum.

By that time, the big Slocan boom was on. Locations numbering 750 had been staked over a large area and newcomers were swarming in from Spokane on the south, and Revelstoke on the north. Three Forks, at the junction of the north and south forks of Carpenter Creek, 3½ miles down stream from Sandon, became a bustling community of around 500 people, connected with Kaslo, on Kootenay Lake, by daily stage service and by trail and pack-train with Nakusp, where connection was made with C.P.R. boats and rail.

Harris and Kelly had organized Reco Mining & Milling Co., after increasing their holdings to 18 claims and the Goodenough

## RECO SILVER



vein had been discovered on the adjoining Goodenough Fraction and followed into Reco ground. This proved to be the richest vein ever found in the Slocan district, yielding ore in quantity. The Harris partnership was also the locator of the Rabbit Paw and Heber Fraction claims, adjoining the Slocan star group, which later become the crux of the most celebrated and longest-drawn-out apex case in the history of Canadian jurisprudence. Located in 1891, or early in 1892, the claims carried extralateral rights and Harris claimed that Slocan Star orebodies, then being extracted at great profit, apexed in the Rabbit Paw claim.

The first trial resulted in defeat for Harris, but he carried it higher and was upheld by both the full court of British Columbia and the Supreme Court of Canada at Ottawa.

The late Byron N. White, the president and managing director of Slocan Star Mining Co. carried an appeal to the Privy Council, where the claim of Harris was finally confirmed.

Then came the repeal of the Silver Purchase Act by the United States Congress in 1893.

Practically all pending deals for properties were cancelled or suspended and hundreds of "busted" pilgrims were taken out of the country at government expense, especially from Kaslo, which had grown rapidly to a community of over 5000, with many saloons, the Theatre Comique and one bank—the John M. Burke bank—which closed its doors.

At the time the silver act was repealed, 16 mines were under serious development in the district and many more were getting ready for a start.

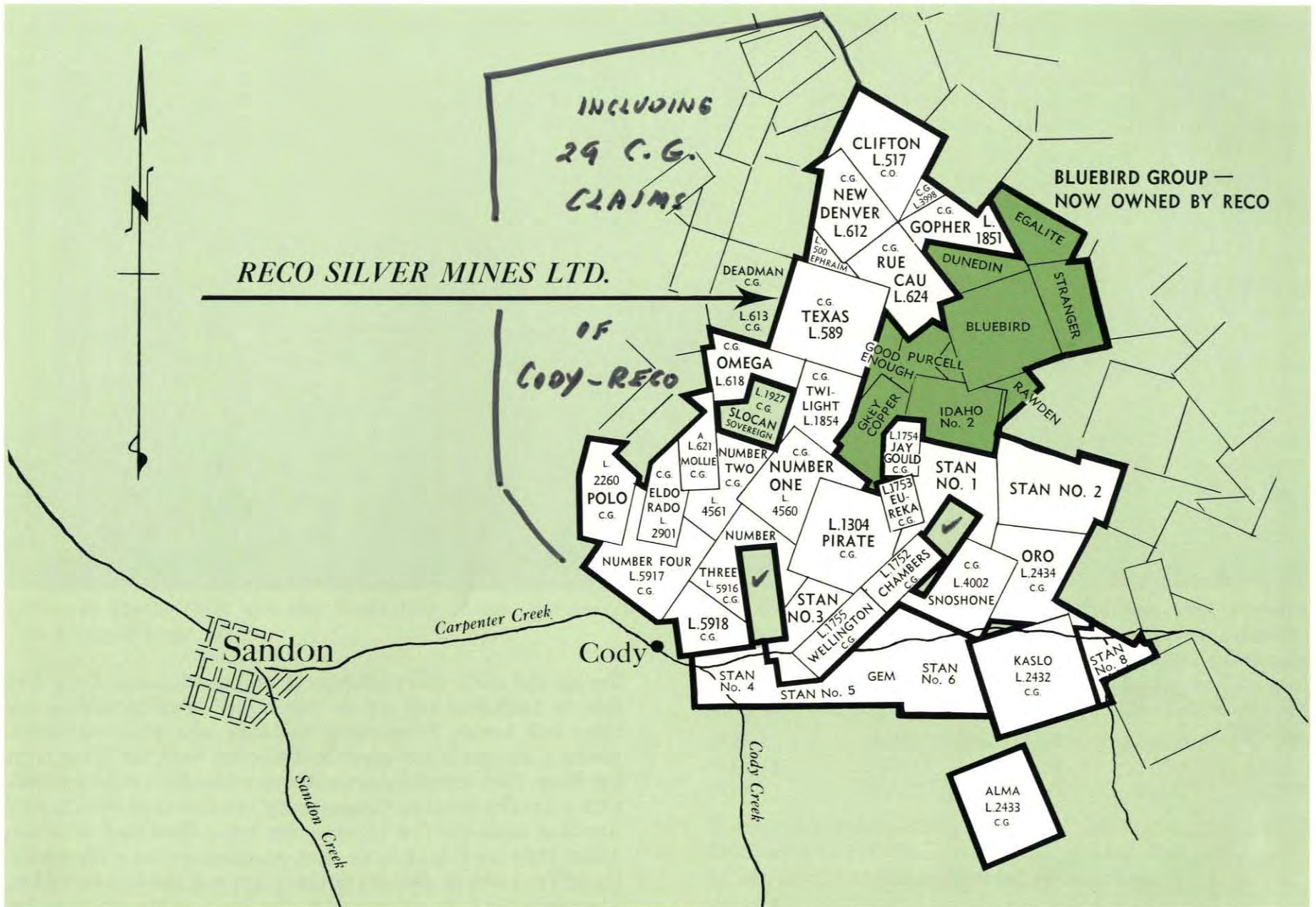
*The big boulder found at Sandon in 1892. Located by Mr. Cockle of the Morning Sun Mine outside of his tent, sold it for \$2,000 to a Mr. Middough of Minneapolis and it is claimed it brought \$20,000 when broken up and shipped.*



