

come by private enterprise water would enable Port a large percentage of going to Buffalo.

promised that even with the harbor Port could attract any large clam-harbor of refuge facilities the break-buoys.

opposition members spoke of the bill, and the item finally carried at 12:15 on the under- progress would be

THE SENATE.

yesterday afternoon the bill moved the second Pacific Cable bill. After discussion which led to the amendment promising assistance colonies taking part in the cable, he said that in respect a British cable, the company in the Orient was a good augury of this Canadian and Australian cable. The bill was then passed by the Senate.

Bowell thought Canada could have force in this question both in Australia. The discovery of which had lain perdu since this cable was proposed in Hong Kong, owing to the fact that the government had given an Eastern Extension Company an agitation which had British government reposition, he believed at Sir Michael Hicks-Beach's agreement, Canada full share and perhaps the construction of the cable, Canada was those who had at first been against the scheme found among its most ardent supporters.

Mr. E. B. Osler (West Toronto), expressed his opinion that not a single item of these votes should be granted. His opinion there was not one of these lines that was Canada capital to build it. The only cases in which he would consider such bonuses justified would be for a line to the Yukon, or under similar exceptional circumstances. In support of this position, Mr. Osler asserted that the history of railway building in this country and in the United States had shown that small lines could not live in the face of the larger and more opulent systems. They could not be made to pay, and in his opinion the time had come when with a surplus of revenue we should not be piling up yet another national debt. His impression, moreover, was that in no other way is the same facility given for money to corrupt the electorate as through the payment of these railway subsidies.

The Premier.

The Prime Minister took it that from the time of the discussion the point at issue was as to whether the policy of railway bonus which has been obtained for the construction of the Pacific Railway, or whether all parts of the Dominion should be left to shift for themselves. As to the proposition for the government ownership of the Rainy river road, he said that the government had not yet arrived at the government to enter into an undertaking of this kind. It had one road in its hands now, and found it quite enough.

He desired to call the attention of the gentleman who had just taken his seat to the fact that the city of Toronto, from which he came, was already amply provided with railway facilities. It was all right enough, therefore, for him to set up the plea that the Western country should wait for capitalists to come along to provide railway facilities. He was surprised, too, to hear the member for West Toronto, Mr. Osler, speak of railway subsidies being employed for corrupt purposes when he was himself a member of the committee (the Canadian Pacific Railway) which had received a bonus of a hundred million dollars. Besides, it is a well-known fact that lying as Canada did alongside a great nation, how was this country to compete and keep up the race with the people of this country came to the rescue in the development of our own resources. Mr. Osler seemed to think that the older parts of the Dominion were already well supplied with railway facilities, but he could inform him that there were many parts in which there had yet to haul their produce between forty and fifty miles to the nearest railway line. Are these people, then, to be left as Mr. Osler would have them—to wait for themselves? The House, he felt, would take no such inhuman view. He was just as much opposed to voting money to charter-mongers as any other member in the House, and he was glad to hear the tardy repentance of the ex-Premier, Mr. Foster, for his sins in this very connection.

It had been said that this subsidy vote of six and a half millions was the largest in the history of Canada, but he would call to the attention of the House the fact that, in 1884, for instance, parliament sanctioned a vote of \$2,168,000. As to the vote for the Ontario and Rainy river railway, he felt that it was an enterprise of very large moment to Canada. It would open up a new province, and would be the finest mining property in the world and agricultural land along the valley of the Rainy river, equal to any in Canada. It was a country which in ten years might hold a population of from one to two hundred thousand people.

The member for East Toronto (Mr. Robertson) seemed to be afflicted with a peculiar blindness in connection with this scheme. He had Messrs. Mackenzie & Co. blocking the vision of one eye and the P. K. the other, so that he was unable to appreciate the fairness of the proposal.

Mr. Osler observed that if this Rainy river bill would not reduce the freight rates on Western grain there was no need for the expenditure, and what he would like to see was some provision in this bill for a reduction of rates. The time had come when the government should be content with the mere existence of a line of railway as return for its money. The people now wanted terms and conditions before their money was spent.

