

but too well illustrates; for it shows that in the instance of one of the only two really world-famous mines of Rossland, the remaining ore deposits are only too likely to reveal themselves capable of yielding at best meagre profit returns, that will be by no means commensurate with the large amount of capital at risk. Thus the report of the directors of the War Eagle company shows that instead of any profit, there was a really a loss involved by the working of the mine during the four months ending April 30th last. During that period the company admits that, while working expenses amounted to \$43,043.27, the sales of ore brought returns of \$40,635.29 only; to which, if transfer fees of \$116 be added, the net result is a loss of \$2,291.98. The directors attribute this loss, which is really considerable when it is borne in mind that it is the outcome of the production and treatment of an average of 28 tons of ore per diem, to the present high charges in respect of freight and smelter treatment, now averaging \$10 per ton. They add, that the building of the Crow's Nest railroad will reduce these charges at least \$2 a ton, and, pending this desirable consummation, propose to continue to limit their production to an amount varying between 25 and 30 tons a day. Then in reply to suggestions by stockholders that they should cease to work a mine, previously supposed to be fully and profitably developed, at this extremely low pressure, and increase the output to 100 tons a day at least, the directors make the following damaging admission:

"The position of the directorate is that to ship 100 tons daily is to lose \$250 daily, owing to the high charges: while if the Crow's Nest Pass railway runs through, a number of smelters will be started, and the company will be in a position either to build a smelter of its own to treat its own and other ores, or to contract with some independent smelter at better rates. Should the agreement to run the line be made at once, the present policy will possibly need to be continued until three or four months."

Too many doubtful hypotheses here surely, as the Eastern Canadian stockholders have promptly noted, quotations for the War Eagle stock falling enormously in responsive result. Does any one who is even most superficially informed believe, as the above quotation from the directors' report will imply, that the building of the Crow's Nest

road and the construction of new smelters will come so speedily as to enable the War Eagle company to restart big operations on a remunerative basis within four months or so? The very least period in which this railroad can be completed exceeds a year; and as big smelting extensions are, according to the directors of the War Eagle, to follow, these also must take time. It is not too much to say, therefore, that the report prognosticates at the best a profitless period of at least fifteen to eighteen months as regards the working of this once (but, alas! only temporarily) successful mine. Then too be it noted, that while the directors hope that the building of the Crow's Nest Pass railway may reduce freight and treatment charges by at least \$2 a ton, they afterwards in their report admit that were they to put out 100 tons a day, the loss would be \$250, or \$2.50 per ton.

Hence the miserable margin of a saving of \$2 a ton in freight and treatment, on which at present they base their hopes of future profit, is shown to be utterly inadequate, since they confess a present loss of \$2.50 a ton. What, too, if copper prices should fall even slightly, a circumstance which, though at this moment apparently unlikely, may easily result in the early future from the big increase that is gradually being made in the world's output of that metal. To put it plainly, an actual margin—and in this case there is no such margin—of \$2 a ton for profit possibilities, is wholly inadequate to set against the contingencies of increasing expenditure in the case of mines, necessarily so costly in their working as the deepening claims of Rossland.

The MINING CRITIC can also quote in defence of its admittedly gloomy view of the prospects of this overrated mining camp the utterances of a well informed Rossland correspondent of the *B.C. Mining Record*. Mr. D. M. Watters. Mr. Watters, whose remarks appeared in the last issue of the *Record*, first quotes the high authority of Messrs. McConnell and Hardman to show that the Rossland ores do not increase in value with their depth, a statement which the present case of the War Eagle serves to illustrate. Then, speaking of the camp, he adds that it is "as a whole a low grade camp, the average shipping value of the working mines running from \$23 to \$30 in gold, and not infrequently a dollar or two lower. Under the present conditions this last figure

represents the lowest point at which the ore deposits become of commercial value . . . . . The rock is a rough hard, igneous rock, so difficult to work that contract prices from \$25 to \$35 per foot are not uncommon for shafting. Then to the cost of working under these conditions must be added sorting freight and treatment, which last at the present time runs from \$10 to \$12 a ton." Then Mr. Watters adds, probably noting the report-prophecy of the War Eagle Board that "the greater part of the ore of the district is too low grade to pay by existing methods. Many extravagant prophecies are being made of the changes to be brought about by the much talked of Crow's Nest road, prophecies which do not seem to have a sufficient basis.

. . . . . Then noting the recently attempted boom of the qualities of the more recently worked ores of the Le Roi mine, Mr. Watters reminds us that the favorable concentrating tests of these ores, which were lately so widely advertised "were tests of picked quartz from which all of the typical sulphide ore of the camp were carefully excluded, and the results of this case do not admit of general application" and "the ore remains strictly a smelting ore."

Mr. Watters therefore concludes, from observations made on the spot, that the most noted of the Rossland ore deposits is unlikely to be amenable to much cheaper treatment, being neither free-milling, nor amenable to cyanide nor chemical treatment . . . . ."

Is it any wonder, under these circumstances, that though a small army of representatives of leading British mining capitalists have latterly visited Rossland, they one and all seem loth to recommend even the best mines of this camp as profitable investments for investors under present conditions of local exaggerated valuation? Is there cause also for wonder—Rossland being unfortunately regarded as British Columbia's typical gold camp—that the acute city editor of Mr. Labouchere's famous paper *Truth* states in the last number to hand of that journal, that though "there is no doubt plenty of gold in British Columbia, the mines are not nearly enough developed to make investment in the various companies desirable at present." In view of which and many other circumstances, it is high time for the Rossland boomers to tone down their utterances in accordance with facts and possibilities, and cease to herald their mining camp to the world as one of the biggest and most