

ment of the local smelter and refinery I have referred to will be to promote competition and to offer a ready market for our productions."

As still one more additional proof of the looseness of Mr. McCuaig's statements I wish to state that a special correspondence was opened between the Great Northern Railway and the American Smelter Trust, by which the Great Northern Railway endeavoured to get the American Smelter Trust to come into the British Columbia market. The result of this correspondence was that the American Smelter Trust said they would advise them further in case they decided to purchase British Columbia ores. This ended the correspondence, and nothing more was heard from the Smelter Trust.

At the beginning of the year 1901 British Columbia was turning out in the neighbourhood of 300 tons of lead ore daily, which was far in excess of the tonnage that could be handled by the smelters located at San Francisco, Everett, Trail, and Nelson. For this reason the Canadian Pacific Railway Company undertook to and did market a large amount of ore in Germany and other European countries; they would have been glad had the American Smelting and Refining Company taken this tonnage, but the correspondence above referred to between the management of one of the large properties and the Smelter Trust was certainly conclusive so far as convincing the railway companies that the Trust would not purchase any ore in British Columbia at any price.

Mr. McCuaig states that the actual difference to mines carrying 50 per cent. lead amounts to between \$10 and \$12 per ton. He is not very explicit as to exactly what he means; under any interpretation his statement is not correct. Assuming for a minute that there was some truth in it, no American smelter could possibly purchase British Columbia ores at New York prices, less the duty, when New York prices are at their present figure and London prices are £10 10s., as such a procedure would mean a tremendous financial loss to any such company. There is, in other words, more lead being produced in the United States than they can possibly take care of. They must of necessity, therefore, export lead originating from Mexico and British Columbia under the bonding privilege, or else export lead originating in the United States for which they had paid \$80 per ton, and sell it in London, where they would receive 46s. per ton.

In conclusion, I wish to state that the Trail smelter was simply one of a number of smelters which decided for business reasons that it would be well to change the method of purchasing British Columbia ores so that the metal quotations used would be those of the country in which they would sell their product.

Second: That a change made from the New York to the London basis has resulted in round numbers in an advantage of \$230,000, or approximately \$2.22 per ton of ore, to the mines during the years 1900 and 1901.

Third: That the American Smelting and Refining Company withdrew from the British Columbia market because they were not willing to purchase British Columbia lead ores at the ruling prices in the country, and furthermore, because they had more domestic lead ores than they could handle, as shown by their paying lead mines with which they had contracts to keep closed.

Fourth: Every effort was made by the Railway Companies and the mine owners to induce the Smelter Trust to continue purchasing ore in British Columbia and that all such attempts proved futile.

Fifth: The entrance into the British Columbia fields by local smelters certainly had the tendency of giving the miners a better price for their lead ores, and had it not been for these smelters the bulk of the mines of the country would have had absolutely no market to which they could have shipped their product during the year 1901.

To show the feeling of the mine owners of British Columbia, I enclose for your information copy of a resolution which was unanimously passed at Nelson, June 28, 1901.

Yours, etc.,

LEAD MINER.

Nelson, 21st April, 1902.

P.S.—Please keep in mind that the freight and treatment charges in 1899 were \$20; in 1900, \$20; in 1901, \$19; and in 1902 it has been proposed to make charges \$15, reducing the zinc limit, however, from 10% to 8%.

## NOVA SCOTIA STEEL AND COAL.

Your Directors submit herewith the first Annual Report and General Statement of assets and liabilities, and abstract of Profit and Loss Account for the year ended December 31st, 1901.

The company was organized June 28th, 1901, to take over as a going concern as from the 1st January, 1901, the business, assets and liabilities of the Nova Scotia Steel Company, Limited. The reports and statements now submitted therefore include the business for the calendar year 1901.

The capital of the company consists of:—

50,000 shares of Common Stock ..... \$100 00 each  
20,000 shares of 8% Accumulative Preferred Stock. 100 00 each

of which 30,900 shares of Common Stock and 10,300 shares of Preferred Stock were issued in payment of the property, business and assets of the said, The Nova Scotia Steel Company, Limited.

An issue of 30 year 6 per cent. gold bonds of the company was made, and the bonds of the Nova Scotia Steel Company, Limited, amounting to \$1,500,000.00, were redeemed at par.

The company mined and disposed of over 350,000 tons of iron ore; 238,000 tons of coal; and 26,000 tons of limestone and dolomite. Upwards of 52,000 tons of pig iron and steel ingots were produced.

The prospects for the year 1902 are favorable. Large quantities of coal and ore will be required to meet the sales already made and the requirements of the company for the year.

A coal washing plant and the first block of coke ovens at Sydney Mines are completed; excellent coke has been made and shipped to the blast furnace at Ferrona.

The erection of a new coal shipping pier at North Sydney is progressing favorably, and it is expected that it will be ready to be used during the present shipping season.

In order to increase the output of coal, new slopes, on the Sydney Mines coal areas, are now being opened up. As the work progresses, the output will gradually increase, and it is believed that by the end of 1903, the development work will be completed and the new mines producing to their full capacity.

Contracts have been entered into for the blowing engines, and a large portion of the material required for the construction of a new 200 ton blast furnace, for which the capital is now provided. The site has been selected at Sydney Mines, and the work will be prosecuted as rapidly as possible.

All the products of the company now being sold at thirty days, net cash, the loss in the collection of accounts should be very small, and every effort will be made by the management to maintain the business on this basis.

The profits for the year ended December 31st, 1901

amount to ..... \$508,936 79

To which add balance at credit of Profit and Loss  
Account of the Nova Scotia Steel Company,  
Limited, December 31st, 1900.....

242,030 24

\$750,967 03

Which your Directors recommend be distributed as follows:—

Interest on Bonds ..... \$ 93,237 84

Dividend paid on Preferred Shares to

July 1st, 1901..... 41,200 00

Dividend on Preferred Shares to Jan-

uary 1st, 1902..... 41,200 00

Reserve Funds for depreciation, plant,

renewals, etc..... 100,000 00

Dividends on Common Shares at 4%

payable April 15th, 1902..... 123,600 00

Balance at credit of Profit and Loss

Account carried forward..... 351,729 19

\$750,967 03

The Directors have decided that so long as the earnings justify, dividends on the preferred shares should be payable quarterly, and on the common shares half yearly.

All of what is respectfully submitted.

## CANADIAN MINING INSTITUTE.

### EASTERN ONTARIO SECTION.

A PUBLIC MEETING of Mine Owners, Mine Managers, Mining Engineers and others interested in promoting the welfare of the mining industry in Eastern Ontario, will be held in the CITY OF KINGSTON, ONT., on

**Tuesday Evening, 6th May, 1902**

for the purpose of completing the Eastern Ontario Section of the Institute.

B. T. A BELL, CHARLES FERGIE, W. L. GOODWIN,  
General Secretary. President. Chairman.

## CANADIAN MINING INSTITUTE.

### NOVA SCOTIA SECTION.

A PUBLIC MEETING of Mine Owners and Mine Managers, Mining, Civil and Mechanical Engineers, and all who may be interested in promoting the welfare of the profession and industry of mining in the Province of Nova Scotia, will be held AT SYDNEY, CAPE BRETON, on

**Friday Evening, 13th June, 1902**

for the purpose of completing the organization of the Nova Scotia Section of the Institute.

A programme of papers on subjects of interest to the coal, iron and gold mining members will be presented.

B. T. A BELL, CHARLES FERGIE, C. SHIELDS,  
General Secretary. President. Chairman.