

THE SMELTER QUESTION Nelson-Poorman Gold Mining Co.

Rossland's Memorial to the Governor-General-in-Council Regarding the Proposed Export Duty on Ores.

PLAIN STATEMENT OF THE FACTS

True Solution of the Problem Shown to be the Immediate Construction of An Independent Railway to Robson—Present and Prospective Capacity of Our Mines—Trail Smelter the Only Plant in Kootenay in a Position at Present to Treat Rossland Ores—More Smelters Needed, and Mine Owners Prepared to Erect Smelters of Their Own As Soon As Adequate Railroad Facilities Are Provided.

The committee appointed at the mass meeting of the citizens on Thursday evening to draft a memorial to the governor-general-in-council, has adopted the following report. It will be forwarded to Ottawa at once:

TO THE GOVERNOR-GENERAL-IN-COUNCIL:
The mine owners of the Trail Creek mining division, in the District of West Kootenay, British Columbia, and the citizens of the city of Rossland, in consequence of the circulation of a petition by the owners of the Nelson Miner asking for the imposition of an export duty on ores containing copper or metal other than lead and nickel, called a public meeting for the purpose of discussing the same and taking action thereon with the object of presenting their views on the said question to you.

At such public meeting, which was held on the 12th day of August, and which was composed of all Rossland's leading citizens and representatives of all the shipping mines and those engaged in development of other mines in the camp, the following resolutions were, after a full and free discussion, unanimously adopted:

Voice of the People.
Resolved, that this meeting views with alarm the agitation for the imposition of an export duty on ores which are alone produced in the Rossland camp, which is unwise and impolitic and not at all justified by the conditions existing at the present time in the district.

That an export duty on our ores would only operate under present conditions, and so long as these conditions continue, as an oppressive tax on the mine owners and a continual menace to capital seeking investment in the purchase and development of our mining interests.

That the imposition of an export duty on our ores would not meet the mining conditions as they exist in the camp, nor would it induce capital to make investments in smelters in this district so long as the present railway facilities for the transportation of our ores and fluxes remained unchanged.

That what this camp needs now is not an export duty on our ores, but a direct and independent railway communication to some point on the Columbia river, where the best smelting facilities may be obtained, and with this object in view we beg to call the attention of the federal government to the fact that the Canadian Pacific Railway company, notwithstanding the enormous subsidies which it has received and which the people of Canada have so heavily taxed themselves to pay, has failed in its obligations to this camp and to the country. Some of the large mine owners have offered a daily tonnage of 1,600 tons to the C.P.R. if it would build a line from Rossland to the Columbia river, at which point they would build and erect their own smelters, and that offer remains unanswered, although made over six weeks ago.

That before taking any action in the way of placing an export duty on ores, the governor-general-in-council should appoint a competent committee of three metallurgists to visit the several sections of country which are mining ores containing pyrite, nickel, gold, copper, silver, and lead, to mingle with the mine owners and get their opinion as to the best interest of Canada and its great mineral resources; and if they find it to be the best interest of the Dominion to place an export duty on ores, that they will not single out one section to place an export duty, but make it universal by placing an export duty on all ores and bullion going into the United States.

And further, that the chairman of this meeting appoint a committee of three to prepare a memorial to the Dominion government embodying these views and setting forth in detail the facts on which they are based.

The chairman of the meeting appointed the undersigned to prepare the memorial referred to in the resolution, which is to be presented to you in due course. The petition, which is now being circulated, asking the imposition of an export duty on the ores produced only in the Rossland camp, is as follows:

The Nelson Petition.
TO THE GOVERNOR-GENERAL OF THE DOMINION OF CANADA IN COUNCIL:
The petition of the residents of Kootenay district, in the province of British Columbia, humbly sheweth:

That the development of the mineral resources of Kootenay district has proved beyond all doubt that the present tonnage and value of the ore mined is already sufficient to constantly supply several large smelters;

That within the Kootenay district there exist all the elements necessary for the economical reduction of ores;

That a smelter is now being erected at Northport, in the state of Washington, U. S. A., at a point distant less than seven miles from Canada, and only 16 miles from Rossland, the centre of the Trail Creek mining division;

That at the present time there are in West Kootenay district three smelters of a total capacity of 1,075 tons daily, representing an investment of more than one million dollars and employing 500 men;

That the people of Kootenay are desirous that the district may not only produce ore, but also have such productions smelted and refined in its limits, or at any rate at some point in Canada, thus building up an industry beneficial alike to labor, capital and commercial interests;

That the imposition of any export duty on ores containing copper or metal other than lead and nickel would not only assist the smelters at present established, but would be an inducement to capital to invest further in such enterprises within the Kootenay district;

Therefore, your petitioners pray that an export duty, such as is in your power to grant, may be imposed by the Dominion of Canada upon all ores exported from Canada, containing copper or metal other than lead or nickel, and your petitioners as in duty bound will ever pray.