Challenge From Mr. McMullen.

Mr. McMullen replied to the speeches of Messrs. Osler and Richardson by

(Saskatchewan), thought this report very important. Richardson gave it only as he had heard it. The road would certainly get built, a mile from this government and 800 miles from the Ontario authorities. This was the \$1000 the Manitoba government would likely give for a lower freight rate on the road, though not being an engineer he could not speak positively on this point.

Mr. Richardson quoted a speech of Mr. Blair made last season, in which the Minister of Railways said that it was impossible to keep the Rainy river road out of the hands of any one who wished to purchase the stock. From this proposition he could not dissent, but said that the very reason the provision against combinations and combinations in the present act was not worth the paper it was written on. If it was impossible to keep the line from being absorbed, the only alternative was for the government to own the railway.

In conclusion, he proposed, seconded by Mr. Osler (Alberta), the following amendment to the bill: "That during the construction of all railways herein provided for, all books, accounts and records shall be open to inspection by the government in order that if it is subsequently determined by the government to acquire any of the railways subsidized by this act, the actual cost and at a figure from which shall be deducted the bonuses given by the government."

"That the rates, both passenger and freight, shall be subject to revision by the Governor-General-in-Council, provided that whenever such rates produce a net earning of more than six per cent. on the actual cost of the road and equipment, less the amount of subsidies received from any source, the rates shall be reduced to such point as shall only produce six per cent. on such cost."

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challenging any member to name a country in which railway passenger and freight rates were lower than they are in Canada to-day.

Several members took up the challenge. Immediately informed Mr. McMullen that if he would study the case he would find this to be the truth in the United States and Germany and other countries as well.

Mr. Davin declared himself opposed to the subsidizing of railways.

Mr. Clarke Wallace took a similar position and dwelt upon the extraordinary course the government had pursued in bringing these votes down at this late stage of the session.

Mr. Rogers (Patron, Frontenac) spoke in support of the amendment.

Col. Prior thought the government had slighted British Columbia altogether in the distribution of its favors.

The Hon. John Haggart took the position that while the Conservative government had allowed a bonus of \$3,200 per mile, supposed to be sufficient to cover cost of rails, with this cost greatly reduced in late years the present government had doubled the bonus in certain cases.

Mr. Blair.

Mr. Blair took up the suggestions made in Mr. Richardson's amendment and explained that the control of rates was already fully provided for in the bill itself. The limiting of earnings was an unfair stipulation which would stand in the way of railway enterprise in Canada. He would, however, at a later stage, propose an amendment of his own to the effect that all railways subsidized under this bill should, when required, produce to the Minister of Railways all books and accounts bearing upon the cost of construction, operation and earnings of their lines.

Mr. Richardson's amendment was defeated by 81 to 13, and the preamble as proposed in the bill was adopted. The subsidies were then taken up item by item. Some twenty-eight of these out of fifty were passed before the House rose.

IN THE SENATE.

In the Senate yesterday Senator Perley, in a letter from Mr. Osler, commending a Mr. Miles, who was anxious to make an exhibit of gold at the Paris exhibition. He wanted to exhibit samples of dust and nuggets from each creek in the Klondike, a cubic foot of dirt from each creek and samples of gravel from the surface to bed rock. Senator Perley thought this would be a very valuable exhibit, as it would go to prove the richness of the Canadian goldfields in the Yukon. The millions who would visit that exhibition.

The Hon. David Mills said the matter had received the careful attention of the Minister of Agriculture. He had no doubt the minister would be glad to receive any suggestions.

Mr. Mackenzie Bowell asked if proper steps had been taken to secure a proper display of minerals from Canada independent of Yukon. This was an important matter and should receive immediate attention.

Sir Mackenzie Bowell referred to the dismissals which had taken place from the Railway Department since 1897. He found from a return brought down that the only reason assigned for the dismissal of something over a hundred officials of that department since 1897 was that they had been dismissed by order of the department. He thought such an answer as this was treating the Senate with contempt.

