

seen that with such a margin the property must handle 1,000,000 tons of ore per year in order to return the dividend necessary. Since Mr. Darlington put the total amount in sight last February at 100,000 tons, and Mr. Kirby under date of September 30th puts the total amount in sight at 120,000 tons, our readers can judge for themselves the probability of this property making an output of 1,000,000 tons per annum. To engineers who know the figures and are capable of drawing correct conclusions from them, the outlook certainly does not justify the price of \$1.50 for Centre Star stock. At that price the mine would be worth \$5,000,000; from the amount of ore reserves in sight and the net profit thereon the valuation of the mine, by conservative engineers, would not exceed the sum of \$200,000. It is a trite maxim with business men that figures talk, and that nothing but figures should be considered in investments. We commend to their perusal and to their arithmetical calculations the data shown in this report."

If this extraordinary paragraph did not appear in the columns of a representative mining newspaper we should not attempt to follow or remark upon it. It reminds us more of interpretations of the book of Revelation and of Daniel by worthy men whose brains had been turned by too much attention to Biblical prophecy. Figures do talk indeed as the writer claims. From his pen they talk the most ardent rubbish. We learn that to pay 15 per cent. on the capital of the Centre Star Company 1,000,000 tons of ore would have to be shipped, each ton of which would be burdened by a cost of \$6.73 for development. If it were not a much smaller tonnage would do. Let us do some figuring also: Let us suppose the Centre Star during 1901 ships 100,000 tons of ore and to develop 100,000 tons of ore spends \$200,000 compared with \$165,124 spent last year. We get the following result:

100,000 tons of ore at \$16.50	\$1,650,000
Cost of production.	\$300,000
Development.	200,000
Freight and treatment.	\$600,000
	1,100,000
Profit.	\$550,000

As to the items in this account, the cost of production is estimated on the basis of a system of mining where 4.3 tons of ore were broken per man per shift; whereas now 14.4 tons of ore per man per shift are broken. The freight and treatment charges are based on a contract admittedly \$1.25 too high from which the Centre Star will soon be relieved. But as economies are effected a lower grade of ore will become available, and although larger aggregate profits may be earned a higher profit than \$5.50 per ton is not to be looked for. In spite of the criticism of the *Canadian Mining Review* which is both silly and malicious the company appears by all indications to be embarked on a career of sound and long continued prosperity.

The dependence of the silver-lead industry upon the American Smelting and Refining Company has involved consequences which open the question as to whether the dependence should not be thrown off. Contracts for ore upon the customary basis were refused from the first of January 1901. We have seen it reported that the new terms proposed made a reduction in the price paid for lead which involved a loss of \$3.00 per ton on ore carrying 50 per cent.

lead offset by a reduction in freight rate of \$1.00 per ton, leaving a net loss to the producer of \$2.00 a ton. Whether this is so or not we have not at present the means of ascertaining upon authority. But whatever the trouble may be it had sufficient effect upon the industry to close down, temporarily, we hope, the North Star and St. Eugene mines, the lead contents of whose ore are of great relative importance and to limit the operations of the Payne, Whitewater, Last Chance and other Slocan properties. The motives which instigated the American Smelting and Refining Company in its action have been imputed to the desire of a monopoly to enforce monopoly conditions in the productive agencies of the industry it controls. This motive may possibly have influenced the trust to some extent. But their action looks much more like an indication that the United States is becoming unable to absorb as much foreign lead as heretofore through an ample and expanding production at home. There have been plentiful indications during the year that either the supply of lead in the United States was becoming more plentiful in relation to the demand, or that the supply of lead in Europe was becoming less plentiful in relation to the demand. So far as British Columbia is concerned it matters not which. In either case the United States is ceasing to be our most profitable market for the product of our silver mines. Much has been said about the home market in Canada and about reserving that for the home production of lead. Doubtless the reservation of the home market by protection would have a most important effect in stimulating the refining of lead and its subsidiary manufactures for home consumption. It is to be hoped that now that Canada has determined to enter the field in iron, steel, nickel and copper the vast capabilities of the lead industry will not be overlooked. But at the same time it must not be forgotten that where the production vastly exceeds the demand and where production is expanding much more rapidly than the demand it is the export price which must in the last analysis regulate the industry. Canada consumes somewhere between 12,000 and 15,000 tons of lead annually. It produced last year between 20,000 and 30,000 tons and during the present year but untoward circumstances, will produce about 50,000 tons. Under such circumstances it is obvious that Canada must be a large exporter of lead as well as of silver. So far the exports have gone to the United States in the form of silver-lead ores and lead bullion containing silver. If, however, the United States ceases to be the best available market the lead exports must go somewhere else. If the ores of the province are shipped to the United States they will simply be shipped to Pacific Coast smelters and their constituent parts re-exported from Pacific Coast ports. Lead ores can only be smelted to the greatest economy when the excess of lead is utilized to reduce dry ores. They are, therefore, seldom smelted where produced, but shipped to a point where the greater bulk of dry ores is available. Any point on the Pacific Coast presents the necessary conditions. The only question remaining is whether our lead ores are to feed United States industries or to be utilized in establishing Canadian industry. For the latter purpose the present time is propitious.

The passing of the Trail smelter into the hands of Messrs. Gooderham & Blackstock when that event takes place will bring to an end a condition of affairs