The Mines of the Camp.
The British Columbia Smelting & Refining company, of Trail, owners of the Trail smelter, owns or controls the ownership of the Columbia and Kootenay group of mines and it has been stated that if the present development continues for a few months they will have as great a property as the Le Roi mine, which has up to the present time furnished them with the great bulk of the ore smelted by the company at Trail. A reasonable calculation that this mine will soon be able to ship 250 tons per day is no exaggeration.

2. The Centre Star mine has blocked out and ready for shipment about 400,000 tons of ore, and within less than a year from this time when the company has sunk its shaft 200 feet below its present level, the company will undertake to ship not less than 1,000 tons per day for many years to come.

3. The Le Roi mine with its present development is able to ship not less than 250 to 350 tons per day and is about to sink a shaft which will be completed in a few months that will enable it to mine and ship not less than 800 tons per day, also for years.

4. The War Eagle mine is, with its present development, easily able to mine and ship 250 tons per day, and before cheaper transportation rates can be given it will be able to double its present capacity.

5. The Josie, Iron Mask, Jumbo, Homestake group, Monte Cristo, Cliff and other mines now in the course of development will before the first day of January, 1898, be in a position to mine and ship not less than 250 tons per day.

6. Outside of the mines named many other claims are being developed of which it is reasonable to suppose some may become shippers of ore; but the estimate of production of ore is not based on any of them.

We thus have mines in this camp which within a short period of time will be capable of shipping not less than 2,550 tons of ore per day, made up as follows: Columbia and Kootenay, 250; Centre Star, 1,000; Le Roi, 800; War Eagle, 250; Josie et al., 250. Total 2,550.

Present Smelter Capacity.
The Trail smelter has a daily capacity of not to exceed 250 tons. The Hall Mines smelter at Nelson has a daily capacity of 250 tons. The Pilot Bay smelter has a daily capacity of 120 tons, making together a total capacity of 620 tons per day. It is to be observed that the Trail smelter treats the Rossland camp ores exclusively. It is further to be observed that the Hall mines smelter at Nelson is,

LIMITED LIABILITY. INCORPORATED UNDER THE LAWS OF BRITISH COLUMBIA, MAY 25, 1897. "COMPANIES ACT, 1897."

Capital Stock \$250,000.

In One Million Shares of the Par Value of Twenty-Five Cents Each.

PROVISIONAL DIRECTORS: A. L. DAVENPORT, Nelson, Miner, President; J. FRED HUME, Esq., M. P. P., Nelson, Vice-President; ROBERT EWART, Nelson, Miner, Secretary-Treasurer; J. FRED RITCHIE, Rossland, Surveyor; HECTOR McRAE, Rossland, Miner.

BANKERS: Bank of Montreal. **SOLICITOR:** John Elliot, Nelson, B. C.

HEAD OFFICE, - - - NELSON, B. C.

... PROSPECTUS ...

This company has been organized for the purpose of acquiring the Poorman group of gold-bearing properties, consisting of the Poorman, White, Hardscrabble, Hardup, Election and Myemer, covering about 130 acres and situated in Nelson mining division of West Kootenay, B. C., and of vigorously prosecuting further development and enlarged workings of these valuable properties.

TERMS OF PURCHASE.
It is proposed to purchase said properties with mill, water rights and other plant, stock, for the sum of Two Hundred Thousand Dollars (\$200,000), the vendors accepting 800,000 fully-paid shares of the company's stock of cash in payment.

WORKING CAPITAL.
The remaining 200,000 shares are to be set aside as working capital for development purposes.

TITLE.
The Poorman mineral claim was crown granted February 7, 1891. Preliminary steps have been taken for obtaining a crown grant for the Hardscrabble. Crown grants for the remaining claims will be obtained as quickly as possible.

EXPENSES AND COMMISSIONS.
The estimated amount required as preliminary expenses is placed at \$5,000, and a commission of 25 per cent is allowed to the promoters out of which the preliminary expenses and all other expenses in floating the company will be paid.

APPLICATIONS FOR SHARES.
Subscriptions are invited for an issue of one million shares of the company's stock of the par value of Twenty-five cents each. Applications are to be made to the company's secretary and no application for less than 500 shares will be received. Shares are to be fully paid on allotment to the subscribers. The provisional directors have each subscribed for 500 shares, excepting J. Fred Hume, who has subscribed for 1,000.