Ottawa, Aug. 5.—The prospect of protraction before the end of next week is now exceedingly slim. Yesterday's sitting of the House saw the passage of the balance of the railway subsidies.

When the House resumed yesterday afternoon the proposed subsidy for the Edmonton, Yukon & Pacific railway from Edmonton, 50 miles westerly towards the Yellow Head Pass, gave rise to an interesting discussion, in which it was asserted that the promoters of this enterprise had already chartered covering the two available passes for another transcontinental railway. This, with the other links in the chain, would make, Mr. Foster said, 400 miles subsidized of a new proposed transcontinental railway. There were also held important rights on the Laird, Mackenzie and Yukon railways which would give this system access to the rich gold-bearing country in the north.

Mr. Foster further pointed out that the only gentleman known of the syndicate was Mr. William Paisley, of St. John, and he advised the Minister of Railways to see that the company was such as to have the ability to carry through the project.

Mr. Oliver assured the House that the question of this railway charter was one which had long since been fought out, and from it the people of the Northwest were looking for the salvation of their rights.

Mr. Costigan took occasion to deny a charge that he had gone to the Peace River at the country's expense.

The item passed.

Rainy River Railway.

When the subsidy for the Rainy river railway was taken up, Mr. Richardson (Liasar) proposed a stipulation, the effect of which would be to compel the road to carry wheat at 8 cents per hundredweight between Winnipeg and Port Arthur.

This amendment was voted down, only five members supporting it.

Major James Sutherland informed the House that the question of the cost and route of this line had been fully gone into by Ontario government engineers, who stated that the line would cost not less than \$7,000,000 per mile.

The item passed.

Upon the subsidy to the South Shore railway from Sorel Junction to Lotbiniere, the Prime Minister said that the government was open to the river front, with its excellent resources.

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SOCIETY RE-UNION.

The Minister of Finance gives notice of a bill to provide that Senators and members of the House of Commons who may be members of the militia force, being compelled to give up their parliamentary duties for attendance in camp, shall not suffer any deduction from their sessional indemnity thereby.

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Five Thousand Visitors Expected to Take Part in the Great Demonstration.

Five thousand visitors on the 19th—that is the estimate secretary Phil. R. Smith, of the Societies' Re-union committee, sets upon the crowd which will be here on that occasion, and his estimate is based on information he has been carefully compiling during the last few days from the organizers of the excursions in the different cities interested in the affair. The round total is sub-divided as follows:

Vancouver 2,000
Seattle and Tacoma 1,000
Nanaimo 800
New Westminster 500
Wellington 500

By this no means completes the list, for Port Angeles, Port Townsend and Whatcom are all arranging excursions, but are not yet in a position to give definite information. There will also be a very large crowd from the towns and districts immediately surrounding Victoria, all of which must be taken into account in the reckoning.

"We expect a larger crowd than at the Queen's Birthday celebration," said Mr. Smith to-day, and the reports received certainly seem to indicate it.

A generous response has been met with from the citizens in making up the preliminary list, and this will be very large, some splendid premiums being allotted.

Some of the local lodges, which at first declined to co-operate, have since signified their intention of joining in the parade, and it is confidently believed that when the day arrives every form of organization in the city will be represented.

A representative of the Seattle excursionists is coming over to arrange for accommodation at the hotels for the visitors from that city, and will be here on Sunday afternoon. As it is improbable that the hotels will be able to provide sleeping accommodation for all the visitors, the committee ask all who have furnished rooms for him to let a list with them at as early a date as possible.

The visiting lodges will appear in the parade in full regalia. The local societies will be distinguished only by the celebration badges—a step which, while it will militate against the attractiveness of the parade, is rendered necessary in order to remove all cause of rivalry between the different orders represented.

The general committee meets at 8:45 on Friday night, the 12th, and tomorrow will meet at 8:15 on Saturday night, to report to the main body.

