

THE PROPOSED LE ROI AMALGAMATION.

IN its issue of March 23, ulto., the New York *Engineering and Mining Journal*, under the heading, "The Rossland Consolidation," discussed the proposed amalgamation of "the leading mining enterprises in the Rossland district." We do not regard the article as intended either to throw cold water on the scheme so energetically advocated by Mr. Geo. S. Waterlow and those working with him to obtain better financial results from their mining and smelting enterprises, or to in any way depreciate the mining interests of Rossland camp. There is, though, so much that is incorrect in the article that, having in view how very important it is that confidence in the le-le-mining industry of British Columbia (already improving as regards Boundary mining enterprises) shall be further restored, we have taken one after another most of the statements made and endeavoured to more correctly show the actual position. The indented paragraphs contain the statements referred to.

"It has been known for some time that negotiations were pending for the amalgamation of "Le Roi mine with the War Eagle and Centre Star properties. More recently the names of "the Snowshoe and the Kootenay mines have "been included in the scheme."

The Snowshoe was one of the properties originally proposed to be incorporated along with the three Rossland properties first above mentioned. The chairman of the fifth ordinary general meeting of the Le Roi Mining Co., held in London on January 31, last, in the course of his address to the shareholders said it was arranged that: "Mr. Brock . . . whom we had agreed to employ for the purpose so far back as May, 1904, should examine and report upon the War Eagle, Centre Star, Le Roi and Snowshoe mines without further delay." (Report of Fifth Annual General Meeting, p. 9.) Mr. Waterlow also mentioned the Snowshoe (p. 12 of Report) as being one of the properties proposed to be included in the amalgamation. As to the Kootenay mine—this had not been mentioned in connection with the proposed amalgamation prior to the Le Roi meeting, at which Mr. C. Williamson Milne, chairman of the Rossland-Kootenay Mine, said: "It is a curious fact that the Kootenay is the only mine that can supply the flux for the War Eagle, the Centre Star, and other mines, and I think the suggested amalgamation is good enough even for a wealthy little company like the Kootenay to consider the advisability of joining in, if these gentlemen will only regard it as worth while to invite us to go into the combine." (Le Roi Report, p. 29.)

"Le Roi has operated, in a rather intermittent "and expensive manner, the smelter at North-"port."

It has been contended, on behalf of the Le Roi Mining Company, that this statement is incorrect; that the Northport smelter has been almost constantly

operated; and that the cost of smelting there over a series of years has been less to the Le Roi Company than has the cost of smelting elsewhere been to other mines in the Rossland district. Mr. Waterlow said to the Le Roi shareholders (Le Roi Report, p. 14): "It was also asserted that operations at the Canadian Smelting Works could be carried on at \$1 per ton cheaper than at your own Northport smelter. I found this to be a fallacy, and that Mr. Goodell, your manager at Northport, reported that he could smelt as cheaply at Northport as in Canada, and gave me a price for doing so when his proposed alterations were carried out. He also wrote me, on my enquiry, that the scale of wages at Northport and in Canada, are as nearly the same as possible; and that there are no conditions prevailing in British Columbia which would prevent us from smelting Le Roi ore and Snowshoe ore as cheaply at Northport as at any smelter in British Columbia; and that the duty on coke is offset by the cheap limestone. On the other hand, it is maintained by some whose opinion is equally entitled to respect that present conditions are most unsatisfactory at Northport. Still there are many reasons why it would be advisable to keep the Northport works in operation even were the proposed amalgamation, including the Trail smelter, to be brought about.

"The War Eagle and Centre Star properties "have sent their product to the Trail smelter, "with the result that one-half the value of the ore "went to pay the Canadian Pacific Railway, while "the other half went to meet wages and supplies."

This statement is not necessarily a reflection upon the Canadian Pacific Railway. The first contract made by the Le Roi for treatment of its ore in the district was that (made in 1895) which led to Mr. F. Aug. Heinze building the original Trail smelter. This provided for a freight and treatment rate of \$11 per ton. Then the Northport smelter was built and its original contract with the Le Roi was at a freight and treatment rate of \$8 per ton. To-day the standard rate at Trail is stated to be \$4 per ton, and it is claimed that these works pay at least \$1.50 per ton more for copper content than was paid under either the old Heinze or Northport contract. In other words the present total rate is \$8.50 per ton more favourable than the first Heinze rate, and \$5.50 per ton better than that which obtained under the Northport contract until the purchase, a few years ago, of Mr. Jas. Breen's interest in the latter works. It is insisted that the Trail smelter did the best it could to reduce rates with as little delay as practicable, and the fact that the ore which was shipped to the smelter only netted the mines sufficient to cover the expenses should not be considered as indicating that the Canadian Pacific Railway had not done everything it could reasonably be expected to do in order to bring about maximum shipments of ore.

"The average tenor of Rossland ore is \$7 to "\$8 per ton."

If by this it is meant that the average value of the