REPORT ON THE POORMAN.
The following are extracts from the very full report of Messrs. Bewick, Moreing & Co., mining engineers, of London, Eng.:

GEOLOGICAL FEATURES AND VEINS.
The rock occurring throughout the property is a hard micaceous, traversed in several directions by eruptive dykes. The rocks are mostly concealed by heavy accumulations of detrital matter so that the outcrop of veins make very little display on the surface.

CHARACTER OF ORE.
The ore in all the veins has the same general character, and consists of milky quartz, mostly traversed by threads, stringers and bunches of auriferous pyrite with a little galena and chalcopryite, but in some places the quartz is perfectly white and free from pyrite. Occasionally, when fairly thin, this white quartz carries a considerable amount of visible gold.

WORK DONE ON THE VEINS.
Most of the ground in the Poorman above the top level, affording about fifty feet of "backs," has been stopped away, but below that level very little stopping has been done, the late owners,

For further information or shares apply to
ROBERT EWART, Secretary of Nelson-Poorman Gold Mining Co., Nelson, B. C.

with the exception of a few tons now and then, purchased from the Rossland mines, exclusively used in the smelting of the ores of the Silver King mines owned by the Hall Mines company, limited. The Pilot Bay smelter has been largely in the past used in the reduction of silver-lead ores of the Ainsworth camp. No Rossland ores have ever been smelted in it, and the rate of \$3 per ton proposed to be charged by the Corbin system of railways from Rossland to Pilot Bay is prohibitory on the ores of this camp. The Canadian Pacific Railway company is not likely, under its present arrangements for transportation, to be able to make any large rate.

Shipment via the Canadian Pacific railway would involve a breaking of bulk and a transfer from the narrow to the standard gauge at Trail for transhipment on the Columbia & Western railway to Robson, thence ferried across the Columbia at that point to the Columbia & Kootenay railway, thence to Nelson, thence by barge to Pilot Bay, a distance of 25 miles from Nelson.

Nelson and Pilot Bay Plants Out no Figures.
The present owners or lessees of the Pilot Bay smelter have stated that they cannot purchase Rossland ores and use them in the smelter if the freight charges should exceed \$1.25 per ton. In calculating the smelting capacity of plants for treating Rossland ores, Nelson and Pilot Bay may be justly eliminated and we have left the Trail smelter with a capacity of 250 tons to treat the ores of a camp which will, before next January, have a daily output of 2,550 tons, or an excess of 2,300 tons over the present smelter capacity of the district, or in fact of British Columbia.

This statement of fact is a complete and unanswerable argument against the imposition of an export duty on Rossland ores. Under such conditions what good purpose could be served by the imposition of an export duty on Rossland ores? None whatever, and no person, whether the owner of a mine or a smelter, could in any possible way receive any benefit therefrom. It is no exaggeration to state that the mines of Rossland today would, if the charges for transportation and treatment were reasonable, mine and ship and are capable of doing so, not less than 1,000 tons of ore per day, or an excess of 750 tons daily above the smelter capacity of the district.

What Rossland Needs.
The great and crying need of the Rossland camp today is cheap and direct communication with the Columbia river in the direction of Robson; and that without delay. A line has been already surveyed by the Canadian Pacific Railway company from Rossland to Robson, going out through Centre Star gulch, following an easy grade not to exceed one and one-half per cent per mile to Murphy creek, and thence almost on a dead level to Robson, which would not exceed 20 miles in length. A railway along this route could be cheaply and very quickly built, as there would be but little or no rock cutting on the line and the right of way is practically cleared already.

It is estimated by competent persons that a railway along this surveyed route could be built and equipped ready for business within five months and at a cost not to exceed \$250,000. The day such a railway is completed the Rossland mines will furnish the Canadian Pacific Railway company with a tonnage of ore alone of not less than a thousand tons per day for years.

The natural smelting point for the reduction and refining of ores for the largest and richest part of West Kootenay is some point on the Columbia river near where the Kootenay river empties itself into the Columbia river. The ores of the Rossland mines are the natural fluxes of the galena ores of the Slovan. The Canadian Pacific Railway company, with the lines it already has and those now under construction, will control the shipment of these galena ores and will be able to deliver them on the Columbia river at Robson at a greatly reduced cost of transportation over the present rates to American smelters, where nearly all these ores are now shipped. The Columbia river runs through the centre of a great mineral zone of not less than 250 miles in length, and for that distance is navigable for large steamers all the year around by reason of which the ores, the fuel and the fluxes for smelting situated in abundance along its bank, can be cheaply and readily carried to such a smelting point.