WELCOME RAIN.

(Associated Press.)

London, Aug. 11.—Specimens from Bombay report rain in Allahabad, Madras, the Deccan and Bengal, and showers in Bombay. The government's anxiety regarding the possibility of a famine is therefore relieved.

WHO IS RESPONSIBLE?

(Associated Press.)

Madrid, Aug. 11.—The Gazette to-day publishes the verdict of the supreme court-martial which, in addition to acquitting Generals Tola and Pareja of surrendering Santiago de Cuba without exhausting all means of defence, orders an additional inquiry to discover the responsibility for the lack of means of defence which necessitated the capitulation of that place.

The Silver Lead Question

Mr. Aldridge, Manager of Trail Smelter Addresses Associated Boards of Trade.

Favors Removal of Present Duties on Lead in Ore and Bullion.

(Rossland Miner, August 8.)

The following is the text of the address on the silver-lead question delivered by Mr. W. H. Aldridge, manager of the Trail smelter, before the Associated Boards of Trade of Eastern British Columbia, on Saturday last.

Some two years ago I was asked to enter the employment of the Canadian Pacific Railway Company, for the purpose of aiding in the development of the low grade ores of British Columbia, and the establishment of smelters at whatever points might be necessary to accomplish this, and prevent the further shipment of ores to the United States. My understanding was, and still is, that primarily the railway was interested in making it possible to mine the low-grade ores of the country.

Having been connected for a number of years with smelters, now members of the American pool or trust, and at times when we were able to secure large shipments from British Columbia properties, I am in a position to know how the bullion resulting from the smelting of these British Columbia silver-lead ores was handled. Practically all the smelters are ore and in the bullion is smelted in bond, and the resulting pig lead is sold in the English market. In doing this it was not necessary to pay the 1½ cent per pound to the United States government, and

The Smelters Gained Somewhat on the lead quotations, because the English market is usually not as much as 1½ cents lower than the American market, and the United States government allows them to sell nearly 10 per cent of the amount imported in the New York market.

When the United States duty on lead in ore is 1½ cents per pound, the duty on lead in bullion is 2½ cents per pound. This difference between their duty on lead in ore and on lead in bullion shows that the United States wishes the smelting of these silver-lead ores, but that they do not care to have more than a limited tonnage of foreign pig lead actually received in the United States. They have no wish, and cannot afford, to antagonize their own lead miners by allowing foreign lead from either British Columbia or Mexico to come in free.

There is a market for about 12,000 tons of pig lead in Canada per year, and the price of pig lead in that market is much better than the London price, but not quite as good as the New York price. The present Canadian duties are such that the Nelson smelter, the Pilot Bay smelter, and the Trail smelter, are not allowed the privilege of selling a single pound of Canadian lead in the Canadian market, but are compelled by their own duties to sell Canadian lead in England, the United States duty of 2½ cents on lead in bullion making the New York market.

Impossible for Canadian Smelters.

Now, while Mr. Buchanan has stated that 12,000 tons of lead, which means 24,000 tons of 50 per cent. lead ore, do not amount to much, yet I claim that the best good to the whole country can be obtained by at least giving the mining industry of Canada the benefit of their own market for lead, which at present is absolutely impossible. This can be accomplished, I think, by the amendment which I have introduced. I do not think that anyone present objects to the request which has been introduced to have pig lead from Canadian bullion refined in America, re-melted in Canada, and then shipped to the United States. But of the 12,000 tons of lead annually consumed in Canada, there is only a market of from 3,000 to 4,000 tons of pig lead, the reason for this being that while lead pipe, sheet lead and shot are protected, the duty on lead pipe, sheets and shot being 25 per cent, to 35 per cent, the duty on white lead, litharge, red and orange, which makes the market for the rest of the lead, is from nothing to 5 per cent, or is actually less than the duty on the crude material (pig lead) of 15 per cent. Now, if these duties on manufactured leads were increased to correspond to the duties on lead pipe, sheets, etc., all this "manufactured lead" would be made in Eastern Canada from Canadian lead.

