

incumbent, maintained that the ore did not carry the values represented by the mine sampling. The attention of the company was drawn to this fact several years ago, but no action was taken in the matter until I decided that in the interest of all concerned a method of accurate sampling must be adopted, not only for the protection of the mine itself but to establish a reputation for the smelter as being beyond doubt accurate in its sampling and so assist it in its endeavour to build up a custom business. With this end in view I purchased, in October, 1903, a Vezin sampler, which was to have been delivered at the smelter in 90 days, but owing to unavoidable delays it was not installed until April, 1904. Upon its installation the first accurate sampling of the Le Roi Company's ore in quantity was made possible, and the inaccuracy of the mine sampling proven.

"The absence of accurate facilities for this work created annually, as can be understood, a great difference between the values as represented by the mine sampling and the value of the smelter products. A pernicious custom was instituted by the home office of the company of mailing monthly to the shareholders an estimated value of the mine product, which has led, as can be readily seen, to disastrous results to those who, on the strength of such information, speculated in the company's shares. During the months of January, February and March last, the mine output was increased and the sampling at the mine showed much higher values than the ore contained, and losses to individuals speculating in the company's shares became a serious matter. The intimation that anybody connected with the mine profited by the faulty sampling and the erroneous statements of estimated values, is absolutely without foundation in fact.

"The recent sampling of the mine, the result of which was to give \$8.15 per ton as the value of the ore in the mine, I do not consider as fair; stope and drift faces vary in value and character from day to day, the values being very unevenly distributed through the ore; the face may be in pay ore to-day and in a few days in ore difficult to handle profitably.

"The conditions under which I assumed the management of the mine were such that it was either a question of abandoning it or spending a large sum of money in search of more ore. I took the latter alternative and the mine is still shipping ore and, I am informed, contemplates installing a concentrating plant."

Our readers will, we think, with this straightforward explanation before them, unanimously agree that Mr. Parrish has most effectually replied to the cruel and baseless insinuations of the *London Financial Times* and other newspapers, which suggested that his serious indisposition at the time the more recent errors in estimating the value of the Le Roi output were made was merely a somewhat "convenient" co-incidence. Meanwhile, it is surely a very extraordinary state of affairs, to which Mr. Parrish directs attention, when he intimates that "for several years" the sampling at the mine has been inaccurate,

that on different occasions two smelter managers complained of these inaccuracies and that the directors or whoever were responsible, seemingly ignored these representations, although the actual smelter returns must have clearly shown that the smelter manager's complaints were well-founded. But, as Mr. Parrish points out, the result of faulty sampling at the mine would be of relatively small moment, so far as the actual interests of shareholders were concerned, were it not for the injudicious policy adopted by the Board of publishing periodical statements wherein the value of the ore produced each month is "estimated" by the mine manager. We of course admit that in pursuing this policy the directors were actuated by motives distinctly honourable and well-intentioned: the object being, probably, to afford shareholders the latest possible information—directly that information was at all available—concerning the progress of mine operations. But at the best, the practice of issuing monthly returns, which is peculiar to English mining companies, is a foolish, even a dangerous, one and especially so in cases, such as that of the Le Roi, when any attempt is made to give information not absolutely verified. If only the business of mining, by which is meant the actual industry of profitably extracting the precious and base minerals from their ores, and the business of speculating in the shares of those companies who engage in this industry, could be disassociated; if boards of directors could afford to ignore the stock markets altogether, and would devote their sole energies to the conscientious performance of their duties, it is very certain that mining would soon cease to be regarded by the general public as a sort of gambling game, not so exciting as poker, and rather more risky than backing the favorite for the Derby.

#### AN UNFAIR REFLECTION.

FROM the *London Critic* of August 6 we quote the following: "Apropos of the rumours of a scheme being on foot for the amalgamation of the Le Roi group of companies with certain other Rossland undertakings, which are under the control of the Gooderham-Blackstock Syndicate of Toronto, it is of interest to note that the Rossland correspondent of the *New York Tribune* asserts that these reports are well-founded, but that the proposed 'merger' will, if adopted, be far from advantageous to the shareholders in the Le Roi group. It is alleged that the Gooderham-Blackstock mines are practically denuded of good ore, and that by joining the proposed amalgamation the Le Roi would risk the opportunity it still has of retrieving its fortunes by a steady adherence to business principles." Before noticing the allegation affecting the Gooderham-Blackstock mines (which are the Centre Star and War Eagle), we must express our sense of gratitude for the above admission that the Le Roi Company actually has an opportunity of retrieving its fortunes, for we might naturally have expected that the correspondent who, as alleged, threw doubt