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Endako delays dividend

File

Large capital needs for expansion will delay consideration of common share dividends for Endako Mines Ltd. until the last quarter of 1968.

This information was given to Endako shareholders at the annual meeting here Thursday by Thomas H. McClelland, president.

Contract for construction of an expansion of the concentrator has been awarded to a consortium of Commonwealth Construction Co. Ltd. and Hume & Rumble Ltd. Preparation of camp facilities started April 3 and construction is to start April 24.

MORE CAPACITY

The mill extension will increase the ore crushing capacity and the concentrator will be increased to five flow lines from the present three. Total mill design capacity will be 22,000 tons a day. The original mill was designed for 10,000 tons but, with some improvements added, is currently running at 17,000 tons.

Cost of the mill extension and of a new tailings pond is estimated at \$7 million which, McClelland said, the company intends to obtain from its operating income.

The president reported that in the first quarter of this year the mill operated at an average of 17,033 tons a day despite a throughput reduction during a short spell of extremely cold weather in January. Metallurgical performance, he said, continues to improve gradually.

NET PROFIT

Estimated net profit for the quarter after write-offs was \$3.1 million, equal to 40 cents a common share.

Due to a change in fiscal year there is no corresponding previous quarter but in the eight months ended Dec. 31, 1966, the company earned \$7,452,000, equal to 96 cents a share.

In the latest quarter the company milled 1,533,000 tons of ore with an average grade of .233 per cent molybdenite. Recovery rate was 82.27 per cent and 3,509,347 pounds of salable molybdenum were produced.

McClelland reported that on March 15 a payment of \$2,626,000 was made on term bank loans, leaving a balance of \$1,662,000 which will be paid off in June.

PRODUCTION CAPITAL

Original capital to equip the mine for production was \$22 million, consisting of bank term loans of \$17 million and redeemable preference shares amounting to \$5 million.

After repayment of the term bank loans Endako is required to commence payment of accrued dividends on the preference shares and to redeem the shares. As of March 31 the accrued dividends totalled \$801,000.

McClelland said the \$7 million required for expansion would be generated from earnings although some short term borrowings might be necessary.

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WORKMEN at Portage Mountain dam project on Peace River are now preparing the 15,000-foot conveyor system for startup on final year's fill operations. About 12 million cubic yards of material remain to be placed. The conveyor belt is

shown climbing to side. Concrete tower structure to the unit but their tips will be void is filled.

Pollution worries fish

By NORMAN HACKING

Is there danger of domestic sewage pollution destroying the salmon population of the lower Fraser River, one of our great irreplaceable natural resources?

Fishermen believe that this danger exists, and that the Fraser may follow the same dismal pollution road that has destroyed the fish resources of the Columbia and Willamette system.

Active in the campaign to protect the purity of our rivers is the Pacific Trollers' Association, and a recent letter to the Pollution Control Board by secretary-treasurer R. Stan Stanton is worthy of serious study.

The letter protests the intention of the municipality of Richmond to discharge domestic sewage into the main arm of the Fraser River at any location.

It protests 16 permits issued to Richmond industries for existing outfalls, which permit 3,698,300 gallons of sewage to be discharged daily into the river.

Ships and shore

It charges that 19 other industries are discharging 1,285,000 gallons of sewage daily into the river without permits.

The letter asks the B.C. Pollution Board to give the public official assurance that salmon caught in the Fraser River are fit for human consumption, in view of the adverse publicity relating to release of sewage between Prince George and Steveston, including the North Arm.

"We question the ability of the Pollution Control Board to evaluate the effect of the treated industrial effluent now being discharged into the Fraser River," the letter states.

"We question the wisdom of allowing any further pollution of the Fraser River until a complete re-assessment of the Rawn report of 1953 is undertaken.

"We find it incongruous that a report made in 1953 would be

used in 1967 as a guide for disposal of present volume sewage and other wastes capable of endangering the lives of men, fish, animals and birds.

"We witness constant reference to the Rawn report to substantiate Richmonds' intentions. Our association would be satisfied if a permit was granted to Richmond on the basis of an outdated source of information."

The letter concludes with hope that the Pollution Board has gained from the experience of other areas in Canada, the U.S. sufficiently to be alarmed at the amount of pollution that is presently occurring in the Fraser River.

Tenders have been called for the federal department of petroleum works for construction of a small boat harbor at Sechelt.

Coming and Current

Dr. E. L. Baum, an authority on regional development, has been appointed executive vice-president of Acres Research & Planning Ltd. of Toronto.

Canadian textile mills shipped more fabrics of man-made fibres during January than in the same month the previous year: 18.3 million yards vs. 17.1 million yards.