Instead of Coming From Germany, as at present, at a 5 per cent. duty. In this connection, I wish to say that Mr. J. R. Wilcox, of Montreal, one of the largest purchasers of pig lead in Canada, and Mr. Muir, of the Canada Paint Company, the largest consumers of white lead in Canada, are both thoroughly in accord with the proposed changes in duties set forth in the resolutions.

But even if Mr. Buchanan's contention is correct that 12,000 tons of lead are not worth considering, we still have, for our surplus, the Chinese and Japanese markets, which, although only a little better than the English markets, have the advantage of being nearer and easier to reach, and this advantage over the English market is practically represented by the difference in freight rates from Nelson or Trail to the eastern seaboard as compared with those to the western seaboard.

The objections raised by members of the government to changes proposed were that they were collecting \$37,000 per year duty on pig lead imported, and our reply to this was that they might better cancel the bounty of \$50,000 per year, which had not and would not have the least effect in starting or establishing the smelting industry, and waive their claim to the \$37,000 duty, when the lead came from the lead ore smelted in Canada. I think that their objections to any increase in the duty on white lead, litharge, red lead and orange were part

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ly political, and partly because of negotiations with the United States.

We all appreciate

The Value of the Mining Industry to a country, and we are unanimous in wishing to do whatever we can to encourage and stimulate it. I do not think we all appreciate the value of the smelting industry to the mining industry, and to the whole country. Such plans as Denver, Pueblo, Butte, Helena and Great Falls, were either given their start or are largely dependent on the reduction of ores, and the large pay rolls and the permanency of the cities, bear proof of the great value to the community of this industry. Even the Trail smelter is spending in Canada, directly or indirectly, some \$60,000 to \$70,000 per month, and this is not spent at one point, but distributed throughout the country. If the ore which is handled at these works went to the United States, practically not one cent of this amount would be disbursed in Canada. In the case of the low grade ores, it costs more to smelt the ores than to mine them, and in other words, approximately one half the benefit of having a mine accrues to the country in which it is located, and the other half to the country in which the ore is smelted. When Rossland ores or low grade lead ores from the Kootenay go to the United States for treatment, that country receives the benefit of fully one half of the total amount expended in its handling. Where such ores go to Nelson, Trail, or Canadian works, Canada receives

The Whole Benefit of the Mine.

Having explained the reasons for the two resolutions I have introduced, and which I believe are identical with those of Nelson and the Sandon Silver Lead Mine owners, I wish to say a few words upon Mr. Buchanan's resolution, and comment upon some of the statements he has made. If you will read this resolution carefully, you will notice that it is asking the Canadian commissioners to remove the 1½ cents duty upon lead in ore, while it says nothing about taking off the 2½ cents duty upon lead bullion. There is no objection to getting the United States to take the duties off of ore and bullion, but taking it off of ore and leaving it upon bullion would mean, assuming present relative quotations in London and New York that the American smelters would have a market worth \$30 more per ton of lead than the Canadian smelters, or a direct advantage on ore of \$15 per ton in the case of a 50 per cent. lead ore. This is an advantage which could not be overcome, even though the railway hauled the ore and bullion for nothing, and it would be impossible to smelt a ton lead ore in Canada.

But I am not willing to admit that the Canadian miner would benefit by legislation closing the Canadian smelters, for by so doing Canada would be

Making a Present to one smelting institution in the United States of the entire lead-silver reduction industry, and while the miner might temporarily get better prices, yet that improved price would only be such as would keep Canadian smelters closed, and would not be as favorable a price in the long run, as that they would receive if Canadian smelters were in a position to compete with the American Trust, which they could and would do had they the advantage of their own market.