*K. & S. Railway rounding Payne Bluff  
on the way to Sandon, B.C. — 1900.*



*Geographical Location Map.*



Claim Map.



*Between 1894 and 1897, 169 tons was rawhided down Reco Mountain and shipped to smelters across the international line, containing 404,037 ounces — 16.8 tons — of silver and 598½ tons of lead, and \$187,500 HAD BEEN DISTRIBUTED TO SHAREHOLDERS AS DIVIDENDS, \$150,000 IN 1897 ALONE.*

During the early years all mining and development work was done by hand steel and the ore was hauled down the hill in raw hides with horses. Prospecting was done with pick and shovel. Initially, payments for silver-lead-zinc ore were for silver only, but from 1894 a small payment was made for contained lead, with a penalty for zinc. Consequently ore was hand sorted, with zinc that contained low silver values being discarded as waste. About 1920 the C.M. & S. Co. Ltd. accepted ore for custom milling at Trail and an electrolytic zinc plant was put into operation. Also about this date, selective flotation replaced the older gravity methods in milling.





*View of Sandon and showing Kaslo and Slocan Railway —  
Photo taken about 1900.*

**COPY OF THE SMELTER RETURNS OF ORE SHIPMENTS  
BY THE RECO MINING AND MILLING COMPANY, LTD.  
ON THE RECO SILVER PROPERTY**

YEAR	Weight Lbs.	Silver Ozs.	Lead Lbs.	\$ Returns Per Year
1894	146,436	12,892.64	111,018	7,100.91
1895	636,313	79,458.51	274,882	45,448.53
1896	856,557	129,696.36	312,750	79,018.65
1897	2,736,948	204,345.25	1,134,582	233,209.92
1898	1,086,755	107,515.53	341,516	57,706.38
1899	488,354	44,420.54	143,452	23,062.91
1900	43,426	4,558.19	21,681	2,747.11
1901	617,878	54,043.00	333,301	28,806.88
1902	1,071,901	128,098.90	643,207	62,779.52
1903	279,325	33,155.09	166,327	16,767.14
1904	1,896,544	116,037.73	816,265	61,073.15
1905	1,294,461	79,602.31	600,108	45,338.28
1906	558,899	29,146.21	272,023	20,111.64
1907	227,977	13,442.29	73,358	6,723.58
1908	1,007,493	65,877.54	405,433	31,561.82
1909	1,667,013	92,103.26	663,627	46,436.33
1910	13,918	864.31	6,458	455.49
1911	41,552	1,988.26	20,111	1,164.11
1912	331,516	22,503.92	214,317	17,576.79
1913	154,717	10,440.97	95,103	7,700.45
1915	141,037	15,399.08	85,006	9,573.48
1916	216,149	11,682.28	92,512	12,517.42
1917	76,421	5,579.92	33,693	6,521.91
1918	73,961	3,318.76	17,010	4,023.52
1919	37,052	1,651.50	4,600	1,677.07

