

will be some further amount to come to us."

After having explained the circumstances which had made the formation of the new company advisable, the chairman gave the meeting the following further information:

"The capital of this company has been fixed—£75,000 in shares and £75,000 in debenture stock. Of this about £50,000 in each class has been issued to the holders of the £100,000 debenture stock in the old company. The interest upon the debenture stock has been fixed at 4 per cent. The annual charge, including sinking fund, equals £3,200, beyond which amount the business will only have to provide for the expenses of management in British Columbia and London, and these we shall do our best to keep at the lowest figure consistent with efficiency. The remainder of the debenture stock and shares is reserved to provide further capital for the extension of the plant of the Cascade Company. \* \* \*

"The present position of the business is as follows: The West Kootenay Power and Light Company, having failed to obtain legislative powers, is for the present debarred from doing business in our area. That company has, however, spent large sums in building pole lines throughout our district and in erecting a fresh plant at their central station, and has also made provisional contracts to supply our customers—contracts which, of course, at present they cannot proceed with. We must therefore, anticipate a keen fight in the Legislature next year. Meanwhile, however, our plant is fully employed, and we are hopeful that we shall be able to enter into contracts with our customers for the extension of the period of supply, thus putting ourselves in a position to compete successfully with our rivals. The directors, though, wish you to clearly understand that the situation is full of difficulty. Our policy is, and has been, to come to some arrangement with the West Kootenay Company, if that can be done on reasonable terms. Failing that we must fight for our existence. Contracts already entered into will probably be sufficient to enable us to pay our operating expenses for some years. The Cascade Water Power and Light Company was at the end of August—the largest accounts to hand are to that date—well supplied with funds for all current purposes, including the erection of pole lines and sub-stations for the purposes of a fresh contract recently obtained. If, then, we are obliged to fight and the West Kootenay Company succeed in taking up their provisional contracts with our customers, we shall have an available margin of power which can, if necessary be offered at a very small rate, and, in any event, our existence in the field will be a very material factor in influencing rates in the district.

"We have every confidence in Mr. Anderson, our manager at Cascade, and our plant has already proved itself most efficient under his charge."

#### LE ROI MINING COMPANY, LTD.

As supplementary to the annual reports and statements of accounts of the Le Roi Mining Company, Ltd., published last month in the *MINING RECORD*, the following condensed account of the proceedings at the meeting of shareholders of the company, held in London, England, on November 27, has been taken from the *London Mining Journal* of Dec. 1:

"The seventh ordinary general meeting of the shareholders of the Le Roi Mining Company, Ltd., was held on Tuesday, Mr. T. D. Grimke-Drayton, J. P., (chairman of the company) presiding.

"The secretary (Mr. Harold A. Wesson) having read the notice convening the meeting and the auditors' report,

"The chairman, in moving the adoption of the report, said that the present directors had only been in office since last December, when, as a result of the vote of the shareholders at the annual meeting, held on the eighth of that month, the late board retired from office and the present directors were called upon to take charge of the company's affairs. The discussion of the amalgamation for two or three months during

the latter part of last year had interfered very much with the management of the company's business. Nevertheless, a profit of £37,138 was made in the year, after writing off £28,628 in respect of exploration and development, £18,163 on account of depreciation, and paying £3,727 for expenses incurred by reason of the proposed amalgamation, and £3,464 for taxes claimed by the Government of British Columbia during various years since July, 1900. During the year they spent a larger amount than for several years past on development work, and he was satisfied that the results had justified their action. In mines like theirs the principal thing was to keep their development up, so that there was plenty of ore in sight; in his opinion the failures in the past were largely the result of taking out ore in sight and not pushing development forward in a proper manner. Referring to his recent visit to the property, he stated that the mine was in very good order, and that there was far more ore in sight than at any previous time. It was clear to him that in the past there was bad management, chiefly owing to the constant changes and to the uncertainty as to policy. The mine was excellently equipped, and he was of opinion that there was far more ore in their property than had come out of it. His firm conviction was that they had done well to decide that Le Roi should stand alone. His opinion was that they should leave the capital as it was, that if at any time they should wish to extend the company's operations or the scope of their work, they should pay for what they wanted out of profits, and that they should go on pushing development as fast as possible, at the same time giving the Northport smelter a fair trial. If they did this, he was convinced that they would smelt at less than the Trail contract price, and would be doing their smelting at their own works and retaining a valuable property. The managing director, Mr. McMillan, had shown capital judgment in his selection of those who managed the company's property.

"Mr. G. W. Wilson seconded the motion, which was unanimously agreed to without discussion.

"Mr. A. J. McMillan, managing director, addressing the meeting, said that to him it was especially gratifying that the company had at last reached the point where they were able to pay a dividend. To this end he had been working since he became a director in July 1902, when their affairs were in a deplorable condition. At that time they owed their bankers £275,000, whereas they now did not owe them anything; the whole of the property was free and unencumbered, and, according to the last monthly return received from Rossland, they had over £100,000 of cash in the bank. A little more than two years ago he was strongly urged to come to London and recommend an assessment of 10s. a share, but, believing in the property, and recognizing that it was not so much the mine as the management which required attention, he vigorously opposed the scheme, and events had, he thought, shown the wisdom of the policy then pursued. Some of the shareholders might, perhaps, think that a dividend of 3½ per cent. was not very much for a mining company to pay, but they should remember that their capital was £1,000,000—a fact for which the present directors were in no way responsible. The amalgamation scheme was rejected by the shareholders last December, and the Trail smelter contract of last year having now been cancelled, the veil fell upon one of the most discreditable chapters in the history of British Columbia mining—a chapter which told of a deliberate attempt, carefully engineered from across the Atlantic, to put through this extraordinary 'deal' by trading upon the presumed ignorance of some of those in authority and of the British owners of the Le Roi mine. Nothing that had happened in recent years had done so much to shake the confidence of British investors in the *bona fides* of the proposals submitted to them relating to British Columbia mining; and one could only hope that for the sake of the reputation of Canada, if for no other reason, it might be long before a similar chapter was written. On the whole, he thought that