We all believe that with better prices for lead ore there would be many more mines working, but if, as Mr. Buchanan intimates, there would be 200 lead producing mines as compared with 10 to 12 now, what would become of that New York market, which has been aptly described as having a fence around it and consequently whose price is fictitious? Here I have done my best to show that the price of lead ore should be maintained at 4½ cents, when Canada added her product from 200 shipping mines. You must remember the Coeur d'Alene have been crippled and that nearly every lead smelter in the United States has been closed, and even under these circumstances they can only hold the price at 4½ cents. Furthermore, the American Trust and the Guggenheim have infinitely greater interests in Mexico than they have in Canada, and it is likely that they would allow Canadian lead in free without insisting that Mexican lead also be admitted? Mr. Buchanan admits that under the present conditions, Mexico shipped into the United States 60,000 tons of lead ore to Canada's 19,000 tons. Is it likely that the United States will admit or

Could Admit Any Such Tonnage

and still maintain the present high price? On the contrary, the New York market would at once fall to the level of the world's market, London, and the Canadians would, in the meantime have killed one of the most valuable industries of the country, while their lead mines would have been placed at the mercy of a single smelting company in the United States. But the American Trust does want the smelting of these lead ores, and would no doubt urge upon the United States any legislation which would kill the smelting industry of Canada, and at the same time prevent too much Canadian lead reaching the New York market. What Canada requires and should ask for is a removal of the present duties on lead in ore and bullion, or a reduction in those duties without a discrimination by

the United States against lead in bullion and the lead smelting industry as at present; and to accomplish this they should ask that the duty on lead in ore and in bullion be the same, that if the duty on lead in ore be reduced to ½ cents per pound, the duty on lead in bullion should also be reduced to ½ cents per pound.

The Apparent Concession on their part as asked for in Mr. Buchanan's resolution of taking off or of reducing the duty on lead in ore without changing the duty on lead in bullion, will kill the lead smelting industry, and will not benefit the miners in any such way as has been intimated, but will on the contrary place them absolutely in the hands of the American Trust.

I can reply to Mr. Buchanan's assumption of personal ownership of all the mines and smelters, and questioning whether the best good could not be obtained by closing the smelters, by saying that if I were in that fortunate position, I would not change my opinion in the least, and the fact that the Sandon Silver Lead Mine owners have passed resolutions almost identical with these I have submitted, with the additional request of the removal of duties on lead in ore and in bullion, is sufficient proof of the truth of my assertion. I do further repeat that it would be a very serious injury to all to prevent lead smelting here and to give half the advantage of owning the mines to the United States.

At the time the United States duty was ½ cents per pound I think the freight and treatment charges were so much higher, that I doubt whether shippers receive any more for their ore than at present. I can not admit that the two years' campaign of the Pilot Bay smelter was any great success, for during that period, I think they lost some \$300,000, and it was for this reason rather than the McKinley tariff of 1½ cents duty (as claimed by Mr. Buchanan) that that smelter was closed. It is true a lease was given to Braden Brothers, but they represented Omaha and Grant and held the lease for them, and no one doubts but that the Omaha and Grant were more interested in seeing

The Lead Ores of British Columbia go to their United States works, than they were in seeing them smelted at Pilot Bay.

In closing, I wish to say that the most good to this community, including the miners, the railroads, its smelters, and its merchants will result in doing that which will make it possible to mine and ship the greatest tonnage of low grade ore, whether they be lead or copper, and I am satisfied that this can not be accomplished by allowing the United States as the Kalso resolution does, to so legislate as to prevent lead smelting in Canada at the very time when that industry is being started. That industry does not and has not asked protection, but it does ask that the Canadian commissioners do not request the United States commissioners to legislate against Canadian industries by appealing to them to open the New York market to United States smelters and close it to smelters on this side of the line. In copper there is a free exchange of copper ore and matte, and since the establishment of Canadian smelters, Rossland shippers have been able to get at least \$7 per ton more for their ore, and the same would be true if the United States removed its duties from lead and treated it in the same way as it does copper. But before begging the United States to do something which would injure the mining and smelting industries, it would be more consistent to correct the

Canadian Duties.

If, however, it should be considered advisable to recommend any request being made to the Canadian commissioners in cases they should meet, I would