Annual meeting of the B.C. Research Council will be held next Thursday at noon in the Bayshore Inn.

Lucien Gilbert Rolland of Montreal has been elected a

MONEY MARKET

By Nesbitt, Thomson

The short-term bond market was quiet most of last week. Prices were steady until Thursday afternoon when the U.S. discount rate (the equivalent of the Canadian bank rate) was lowered from 4 1/2 per cent to 4 per cent.

Prices rose slightly as an immediate result on the assumption, now confirmed, that the Canadian rate would be reduced by the weekend.

Yields on treasury bills were down slightly at the weekly auction. This strength reflects speculation on a change in Canadian bank rate.

Price improvements in Canadian bond prices were less than some observers had expected.

This is due in large measure to the fact that the rate change had been fully expected. Almost every investor plans to take advantage of this development had already made bond purchases.

Therefore, bond dealers who have acquired inventory in anticipation of heavy investment demand may have to work a little bit in order to achieve desired sales.

It is generally felt that monetary authorities in the U.S. will make no further moves of important nature in their program of monetary relaxation. This observation is based on the theory that the central bank authorities having taken considerable action already to stimulate the economy.

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McClelland said the \$7 million required for expansion would be generated from earnings although some short term borrowings might be necessary.

"With these commitments and the company's large working capital requirements we do not expect to be able to consider a (common share) dividend policy before the last quarter of 1968," he said.

LONG TERM

"The large expenditure for increased capacity will result in a benefit to shareholders over the long term because it will permit us to process a much greater tonnage of ore to a lower cut-off grade while satisfying minimum market requirements of 12 million pounds of molybdenum a year," he added.

It has been previously explained that, with a bigger mill, the company can use ore down to a cut-off grade of 0.08 per cent molybdenite whereas the present cut-off is 0.12 per cent. At present ore between these grades is being stockpiled.

Questioned after the meeting, McClelland explained that the enlarged mill will not increase the annual production of molybdenum metal but will extend the life of the mine by processing more ore including some now classified as waste. It is also expected that percentage recovery of the metal will be improved.

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★ ★ ★

William R. Prentice of Fernie has been appointed to the board of Interiors Breweries Ltd. of Creston. He is executive vice-president of Crows Nest Industries Ltd.

★ ★ ★

Dr. John L. Keays, director of the woodfibre and pulp section of the Forest Products Laboratory, will talk on forest industries in the Soviet Union at the luncheon meeting of the Vancouver Electric Club Friday in the Hotel Vancouver.

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Winnipeg grain

WINNIPEG (CP) — Export interest in barley was the highlight of trade Thursday on the Winnipeg Grain Exchange. Trade reports listed the sale of more than 10,000 tons of Canadian barley to the United Kingdom.

There also were fair purchases of oats but these were attributed to domestic interests.

Oilseed activity was below Wednesday's heavy volume but prices held steady. There were indications of a smaller volume of hedging sales, which had been liberal in recent sessions.

There was overseas support for both rapeseed and flax, with trade reports confirming the sale of 2,000 tons of Canadian rapeseed to Japan and 1,000 tons to Rotterdam.

Rye was firm in response to higher Chicago wheat and rye prices which were due to reports of poor weather in the U.S. winter wheat belt.

Flax—	High	Low	Close
May	3.04%	3.04%	3.04%
July	3.06%	3.07%	3.07%
October	3.13%	3.13%	3.13%
December	3.12%	3.11%	3.11%
Rapeseed—			
May	2.82%	2.80%	2.80%
July	2.73%	2.70%	2.71%
November	2.68%	2.65%	2.65%
Oats—			
May	..	..	31
July	..	..	30 1/2
October	..	..	31 1/2
December	..	..	31 1/2
Barley—			
May	1.28%	1.27%	1.28%
July	1.26%	1.27%	1.28%
October	..	..	1.30
December	..	..	1.28%
Rye—			
May	1.37%	1.37%	1.37%
July	1.36%	1.35%	1.35%
October	1.39%	1.39%	1.39%
December	..	..	1.39%

To hold routes

GRANDE PRAIRIE (CP) —

Jack Barber of Vancouver, community liaison officer for Canadian Pacific Airlines, says CPA has no intention of relinquishing any of its routes in British Columbia, the Yukon or Alberta.

