cal method of application can be devised at home. For the development of our home resources we are perforce compelled to turn away our eyes from English methods of raising and applying capital. Our ambition ought to be to encourage a free flow of capital from all quarters by the prudence, economy, capacity and enterprise shown in the conduct of distinctively Canadian joint stock enterprises. Thrown upon our own resources a spirit of energy and independence may very well be developed; and circumstances which appear to restrict the rendering of our resources productive may really lead to a great consolidation of wealth and enterprise within the boundaries of our country.

The December issue of the *Canadian Mining Review* contains some comments on the Centre Star mine based on the information contained in the Centre Star report which are neither warranted by the information contained in the report nor particularly creditable to the acumen and sense of fairness possessed by the *Canadian Mining Review*. For some reason or another the *Canadian Mining Review* is not well affected towards British Columbia. Against the Rossland mines it has always manifested animus, and the names Gooderham-Blackstock appear to have the same effect upon it as the proverbial red rag upon a bull. For a good hater we have the highest respect, but a critic who permits enmity to obscure his judgment is not respectable. It is not our purpose, however, to abuse the *Canadian Mining Review*, but to show from its own statements and from the facts how invalid, nay how ridiculous, its conclusions are. The following paragraph arrays the figures on the financial condition of the mine:

"From the financial statement printed we learn that $3,300,000 of the total capital of $3,500,000 is issued and therefore liable, or rather available, to receive dividends. The profit and loss account for the year is put at $182,122, and there are among the liabilities a personal one to George Gooderham of $30,000, and a corporate one to the Bank of Toronto of $227,000. With these liabilities existing it would be permissible to ask the directors to explain the payment of a dividend amounting to $35,000; especially since the loss is some $68,000 greater than in 1899. The loss on operating account was $37,223.69 decreased by interest and fees to $33,574.51."

Leaving out of account the question of how a capital expenditure in development during a period of productive activity can justifiably be called a "loss on operating account," the strictures passed on the first dividend paid by the Centre Star pass our comprehension. The dividend was paid out of actual profits earned during the first few months of the mine's operations. It was paid at a time when the directors of the mine had no anticipation of the causes which led to a stoppage of production. The *Canadian Mining Review* can have its choice of alternatives, either to declare that the directors of the Centre Star knew when this dividend was paid that the mine was not yet in a self-sustaining position, and foresaw the labour difficulties which ensued, or to admit that the criticism contained in its December issue is as malicious as it is absurd. We beg to draw from this paragraph the implication which is clearly contained in it, namely, that Messrs. T. G. Blackstock and George Gooderham are scoundrels, and to point out that the only conclusion to be really drawn is that the author of the criticism is beyond his depth. The *Canadian Mining Review* leaving the character of the Centre Star directors proceeds to deal with the character of the Centre Star ores as follows:

"The report of General Manager Kirby begins with a table showing the net tonnage sold and the values received; we have alluded in previous issues to the form in which this company chooses to give its shareholders a statement of the values and smelter charges, but it is not difficult to pick out the figures which concern directly the investor. The gross value of the 24,525 tons shipped appears to have been $16.50 per ton, against which is charged $6 per ton for freight and treatment, $6.73 per ton for expense of development, and $3 per ton for stoping expense, or a total cost of $15.73: the margin therefore would appear to be only 84 *cents* per ton. It may be noted that the actual stoping cost, as given by the last table in the report, is $3.59 which is reduced by Mr. iKrby to $3.00 though adding to the tonnage obtained from the stope the ore taken out in development. The actual cost, however, so far as stoping alone is concerned, would add another 59 cents or a total cost of $16.32 against a total value of $16.57—a margin of profit of 25 cents per ton, considering the stopes only. These costs are not so very far removed from similar costs at the adjoining mine, the War Eagle, with the exception of the cost of development per ton of ore sold. Comparing the figures in the last annual statement of the War Eagle Co. we find (the transportation charge being the same) the cost of ore extraction for the last three months of their year amounted to $15.23, or a total amount og $11.22 is charged against the value of the ore. Assuming that the costs in the War Eagle for the last three months of 1899 will be approximated in future workings of the Centre Star, and assuming that the smelting charge will ultimately be reduced to two-thirds of the present price, i.e., to $4.00 per ton, the actual future cost of extracting, shipping and smelting a ton of ore will not be far from $9.22."

So far good! The $6.73 per ton for development is apparently treated as if it were an ordinary charge in anordinary year. For the previous year the same charge was $20.49. Why should not this also be taken as in ordinary average charge and the conclusion drawn that the mine is a losing proposition from the beginning. The fact of the matter is that the Centre Star Company, with most reputable mining companies, charges against ore sold the total amount of development done during the period covered by the accounts. In estimating the value of a mine this item should never be weighed against the ore sold but against the ore developed, except in the one case where the reserves of ore remain the same and no decrease of fixed cost of extraction has been brought about by the development work done or machinery installed. This charge may vary from nothing where no development has been done to infinity where no ore has been sold. To adopt figures containing it at a very high point is quite as misleading as to the profit earning capacity of a mine as to neglect it altogether. Yet the *Canadian Mining Review* closes its comment as follows:

"The capital stock of this company issued, and on which dividends must be paid, is $3,300,000; a yearly dividend of 15 per cent. on this amount equals $495,000 annually, or in round numbers $500,000. We have seen that at the present time the available profit on Centre Star ore is 24 cents per ton, with a possible increase to 84 cents a ton; assume the average of these figures at 50 cents per ton, it will then be