*Shipments averaged 239 ounces silver and 47.47% lead per ton. Total yield of the Reco vein system reached well over \$4,000,000.00 at today's current silver prices.*

**THESE SENSATIONAL SHIPMENTS BROUGHT ON THE  
GREATEST BOOM IN SANDON'S HISTORY.**

## RECO SILVER

In May, 1900, the bustling town was wiped out by fire. Harris then borrowed a large sum from his bankers and set about the task of rebuilding.

Carpenter Creek, which previously roared unconfined through the length of the town, was flumed and strongly boarded over, becoming the present main street.

A big barn, used for Reco pack-train stock and equipment, which had escaped destruction, was converted into the present Reco hotel; another Virginia block was rebuilt on the new street, with a long line of business buildings as they stand today.

At one time, prior to the Second World War, population had dwindled to 40. During the war, Sandon was commandeered by the government as an evacuation point for coast Japanese and over 1000 were domiciled there.

After the Japanese left, population declined to as low as seven people in 1946.



*Early morning, May 4, 1900, Sandon was wiped out by fire. The fire broke out in the Sandon Opera House which had staged a play called "The Bitter Atonement" the night before. By nine o'clock most of the town was reduced to ashes.*



*A plugged flume carrying the waters of Carpenter Creek through the centre of Sandon was responsible for the flood that carried away and destroyed many of the buildings.*

*Reco Engineer—W. S. Ellis, P.Eng., examining one foot vein in face of #2 tunnel, #1 mine.*



## TODAY'S SILVER MARKET

Silver has become the most sought after of all precious metals for the simple reason that there is not enough production to supply the demand or consumption throughout the world.

This shortage has led to wholesale theorizing on what could be done to remedy a situation which has already reached the critical stage. Although various government and industrial users have instigated measures to relieve the problem, the ultimate solution will be, and it seems almost inevitable, that the price of silver will go higher than it is now, and perhaps much sooner than many people expect.

The present crisis is one which the mining industry has been predicting for several years. It has been building up over the past 15 years, during which time we have been using more silver than we have been producing. We were able to do this because of the large supplies of silver accumulated in the U.S. Treasury prior to 1948, largely as a result of the 1934 Silver Purchase Act. Since 1942 the U.S. Treasury supply of silver has steadily declined and these stocks are nearing exhaustion. The production of new silver is not keeping up with demand. One of the suggestions made to ease the silver crisis was that the United States double the value of all silver coins. In other words, dimes would be 20c pieces, quarters would be 50c and so on.

The proposal for doubling the value of silver coinage was made by Dr. Elgin Groseclose at hearings conducted by the Senate Banking and Currency Committee on repeal of the silver purchase acts. Such a move, of course, would mean a considerable windfall profit to those who hold silver coins.

Doubling the value of subsidiary coinage would increase the monetary, but not necessarily the market price of silver to \$2.58 an ounce. As at June 1968 silver was selling at \$2.50 per ounce. The United States has replaced their silver coins

with base metal coinage and this debasement of silver coinage (reduction of silver content in coins) has actually worsened the present coin shortage. It is a well known fact that Fifty Cent silver coins have disappeared from the Canadian scene for sometime and no doubt, the old Silver Quarters will follow in due course. Silver Dollars have completely disappeared from circulation so it is evident that a coin shortage exists in Canada as well. There is an old economic principle known as Gresham's Law which states that bad money drives good money out of circulation.

Over several hundred years of Roman history, successive regimes and emperors reduced the silver content of the denarius from a coin of pure silver down to one of base metal with a silver wash. Each time a coin was devalued people hoarded the coins in general use, storing them away in jars and burying them in the ground. Every time someone starts scratching around in Italy he digs up another jar. Silver withdrawals from the United States treasury in the last five months of 1967 averaged 626,000 ounces per day, while 1,000,000 ounces per day were lost in the first 34 business days of 1968. The industrial uses continue to grow to the point that these alone consume more than is being produced. In 1967 free world industrial use of silver exceeded new production by 139 million ounces.

