

APPENDIX No. 5

Mr. WILSON.—Yes. Again when you build the Canadian navy you will require still further quantities if you are going to build the ships here. I would say that as much as possible of the nickel steel should be manufactured here.

An hon. MEMBER.—What effect would an export duty have?

Mr. WILSON.—It would have the effect of causing all the nickel matte to be refined in Canada instead of as at present in the United States and Great Britain. It would be equivalent to a revenue of a million dollars in this country.

An hon. MEMBER.—It really is not a combine in Canada—it is a combination of a so-called Canadian company with an outside company?

Mr. WILSON.—I think it is all United States capital.

An hon. MEMBER.—It is just one company and they combine with the French people and the other sources of supply to control the market.

Mr. WILSON.—Yes, but the only other producer at Sunbury is Mond's, an English company, but their production is small.

The CHAIRMAN.—You say that it might be used for the Quebec bridge, for the structural material for it, and the structural material for building the Canadian navy—I suppose you include armour plate?

Mr. WILSON.—There is no steel works in Canada equipped for rolling armour plate, but it is required for many other purposes in the navy, for example, for the hull plates of torpedo boats which should be altogether of nickel steel, as well as for deck plates and for bulkhead plates.

The CHAIRMAN.—Supposing works were contemplated and sufficient capital available, how long would it take to put works in operation to produce the material, say required in the Quebec bridge or the Canadian navy?

Mr. WILSON.—Not more than twelve months at the outside.

Mr. HERRON.—Have you made any calculations or could you give the committee any information as to the cost of such an undertaking?

Mr. WILSON.—Well, that depends so much upon the scale on which you go into the matter, but I think with an expenditure of about a million dollars, one could produce about 75 tons of three and a half per cent nickel steel a day, which would be considerable.

An hon. MEMBER.—Have you any idea of the amount of capital invested in nickel mining in Sudbury?

Mr. WILSON.—I do not know, but it is a considerable sum. They built three or four smelters there one after another, but the value of the plant is not in proportion to the capitalization of their company, which is \$28,000,000 or \$30,000,000. That is out of all proportion to the money they spent on the plant.

Mr. HERRON.—And they make 75 per cent to 100 per cent on the cost of production?

Mr. WILSON.—Yes, they make about 18 cents per pound profit. Of course, it is difficult to get at their figures—they do not publish any kind of reports, but, basing one's calculation on their output and profits, that is what I make it out in accordance with what is charged for nickel in the markets of Europe.

An hon. MEMBER.—Have you any knowledge of the dividends that company pays now?

Mr. WILSON.—I do not know, as they have preference shares and ordinary stock, but their net profits would amount to about \$3,000,000 a year.

An hon. MEMBER.—What effect has that got upon the proposition to develop the other area—the remaining areas there?

Mr. WILSON.—The business would be a good one if one could be assured of not being subjected to unjust competition on the part of a very powerful company, but nobody would invest money if they did not know what they might be confronted with. Of course, this company might put the price down to five cents a pound for a time in order to freeze out other enterprises that might start—it is a very powerful company to go up against.