

the plans and descriptions thereof shall be in duplicate and shall be filed in the Department of Crown Lands before the lease or Crown patent, as the case may be, shall issue. In case the said licensees shall during the first or second year of the term aforesaid surrender and yield up either one or the other of the said blocks of land and all right, title or interest therein under this license of occupation, one-half of the said sum of \$20,000 on deposit shall be refunded to them or to such person or persons or body corporate as may be entitled thereto.

#### Correspondence on the Subject.

The correspondence between the Engle-  
due syndicate and the Ontario Govern-  
ment, which led up to the transfer of the two  
blocks of land was laid on the table of  
the Ontario Legislature last Monday.

The matter was first broached on July 6th  
of last year, when Col. Engledue wrote to  
Hon. A. S. Hardy, then Commissioner of  
Crown Lands. He asked for the right to  
explore a territory that should not exceed  
two townships, or say 23,040 acres, to be  
under exploration for a period of not less  
than three years.

#### WANTED 21 YEARS TO EXPLORE.

The syndicate or company, on the  
completion of the exploration of the first  
granted areas, to have the right to select  
other similar or less areas and to be  
granted a further period of three years within  
which to explore such new lands, and so on  
for, say, a total period of 21 years. Should  
it be found during any of the periods of  
these years that there is no probability of  
finding minerals on the areas under grant  
such as would justify the acquisition of min-  
ing locations, the syndicate or company to  
have the right to abandon such areas and to  
have lands of similar quantity in other locali-  
ties granted over which exploration may be  
prosecuted.

#### MR. HARDY'S REPLY.

Two days later Hon. A. S. Hardy wrote :—  
I have to say in reply to this inquiry :

(1) The mines act of the province provides  
that "any person or persons may explore  
for mines or minerals on any Crown lands  
surveyed or unsurveyed," and there would be  
difficulty in setting apart an area for exclu-  
sive exploration by a person or company  
without an amendment to the act.

(2) It is not in the interest of the mining  
industry, nor in the public interest, that large  
tracts of mining land should be locked up  
for a long period, and if it is deemed expedi-  
ent to make a concession to a syndicate or  
company of known position and capital, it is  
not advisable that a very extensive area  
should be set apart or that a long time should  
be allowed for exploring it.

(3) But with a view to encourage the fur-  
ther introduction of British capital in the  
Rainy River district, I am prepared to con-  
sider favorably an application from a syndi-  
cate or company having sufficient capital, for  
a tract, not exceeding one township, or 36  
square miles.

#### A CAPITAL OF \$2,500,000.

On August 11th Colonel Engledue wrote  
from Byfleet, Surrey, England, saying that  
the company which he would inaugurate  
would have at least \$2,500,000 capital, but  
neither the area nor the time had been  
thought sufficient.

The next letter came from Mr. J. K. Kerr,  
whom Colonel Engledue had consulted :

"I venture to submit that if a concession  
were made to the company of two town-  
ships," he writes, "one township being  
located in the locality agreed upon with the

department in the neighborhood of the Lake  
of the Woods and the other township in what  
may be known as the Rainy River district,  
for the period of three years, to be assured  
to them by lease or otherwise, it might be  
made subject to the condition that a sum of,  
say, not less than \$20,000 per annum should  
be expended in exploration or development,  
in one or other of the townships covered by  
the concession, and in default of such expen-  
diture to the satisfaction of the department  
the concession might be forfeited. On the  
other hand, if the Government were satisfied  
with the extent of exploration and mining  
carried on by those to whom the concession  
was made, such concession might be renew-  
able for such further period as the circum-  
stances would then warrant, and during the  
currency of the concession the syndicate or  
company would have the right to lease or  
purchase mining locations within the area."

#### SPECIAL ACT REQUIRED.

In reply, Hon. J. M. Gibson suggested  
that a smaller area than two townships  
should be sufficient and a definite amount  
should be spent each year, forfeiture to fol-  
low default in doing so. A deposit of \$40,-  
000 to the joint credit of the Commissioner  
of Crown Lands and Colonel Engledue is  
demanded and that \$25,000 be spent in de-  
velopment during the first year. The con-  
cession should not be made for three years,  
but for one at a time, with the right of re-  
newal if the agreement is carried out. Mr.  
Gibson, in his letter, says :—

"It is not quite clear that a concession of  
the character here referred to could be  
granted by the Government under authority  
of the existing mining laws, and to remove  
doubts it is proposed that any agreement  
entered into between the Government and  
your clients should be subject to ratification  
by the Legislative Assembly."

An amendment to the mining law to furth-  
er facilitate operations is suggested and the  
districts to be handed over to the company  
as specified in the contract.

