

Bunker Hill & Sullivan Mining & Concentrating Company.

MINES AND WORKS AT WARDNER, IDAHO.

Ore Contracts.

POSTOFFICE ADDRESS.

KELLOGG, IDAHO, Aug. 2, 1899.

F. W. Bradley, Esq., President,
Bunker Hill & Sullivan Mining & Concentrating Co.
Crocker Building, San Francisco, Cal.

Dear Sir,-

I have your letter of 29th ult. on above subject. I am sending new contract to Selby today as per enclosed copy. This contract is as good for us as the Tacoma contract, unless we should receive any benefit from Rust on the ^{basis} of arriving at the New York quotation for settlement. This question of the quotation I now understand is what you referred to in your remarks pencilled on my letter of 17th ult., and which, when I wrote you on 29th ult. I interpreted as referring to the offer.

You figure that Lyne's offer is \$2 worse per ton to us than Tacoma's. This is true on ore running between \$50 and \$65, but the average of our 1st class concentrates under present prices would exceed \$65 gross value, and therefore Lyne's offer would be \$4 worse than Tacoma's. If we were to ship mixed lots of 1st and 2nd class concentrates to Globe, the tonnage would have to be about equal quantities of each, and the freight and treatment would average \$18.50 per ton, while shipping the same ore to Tacoma, the freight and treatment would average \$15. So that even in that case Lyne's prices would average \$3.50 per ton worse for us than Tacoma's.

The news in yesterday's papers rather indicated that there would be no early settlement of the smelter difficulty in Colorado, and that being the case, there will be no active demand for our ore from any of the smelters in that state, and as most of the ore produced by the other mines in this district will be diverted to Helena and Aurora, we

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cannot look for an outlet there. It looks very much, therefore, as if we would be compelled to rely on Tacoma and Selby. Perhaps we might cultivate closer relations with Selby, and increase our business with them.

Referring to the second paragraph of your letter. I do not recall that you left with me copies of Rust's and our drafts of the proposed contract between Tacoma Smelting Co. and us, and am unable to find them.

Yours truly,

Fred. Burbidge