

I am now a large holder of the company's shares, for which I paid the highest market price. These being the true facts of the matter, I fail to see anything scandalous in my connection with the company. It is true I have loaned the company large sums of money when they were in urgent need of it, as I wished to protect my friends and shareholders, which I consider a very laudable and honourable proceeding on my part, after I had left the directorate of the company.

Now that I have placed the facts before you, which are well known to your correspondent here, Mr. H. F. Evans, and which were set out in my circular, a copy of which he sent to you, I expect a complete and adequate withdrawal of your libellous statements.

From time to time, I have noticed that you publish in your columns news of a derogatory character and assume them to be facts, which are not so. It is quite evident to me that the Okanogan article, as well as those relating to this section, have been inspired by some one unfriendly to this community.

Yours truly,

S. THORNTON LANGLEY.

It will be observed that we merely said that if Mr. Langley had acted in a certain way his conduct would have been scandalous. He says he did not act in the way described. We are unaffectedly delighted to hear it. Mr. Langley states that he was engaged in the ordinary course of business as a broker to sell the shares of the company and sat on the board of directors for three months. This and loaning money to the company covered his connection with it. The conclusion of Mr. Langley's letter is painful to us, although what he says is sometimes unfortunately true. It is impossible always to protect our columns from matter which is untrue, derogatory and inspired by enemies of the community. An instance of something which seems like this in the light of Mr. Langley's letter occurs to our mind now. In the MINING RECORD of last April there was an article in which the following passage appeared: "In March, 1895, Mr. Langley came to Rossland, since which time he has been actively engaged in promoting mining enterprises, one of his most recent undertakings being the Okanogan Free Gold Mines, which paid a dividend of five per cent. on the capital stock in October last." To connect this company with Mr. Langley's name as one of his undertakings and to connect him with this dividend as if it had been one of the fruits of his enterprise was obviously in the light of his letter, erroneous and derogatory. So desirous have we been to do full justice and make ample reparation to Mr. Langley that we have endeavoured to trace the source of this communication, but have not been able to follow our correspondent beyond the front door of Mr. Langley's own office, and presume that he must have borrowed the use of Mr. Langley's typewriter to indite it, which was piling Ossa upon Pelion, heaping insult upon injury. When this article appeared, our books show that Mr. Langley bought up every available surplus copy of the RECORD to be had and we appreciate the delicacy with which he endeavoured to limit the circulation of this injurious statement without informing us of his intention.

The report on operations at the Whitewater mine from 1st March, 1900 to 31st August, 1900, by Mr. S. S. Fowler, is a somewhat perplexing but by no

means encouraging document. It appears that 2277 tons of concentrates have been shipped, on which the net smelter returns were \$68,133.71 or \$29.92 per ton. The amount of ore milled during this period is not given. But over the whole period since the mill was started the amount mined and milled (exclusive of the tonnage treated from the old dumps) has been 32,345 tons, resulting in 3,589.6 tons of concentrates or as nearly as possible 9 tons of crude ore to one of concentrates. The average cost of mining and milling per ton is not given either. The chairman of the company, however, stated that this had been reduced from \$2.31 in April to \$1.64 in August. If \$1.75 be taken as a reasonable average, and it must be said that if ore is being mined and trammed and milled at the Whitewater for \$1.75 a ton it is being done very cheaply indeed, then the cost per ton of concentrates would be \$15.75, leaving a profit of \$14.17 per ton of concentrates over the bare cost of mining. This gives something like \$32,000 surplus for the period or say \$60,000 a year, out of which would have to come development and maintenance expenses before anything was available for dividend. This is not by any means brilliant. But when it is considered that during the year 1899, when 1,913.8 tons of concentrates were provided, on which the returns were \$104,965.38, or \$36,831.67 more than was received from 2,277 tons this year, the total net profit of the company was under \$20,000, we confess that Mr. Fowler's report discloses a condition of affairs of a somewhat dismal character. And if anything were needed to accentuate the doubtful position of the mine it would be his statement that there was only six months' ore in sight.

Some comfort may be derived from the fact that the mine is looking better at present than it has for some time and that there seems to be every likelihood that the value of the concentrates produced may be restored to its former level. Under the able management of the Whitewater mine all that can be accomplished by care and economy will be done, and it is certainly to be hoped that more encouraging results will be forthcoming in the future.

A good many enquiries are now being instituted with regard to the occurrence of petroleum in British Columbia. Indications of the presence of oil are most favourable in South East Kootenay and also, we understand, in Queen Charlotte Islands, and in the former field no less than eleven leases have been applied for this month. In a report to the Geological Survey of Canada Dr. Selwyn, who visited the East Kootenay oil fields in 1891, thus describes the Cameron Falls locality:

"After following up the stream about a mile and a half on the left bank, I noticed a powerful odour of petroleum. Descending to the edge of the water and stirring the stones and gravel in the bed of the stream, considerable quantity of oil at once rose to the surface and floated away. Crossing to the right bank, some inches above the then level of the stream, here, skimmed off the surface of a shallow pool, a wine bottle full was soon collected. This can now be seen in the Geological Survey Museum. Sixty or seventy yards below where the oil was seen, a rocky reef of grey silicious dolomite crosses the creek and rises into a steep bluff on the left bank; on the right bank, seven or eight feet above the creek, a broad, thickly timbered flat extends for 150 yards to the