Dividends

Anner Gold Mines Ltd., common 5 cents, June 1, record May 8.
Inland Natural Gas, 25 cents pref., April 15, record April 7.
Holland Paper Co. Ltd., 10 cents class A, June 1, record May 8.
Canadian Westinghouse Ltd., common 10 cents, April 15, record April 7.
Holden Manufacturing Ltd., class A 15 cents, May 1, record April 14.
Leblaw Groceries Ltd., common \$1.50; second pref. \$1.50; first pref. 37 1/2 cents; Class A 9 1/2 cents; class B 9 1/2 cents; cumulative pref. 60 cents, June 1, record May 3.
Universal Sections Ltd., common 10 cents, April 15, record April 7.

SHIPS IN PORT

Early Friday positions (Ship, berth, agent, destination, cargo).
VANCOUVER HARBOUR
Achilleus (Gk.) Van. Wharves, Overseas Marine, U.S.-Atlantic, potash.
Breim (Nor.) Lynn Terminal C, Seaboard, U.S.-Atlantic, lumber.
Bronxville (Nor.) UGG West, Balfour Guthrie.
Cap. Finisterre (Ger.) Burrard D.D., Johnson Walton, Australia, general.
Cyrus (Swed.) Centennial 1, Empire, Australia, general.
Evenak (Russ.) Lapointe 3, Empire, supplies.
Glyntaf (Br.) Van. Wharves, Empire, U.S.-Atlantic, lumber.
Hui Yung (Chin.) CNR, Kingsley, Japan, grain.
Jagosa (Nor.) Lynn Terminal, Seaboard, U.K.-Cont., lumber.
Jalapankhi (Ind.) Terminal 2, Anglo.
Japan Mail (U.S.) CPR B, Canadian Blue Star, Orient, general.
Jean (Lib.) Centennial 3, Pacific Export.
Judith Ann (Lib.) B.C. Sugar, Vanport, Japan, potash.
Korai Maru (Jap.) Cassiar, Westward, Australia, asbestos.
Kyokko Maru (Jap.) CPR A, Dodwell.
Libra (It.) Anchorage, Anglo, Japan, grain.
Mable Warwick (Br.) Centennial 4, Kingsley.
Nimosa (Swed.) Lapointe 2, North Pacific, China, grain.
Nichion Maru (Jap.) Van. Wharves, Anglo, Japan, general.
Nordanger (Nor.) Ballantyne 4, Empire.

Oriental Banker (Lib.) Lapointe 1, Western Overseas, Japan, grain.
Peebi Island (Lib.) Burrard Terminals, Balfour Guthrie, grain.
Santa Ellama (US) Terminal 1, Gardner Johnson, Sth. America, general.
Santa Flavia (US) Terminal 3, Gardner Johnson, West Indies, general.
Shunkai Maru (Jap.) Port Moody, Gardner Johnson, Japan, coal.
Starstone (Lib.) Centennial 3, Vanport, Mediterranean, general.
Transocean Merchant (Philip.) Pool 2, Balfour Guthrie, Peru, general.
Upland (Swed.) Anchorage, Anglo, Japan, coal.
World Conquerer (Lib.) Anchorage, Empire, Japan, coal.
World Harmony (Lib.) Western Water Terminals, Vanport.
Yamakku Maru (Jap.) Ocean Wharves, North Pacific, Japan, general.
ARRIVALS
Bronxville (Nor.) Jalapankhi (Ind.), Jean (Lib.), Kyokko Maru (Jap.), Mable Warwick (Br.), Nordanger (Nor.), World Harmony (Lib.).
DEPARTURES
Ariston (Lib.), Banasol (Lib.), Crusader (Br.), Despina C. (Lib.), Finse (Nor.), Hoegh Musketeer (Nor.), Nichyo Maru (Jap.), Otowasan Maru (Jap.), Polyxene C. (Gk.), Shinyo Maru (Jap.), Wandby (Br.).
New Westminster City (Br.) Argonathis (Gk.) Overseas 5, Seaboard.

New Westminster City (Br.) PCT IC, Anglo, U.K. lumber.
Pacific Envoy (Br.) PCT ID, Furness Withy, U.K. general.
ARRIVALS
Argonathis (Gk.) New Westminster City (Br.).
DEPARTURES
Alaska (Lib.) Jalapankhi (Ind.), Trecarne (Br.).

CRAIGMONT MINES LIMITED

NOTICE is hereby given that Interim Quarterly Dividend No. Fourteen of Twenty-five (25c) Cents per share plus an extra Dividend in the amount of Twenty-five (25c) Cents per share (Canadian funds) has been declared payable April 28, 1967, to shareholders of record at the close of business April 14, 1967.

BY ORDER OF THE BOARD.
J. L. McPherson,
SECRETARY.

April 5, 1967.
Vancouver, B.C.