#### THE LOCATIONS.

As to the locations, he says :—

In the Lake of the Woods region a suitable  
tract might be set apart on the Huronian  
and Granite areas lying between this lake on  
the south and Shoal Lake on the north, and  
extending from Deadman Portage between  
Portage and Carl Bays to a line drawn due  
north from the head of Monument Bay to  
Shoal Lake, exclusive of all islands. This  
tract has an area estimated at 20 to 25  
square miles, and only two or three small  
locations lying within its limits have been  
taken up or applied for.

In Seine River region your clients might  
select one or other of the three townships  
north of Rainy Lake—Watten, Halkirk or  
Farrington—or a tract north of Redgut Bay  
to Otukamandan Lake, from Niven's sixth  
meridian on the west to Spawn Inlet on the  
east; the eastern boundary to be continued  
northward from the head of this inlet to a  
small lake whose waters flow into Otuka-  
mandan Lake. The one is about 40 square  
miles, and includes Laurentian and Huronian  
rocks and eruptive granites.

A memorandum dated October 6, 1896, by  
Hon. A. S. Hardy, construes the existing  
law as conferring power upon the Govern-  
ment to authorize the issue of a license of oc-  
cupation under it.

On Oct. 27th, Hon. J. M. Gibson, tele-  
phoned J. K. Kerr the amounts which would  
require to be spent in each year. On Dec.  
3, 1896, in a further communication to J. K.  
Kerr, Q.C., Col. W. T. Engledue and  
James Reid, Commissioner Gibson commu-

icates the terms of the agreement as fully  
settled.

On Feb. 15, 1897, J. K. Kerr forwarded  
to the commissioner the deposit receipt for  
\$20,000 placed in the bank of Hamilton as  
security for "the license of occupation  
granted by you to Messrs. Kerr, Reid and  
Engledue."

#### AMERICAN AND ENGLISH STEEL.

##### IS THE EFFECT OF THE MESABI HEMATITE EXAG- GERATED?

SOME very strong statements have recent-  
ly been made by certain of the American  
technical journals respecting the prices at  
which a few favored American firms can at  
the present time produce Bessemer pig iron  
and steel. These statements have been re-  
peated in this country; and simultaneously  
a great fuss has been made concerning cer-  
tain small shipments of raw steel in the stage  
of billets and tin bars which have been made  
to this side from Philadelphia. It is alleged,  
for example, that Messrs. Carnegie Bros.,  
at their furnaces at Duquesne, near Pitts-  
burg, can produce Bessemer pig iron for  
about £1 10s. per ton, and that at their  
works at Homestead they can make billets  
for \$12, or £2 20s. per ton. All such asser-  
tions as these must be taken with very great  
care. Notwithstanding that it is known  
that the firm in question has done a very  
good thing for themselves by their recent ac-  
quisition of new and cheap ore supplies on  
the Mesabi range, it is exceedingly difficult,  
if not impossible, to believe that they can get  
their ore supplies at \$2 per ton for 55 per  
cent ore, and \$2.40 for a 64 per cent. ore.  
It has to be remembered that the Mesabi  
range is a distance of 600 miles from Pitts-  
burg, which is an immense journey to bring  
ore, and that though it may be practicable to  
get coke supplies at 8s. per ton at the furn-  
aces, this is not everything. In the same  
way, the declarations which have been made  
here regarding the prices at which one or  
two American firms—for we believe that the  
"competition," if such it can be dignified, is  
confined to about a couple of concerns—are  
prepared to make deliveries, are unquestion-  
ably very misleading. Judging from the  
published quotations for steel billets, etc., in  
the States, it is impossible that the material  
can sell here at some of the prices attached  
to current reports. Even supposing that the  
professed figures were trustworthy, it cannot  
be forgotten that they do not in any way re-  
present serious trade. A few small lots of  
steel have doubtless been put on the market,  
and have been bought up more in the way of  
experiment than anything else, but the idea  
that business at the prices represented will  
be permanent, or anything like them, is pre-  
posterous. American iron and steel masters  
may be very keen on orders, and their iron  
and steel plant machinery, both smelting and  
rolling, may be of the best and most econo-  
mical description in the matter of labor sav-  
ing appliances. But they will not continue  
to give their steel away; and in our opinion,  
British steel masters, while proceeding with  
judicious caution, need exercise very little  
serious concern respecting the present pass-  
ing phase of the market. In this association,  
it should not be overlooked that it has just  
been established that American armor plate  
makers have been accepting foreign orders  
from Japan and elsewhere at an absolute loss.  
—*The Engineer*, London.

Send \$2.00 for a year of the Canadian  
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ately for a shorter term, not less than six  
months.