Two More Smelters Certain.
That smelters would be built on the Columbia river if the Canadian Pacific Railway company would at once commence the building of such line of railway there is no doubt. The manager of the Centre Star mine is in possession of a written offer made within the past fortnight by a banker of great wealth (who has already shown his faith in this camp by contributing not less than a quarter of a million dollars to the mining, railroad and industrial enterprises in it) that he would furnish him all the money requisite for the erection of a smelter of not less than 500 tons daily capacity as soon as transportation is given to the Columbia river by an independent railway. In his offer he stipulates that the smelter must be built in British Columbia and not in the state of Washington. The chief owners of the stock of the War Eagle mine have publicly stated that they will build a smelter when cheap transportation is given them. Representatives of

being men of little capital, having been unable to set aside a sufficient amount from the profits of stopping to enable them to keep their development work sufficiently advanced, so that they ultimately arrived at a stage in which the available slopes were nearly exhausted and nothing but development work could be done for some time. That appears to be the reason for parting with their property. At any rate it is a perfectly good reason for men in their position.

Before an adequate output of ore can be obtained, it is necessary to continue a tunnel which has been commenced about 450 feet vertically below the upper tunnel. To the date of our inspection it has been driven about twenty fathoms, but it needs to go fifty fathoms further, and this will cost about \$2,700. It will then be necessary to drive right and left along the vein to open up stoping ground, so that on the Poorman an expenditure, underground, of about \$4,000 is required before a profitable output can be obtained. To work the vein by means of the shaft commenced in the mine is quite out of the question in view of the possibility of reaching a lower level by means of the tunnel already laid, because the cost of opening up ground by sinking would be much greater, and secondly, the working costs would be increased by hoisting and pumping.

At the White the only work done is a short drift put into the hillside at an altitude of about 450 feet above the level of the Poorman tunnel, and 270 tons of ore have been extracted. Of this quantity 50 tons were put through the mill, the remainder was on the ground at the mouth of the drift at the time of our visit.

Here a deeper tunnel should be driven, the cost of which would be about \$3,000.

MILL.
There is a 20-stamp mill in good order, but poorly housed. It stands about 20 feet vertically below the Poorman lower level. It contains: One Blake crusher, 11x12 inches; ten 800 pound stamps; two "Challenge" feeders; three vanners. This machinery is actuated by a four-foot Pelton wheel driven by water, having about 20 feet head.

The capacity of this mill should be doubled. To do this it will be necessary to make some addition to the water supply. This can be done quite easily. It will be necessary to introduce an improved tailings plant, so as to have some of the gold that now goes down the stream.

OTHER MACHINERY AND PLANT.
In addition to the mill there is on the ground: One air compressor and receiver for driving three drills, and one of 1 1/2 inch pipe leading up to the mine. This machinery is driven by the Pelton wheel. One rock drill; one hoist, 4x10 inches, with 6-inch drum geared 5 to 1; one vertical boiler, 3x3 feet diameter; one Knowles sliding pump, 10x4 inch steam and 6-inch ram, with 4-inch suction and 3-inch delivery. Both hoist and pump are actuated by work either by steam or compressed air.

Also a considerable length of rails and pipes of various sizes, from one-half to one and a half inches, and all necessary cars and tools to work the mine on the small scale it has hitherto been worked. The mine is equipped with a sufficiency of wooden buildings.

FUTURE WORKING.
Besides completing the lower tunnel at Poorman, a deeper tunnel should be made at White. These works, with the necessary drifting along the lodes, which will take about six months, will render it possible to obtain an output of 250 tons per day or 15,000 tons per year.

The development work suggested would (provided no unforeseen occurrence interferes with the yield of the vein), with this rate of extraction, serve for between three and four years' output at least. The lower tunnel at Poorman is about 250 feet vertically above the mill, and the White tunnel about 710 feet above it, so that there are abundant "backs" for years to come that can be reached in the most advantageous manner.

ESTIMATED COST OF WORKING.
When the suggested new works are completed, we estimate that the cost of working will not exceed the following, an estimate of 250 tons per day or 15,000 tons per year: Mining, \$4.00; Superintendence, \$6.50; Sundries, \$3.50; Total \$14.00 per ton.

Taking the net value of the ore at only \$14.00 per ton to allow for deterioration, there will be a profit of \$5.00 per ton, or \$750,000 a year on an output of 15,000 tons.