Recently, the U.S. Secretary of the Interior Udall, stated that new uses for silver, including solid fuel rockets, supersonic jets and special purpose batteries, when added to conventional strategic uses, have made the silver shortage a threat to national security.

In a series of developments that have accompanied the rising market for silver during the past three years, the U.S. government announced that it would pay a maximum of 75 per cent of the cost of exploration for any new silver mine brought into production in that country. While the U.S. Office of Minerals

Exploration pays up to 50 per cent of exploration costs for 34 other minerals, none of these received the increase granted to silver mines.

**Despite all the pressure, no new silver producer of any account has been discovered in recent years.** Canada's United Keno Hill is the largest straight silver producer, while the largest overall silver producer remains Cominco's Sullivan mine where the precious silver is a byproduct of lead and zinc. **The price situation has, however, awakened interest in exploration and development.**

Mining activity in the Slocan has been featured by alternating booms and depressions with the price of silver being the major control. The initial boom of the mid 1890's was followed by a semi-depression and then a boom during the First War when high prices for metals prevailed. The next boom was in the twenties when considerable exploration was done on numerous properties but the depression of 1930 caused a complete cessation of all mining activities. The odd property such as the Lucky Jim was operated during the Second War for their base metal content. Following the War the Slocan again received considerable attention, the outstanding feature being the highly profitable operation of the Violamac Mine.

Shortly after World War II, a world-wide demand for metals shook Sandon out of its lethargy. Once again, footsteps echoed down its main street.

This time they were the steps of mining engineers and individuals who believed there was still plenty of rich ore in the hills and prepared to back their belief with money in an effort to prove it.

Jeeps and trucks roared up and down the mountain trails, taking supplies of every kind to the revitalized properties and Sandon once again experienced some of its old-time prosperity.

The hills around Sandon were literally dotted with mines and everywhere you looked you could see old ore dumps. Men were making good wages working over the ore dumps of these old mines, reclaiming the zinc which in the days of their greatest glory had brought a penalty to the mines that included it in their shipments. Others were leasing some of the old properties, to bring out the valuable ore. Still others had formed companies and were winning the ore with hard work.

**Optimism plus courage, cash, and lots of hard work had made great mines in the past and would continue to do so in the future and all are interested in the revival of the mining industry in the Slocan.**

In recent years silver has become firmly established as an important industrial metal in addition to its traditional use for currency and jewelry, and the prices have shown great strength. The increase in price has been gradual and stock piles of the metal are greatly reduced or non-existent with demand exceeding supply. **It is indicated that a Slocan development could look forward with more assurance to either a steady price, or an increase, for silver production than at any time in its seventy year history.**

The value of the total production of the Slocan Mining District to the end of 1964 amounted to \$387,425,215. Included in this metal production is 73,305,455 ounces of silver, and 959,551,244 lbs. of lead — based on a silver price of \$2.00 per ounce, lead and zinc at 14c per lb.

The logo consists of the words "RECO" and "SILVER" stacked vertically in a bold, serif font. The text is white and set against a dark grey rectangular background.

**RECO  
SILVER**

# RECO SILVER

## UNDER NEW OWNERSHIP — MODERN DEVELOPMENT

With ownership of the Reco having been centralized and fair agreements having been reached, this property will now experience the first application of modern mining including tunneling, machine stripping, diamond drilling and geo-physical surveys. The first stage will be extending known veins and the opening up of new veins. Several old workings already opened by the present management will be extended as mineralization has been discovered. In some locations diamond drilling is indicated and geo-chemical surveys have been made which indicate the extension of known producing veins and these areas will be fully developed.

An excellent mine road from Sandon to the Company's claims will greatly facilitate this development.

A decided asset is that the Reco property is less than 100 miles distance by road from the Cominco Smelter at Trail.



*Engineers discussing mapping at the "A" adit  
#1 mine Reco Silver.*

**RECO SILVER MINES LTD. (N.P.L.)**

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**CAPITALIZATION**

10,000,000 Shares, \$ 1.00 Par

500,000 Escrowed

2,200,000 outstanding

**RECO SILVER MINES LTD. (N.P.L.)**

