

will not carry the same amount of weight. It would not have been consistent with Mr. Carmichael's official position for him to have followed this up with any recommendation, publicly at least, whatever he may do in conversations with the head of his department. Persons who have had occasion to discuss the iron industry with prospective investors, have felt the lack of just such information as Mr. Carmichael speaks of. It might be well if the government would direct special attention to the compilation of definite matter bearing on this subject. This would call for the assignment of the duty compiling it to some individual with a knowledge of the subject matter, but there can be no doubt as to the value of the report made by such a person. The Department of Mines cannot, in our opinion, address itself to a subject from which more immediate or more valuable results are likely to be derived.

In connection with the production of iron in British Columbia for export to countries beyond seas, mention may be made of an advantage which a British Columbia smelter, properly located, would have over one in the State of Washington, using British Columbia ores. Take the case of the Irondale smelter, which uses ore from Texada. The ore costs the company for mining and delivery \$1.00, and a royalty of 50cts. per ton is paid to the owners of the mine, the freight to the smelter is \$1.00, the cost of unloading is 15cts., the duty is 40cts., making the cost of the ore delivered at Irondale \$3.10. Two tons of ore are required to produce one ton of pig iron, which makes the cost of the raw material for a ton of pig iron at Irondale \$6.10. If a smelter were erected on Texada, the cost of the ore would be \$1.00 per ton, or \$2.00 per ton of pig iron, making a difference of \$4.10 in favor of the Texada product. Add to this the royalty of \$2.00 per ton on pig iron and we have a difference in favor of the Canadian product of \$6.10, that is to say, the Canadian smelter would get its raw material for nothing. These figures are given for purposes of comparison only, because they might not hold true in their entirety in respect to other iron deposits on the Coast, but they show a very satisfactory margin in favour of the British Columbia product as compared with the output of a smelter in the State of Washington, dependent chiefly upon this province for its ore supply.

THE LE ROI SCANDAL.

IN appointing a committee to investigate all matters affecting the past and present management of the Le Roi mine, and also to ascertain the true inwardness of the alleged manipulation of the company's shares, the shareholders at the extraordinary meeting held in London this month took the only sen-

sible course open to them, and until a report is forthcoming there is not much to be gained by further comment on our part. There can be no doubt, however, that important information, as contained in the cabled advices, from the mine manager, found its way to the stock exchange before it was communicated to shareholders and was used for market manipulation purposes. It will be the duty of the committee to prove these charges and place the responsibility where it belongs. We are, meanwhile, glad to note that so impartial and intelligent an observer as the *London Critic* shares our view, that the attack on Mr. Mackenzie, the mine manager, is unjust. Thus our contemporary remarks:

"If the affairs of the mine and smelter were in such a state of chaos as Mr. Frecheville described in his report of December, Mr. Mackenzie may easily have been led into an error in his method of estimating, which he was only able to discover after working for several months. It is common practice in these days to make a scapegoat of a mine manager, when the directors and their following of market-mongers in London desire to be screened; and the sinister insinuations regarding Mr. Mackenzie, which have recently been put in circulation, ought not to be too readily believed by the shareholders, until that gentleman has been heard. The evidence at present available points to the office of the company in London as the source of the early information which was acted upon by the market-mongering clique."

Meanwhile, in view of the report issued by Mr. Frecheville last November, the fact that the mine has not since been operated at a profit is not after all particularly astonishing, if the decline in metal values is considered, and if as may be shrewdly suspected, the change in the smelter practice as inaugurated by Mr. Scntag, proved somewhat disastrous. In the last month the price of copper has risen slightly, the advance being somewhat about a half to three-quarters of a cent per pound. Even this small favourable difference made, however, the considerable difference of \$32,000 on last month's operation of the mine. It is now also stated that upon the completion of the branch line of the Northern Pacific Railway into Fernie, coke will be delivered to the Northport smelter for \$6.80, which will reduce treatment costs by eighty cents a ton. Even then if oil concentration or some other cheaper method of saving values is not resorted to, there can be no doubt but that ere long the Le Roi will again be placed upon a profitable footing.

Great stress has been laid on the fact that so well-known an engineer as Mr. Wayne Darlington had consented to act in a consulting capacity for the now notorious Olalla company. Mr. Darlington, however,