COST OF NEW WORKS, ETC.
The cost of the extensions to the mill, and other works needed to enable the before mentioned output to be obtained, is estimated at \$250,000, as detailed as follows: Mine development, \$7,000; Ten stamps and accessories, with new building, \$10,000; Flume from Sandy creek, \$3,500; Sundry works and payments, \$1,500; Total, \$22,000.

VALUE OF MINE.
From a consideration of the foregoing figures and of the circumstances surrounding the mine we are led to the conclusion that the value of the property may be safely taken at \$420,000. In fixing upon this value we make ample allowance for all the risks attendant upon this class of mining. (Signed) BEWICK, MOREING & CO.

large English companies and syndicates have stated that they were also ready to advise their companies and syndicates to make investments in smelters as soon as the transportation question was settled. Without doubt at least two large smelters would be in course of construction if such a railway were begun, and would be completed as soon as the Canadian Pacific Railway company would have its railway line completed and ready for traffic.

Present Railway Facilities Inadequate.
The present railway facilities are inadequate. The Red Mountain railway simply ships Rossland ores to the United States. Its rates on ores to Pilot Bay or Nelson are prohibitory. We are thus left to the Columbia & Western railway, a narrow gauge road to Trail, a distance of 13 miles from the shipping mines. This company is now completing a portion of its line from Trail to Robson, a distance of some 22 miles, on the standard gauge. This way of shipping would necessitate a transfer involving very considerable loss, besides nearly doubling the mileage over the direct route as surveyed even though the narrow gauge road should be widened to a standard gauge. In Montana ore is hauled from Butte to Anaconda, a distance of 98 miles, for 35 cents a ton.

The present rate over the narrow gauge road to Trail is \$2 per ton. Although an offer was recently made to the Le Roi mine to haul its ore for 75 cents per ton, but no reduction has been made to the other mines shipping ores to the Trail smelter.

No mine owner desiring to build a smelter for the reduction of his own ores will for a moment consider the question of locating it on the line of the Columbia & Western railway so long as the Trail smelter is owned and operated by the railway company, for reasons which are patent and cogent to any business man.

C. P. E. Agreement With Heinze.
There is a strong and apparently well grounded opinion among the mine owners of this camp that there exists between Mr. Heinze and the Canadian Pacific Railway company some understanding or arrangement by which the Canadian Pacific agrees to keep out of this camp and that it shall be, as between them, considered as Mr. Heinze's preserve. This opinion is strengthened by the fact that in a recent authorized statement issued by the officials of the Canadian Pacific Railway company it was said that that they were negotiating with Mr. Heinze for satisfactory rates for the Rossland camp and if they were not granted the Canadian Pacific Railway company would build its own line. This was over a month ago, but nothing further has been heard of the matter and so far as the public know nothing has been done.

Rossland's Rights in the Matter.
The Rossland mine owners have at this time particularly strong claims upon the attention of the government and also upon the right of reasonable and immediate transportation by the Canadian Pacific Railway company.

The mine owners of Rossland, have with their own resources, under great and trying difficulties and under very adverse conditions and circumstances and without government aid of any kind developed their mines, until today they have put themselves in a position to mine and ship not less than 750 tons per day over and above the smelter capacity of the district.

They further feel, and beg to state boldly and unqualifiedly, that they made the construction of the Crow's Nest Pass railway an absolute necessity, and justified the government of the day and the parliament of Canada in aiding and bonussing the Canadian Pacific Railway company to the extent of millions of dollars for its immediate construction. They have thus opened up the trade of the mining camps of British Columbia to the Manitoba and Northwest farmer and to the eastern merchant and manufacturer, and taken it away from those lying to the south of the boundary line—a trade now that goes into the millions each year, and which can be enormously increased when cheap transportation is given them.

Mine Owners Mean Business.
Capitalists and mine owners are willing now to go on and build their own smelters, with the present charge for coke and coal, if they had the line already referred to in course of construction, without waiting for the advent of cheaper fuel from the Crow's Nest coal mines. They have developed their mines nearly two years in advance of any relief which they will ultimately obtain from the construction of the Crow's Nest Pass railway. The undersigned submit with great confidence that it is not possible under such an enlightened and progressive government as Canada possesses today that it will permit any unreasonable delay to occur in the building of a direct and independent railway communication from Rossland to the Columbia river. To do so would be to countenance a gross and cruel injustice to the mine owners who have done so much to make the great and lasting mineral resources of Canada known to the world. The undersigned further submit they have made out an unanswerable argument against the imposition of an export duty on ore at this time.

OLIVER DURANT,
J. B. McARTHUR,
J. F. McCREA.