

PREFACE.

In the Year Book of British Columbia for 1914, Mr. R. E. Gosnell, the writer, says that the question is frequently asked if the economic conditions on the British Columbia coast are favorable to the development of an iron and steel industry. He goes on to say that there was a time when undoubtedly they were not, and it is pertinent to enquire if sufficient advancement has been made in Western Canada to justify the investment of capital in an enterprise which requires unusually large expenditure of capital in plant and operations, as compared with most other industries.

In the present year, 1918, there is no hesitation in saying that the economic conditions undoubtedly are favorable if for no other reason than the demand for iron and steel. There is not only an increased demand, but, owing to the lack of ships, it is more difficult to supply that demand, and the increase in railway rates adds considerably to the cost of material brought by that means. We have the market, and as to the cost of production, labor and fuel may be high, but it is certain that we should be able to produce for considerably less than the cost of importation.

It is well to mention here that Mr Nichol Thompson gives the following figures for January, 1918.

"Present price of pig iron delivered Vancouver is \$69 per ton, and this is Eastern pig iron made in Hamilton, Ontario. Present railway freight on this iron is at least \$18 per ton. We are not only met with this high railway freight but the consumption of iron ore in blast furnaces in Canada has increased so rapidly that in 1916 the total production of iron ore in Canada was only equal to 15.5 per cent. of the total ore smelted in Canadian blastfurnaces. In other words, practically 85 per cent of the iron ore used in the manufacture of pig iron in Eastern Canada is imported either from the Lake Superior iron ranges in the United States or from the Wabana deposits in Newfoundland."

And, dealing with the market, he further states: "That the imports of iron and steel into Canada show that the Canadian manufacturers have a large field yet to occupy. Unrevised trade returns show imports of approximately \$20,000,000 of steel products, and 300,000 tons of pig iron of the value of approximately \$4,000,000, and these imports