

brought to see a little reason in reference to their continual interference with the conditions of labour. But upon the labour problem itself as a pure question of supply and demand the course taken by those mining companies may possibly have a disastrous effect. When they wish to resume will it be easy to fill the place of men discharged? The fact is that people are so much accustomed to conditions in old communities where there is a steady pressure of population on the demand for labour that they do not recognize that in a new country, where instruments of production are becoming available much faster than population is increasing, the conditions are reversed, and there is a steady pressure upon population by the demand for labour. An equation is always established naturally. But it is here established by denuding certain districts of the labour necessary to work their resources. Such a denudation adopted as a forced measure of relief to the labour market and for a limited period, must only make it increasingly difficult to secure the necessary labour when resumption is attempted provided the rate of progress in other parts of the territory is maintained. Consequently the action of the companies may be as serious a blow to them in the very respect in which it is designed to give relief as well as a grave injury to the communities in which they are situated. It may have been made necessary through the arrogance of labour unions and the ill-advised action of the Legislature. It may be the overt and tangible result upon the industry of the province of action taken to benefit it, as a patient may die under the knife of the best intentioned if unskilful surgeon. There is only one moral to be drawn and that is the paramount necessity of increasing conservatism, and here the word is used in no political sense, in the administration of the affairs of the province, and the advantage of the affairs of the province who will think before they act.

The report on the War Eagle mine, coming as it does immediately after the cessation of work in the mine, excites unusual interest. It is a clear and workmanlike document. It sets at rest any existing doubts as to the future of the mine, although at the same time it disposes of the romantic yarns in connection with the War Eagle which have for so long kept the stock at a "fancy" price. The report, as was to be expected, shows that cost has been excessively high during the last year. This has been caused by two main considerations. The first is the defective nature of the machinery employed, and the second is the fact that a larger proportion of profits than has been thought necessary heretofore must be expended in the Rossland mines in exploration work to maintain the mines in a condition to make a steady output. It is evident that where the masses of ore are so large, but show so little uniformity of occurrence although confined with fair regularity to an easily followed and well recognized plane, that every inch of ground must be carefully tested and that the cost of so testing it must be a first charge, and a heavy one, on the profits of the mine. Had this policy been carried out by the old War Eagle Company the mine would never have been sold for \$700,000. Two instances of this peculiarity are mentioned in the report on the south branch of the west drift on the fifth level good ore is found to a point 80 feet west of the shaft cross-cut. From 80-foot point to the 245-foot point the vein is too low-grade to pay. But at the 150-foot point an upraise

has been made 40 feet which is all in good ore averaging \$16. It may be looked on as certain that this portion of the vein contains some good ore and in bodies of sufficient size and sufficiently well defined to be worked. Again on the sixth level on the easterly drift on the north branch of the vein the ore was very low grade for 50 feet and yet an upraise after following a narrow stringer for 20 feet disclosed a very large body of pay ore. With reference to the future of the Rossland mines and their dividend-paying capacity these facts are all-important. They mean greater cost of mining, but they also mean greater possibilities as to result. The condition of the War Eagle mine is at present as follows: The first four levels are practically exhausted, nor is much hope held out by Mr. Kirby that any further bodies of ore will be disclosed in them; the main stope on the fifth level is partially exhausted but still contains a considerable amount of ore. While a subsidiary body of ore has been opened for 120 feet but not yet broken into by stoping. In addition there is a long drift upon more or less barren vein matter which nevertheless discloses possibilities of ore production when the ground opened is further tested. On the sixth level there are evidences of very satisfactory bodies of ore. But the headings and raises are not sufficiently advanced to make them available except in one portion from which 8,000 tons of ore have been taken. It is easy to gather from the report that the War Eagle could have maintained as satisfactory output and still most of the energies of the company have been devoted to systematic development. But this action would have meant mining at heavy cost, not to mention the labour situation on which the action of the management was supposed to have its effect. The present position of the mine is largely due to two facts, the leanness of the fourth level and unexpected difficulties in opening up the resources of the fifth and sixth levels caused by the irregular occurrence of the ore. These levels have, however, shown great improvement over the fourth. It is not beyond the range of probability that the immense developments in the lower levels of the Le Roi may find their counterpart in the War Eagle. While it is not likely that further development either upon these levels or below them will diminish the value of the mine. What have War Eagle shareholders to look forward to? The gist of Mr. Kirby's report is at the close of it:

"On resuming production I must advise that dividends be deferred until a suitable reserve is accumulated in the treasury. This is necessary to tide over the emergencies to which mining is always subject, such as accidents, temporary changes in the ore shoot, etc., etc.

"The rate of production which the War Eagle ore shoot can maintain has a natural limit which is fixed by the size of the shoot and the rate at which it can be followed down. So far as now shown the limit thus indicated is about 50,000 tons yearly, and I must for the present advise this rate of production."

This paragraph contains a rude awakening from their iridescent dreams for the poor shareholders. They have to face a suspension of dividends for nine months probably and after that they are promised the net proceeds on 50,000 tons of ore per annum. It is questionable if the profit per ton will exceed \$5.00. Taken at that the year's income will be \$250,000 or 12½ per cent on \$2,000,000. To maintain this output a level will be exhausted every year. If we allow the