

Referring first to the plant Mr. Jones declared that it was substantial, well built and would, when the new improvements contemplated were completed, certainly be as good as any plant to be found in the United States. The smelter was shut down for the present pending alterations. It had shipped last month its first consignment of spelter, consisting of about 46 tons, which went to Montreal. Beside this there had been manufactured about two tons which had been sent away, principally as samples. There were still in the smelter bins about 600 tons of ore purchased under the old management of the concern. The ore smelted had amounted to between 125 and 150 tons. This ore had been procured from various mines, the Grey Copper, Jackson, Ruth and Payne, in the Slocan, and a new property near Golden, Northeast Kootenay.

The trouble with the plant as at first designed was with the roasters. These were of the Merton type and were found unsatisfactory. In fact, they were entirely unable to keep up the supply of ore and in consequence of this a shut down had been forced. It was now determined to put in a straight-line roaster, probably either a Jacklin or a Brown, which were much of the same type. When the type had been settled upon to recommend to the directorate the recommendation would be forwarded to Paris and there acted upon. In the meantime a force of men was working at the smelter getting out brick for the furnaces. With the installation of the new roasters, he had no anticipation of further trouble, but, on the other hand, expected to be able to smelt much more cheaply than the cost of the first run.

Referring to the general aspect of the zinc business, with especial reference to a zinc bounty, Mr. Jones said:

"I do not think there is any part of the mining industry which more deserves help than does zinc mining and reduction. When I first came into the country many of the Slocan mines having mills were letting the zinc tailings go to waste down the streams. Under my earnest representations this custom ceased, and the mills have since mostly followed the example afforded them by the Slocan Star, and are saving their zinc and storing it for a market. The Slocan Star, within five months of altering its mill, sold its zinc savings for \$25,000, a sum very well worth having. Owing to litigation this mine is not now running its mill and in consequence a similar output is not being maintained.

"There is no doubt that there is plenty of zinc in the country. Many a lead mine owner will tell you that he has four tons of zinc to one ton of lead ore. The question is to get a market for it. The situation is critical. There is a consumption in Canada of about 2,000 tons per annum, Japan needs from 3,500 to 4,000 tons yearly, and China about half as much. As to the market in the United States, from that Canadians are entirely excluded, as it is perfectly protected by the import duty. Hence, although it is the highest market in the world, we cannot get access to it because of that duty. Now, the Frank smelter, as renovated, will be able to handle about 30 to 40 tons of zinc ore daily, from which will be obtained about 10 to 15 tons

of spelter, averaging 12 tons probably upon the present basis. This means a production of about 4,000 tons a year, or twice the requirements of the present Canadian market. But were we bounty-fostered we could then enter upon the markets of the Orient and compete successfully with the United States and probably be able to market the whole of our product.

"But the first thing is to get the control of our own market. Just now that market is in the hands of the United States. The biggest consumer of spelter in Canada is a firm near Buffalo, just on the Canadian side of the border. It is a manufacturer of galvanized iron, a manufacture into which spelter enters largely. There is no duty on spelter coming in from the United States. In consequence this firm gets all its spelter from the United States. The point of supply is nearer than British Columbia and the freight is much less. If there were a duty upon spelter, then Frank could compete. As it is it cannot, so the United States has a pull upon Canada in two ways; it keeps its own market free from Canadian spelter and at the same time pours upon our unprotected market American spelter. Any spelter that does enter the States does so as zinc ore and is purchased by zinc smelters, made into spelter and then possibly used to supply the Canadian market, while at the same time this method of action operates not only against the Canadian smelter by cutting in upon both its supplies and its market, but at the same time militates against the zinc mine owner, as he is absolutely at the mercy of the United States smelters, which may take his ore at one time and reject it at another. Under such conditions no sane man wants to invest his capital in zinc properties.

"Then there is another thing in connection with this buying from the United States. Every now and again when the United States smelters are short of ore, they wire to their buyers here to buy short. That is to say, they are willing to give a price for zinc higher than the real market value in order to prevent their stocks being depleted. This cuts off our supply. For the zinc mine owner will naturally say that he is getting, say, \$1 a ton better price from the United States than the local plant is willing, or able to afford, to give. Hence he ships to the United States, and the regularity of our supply is treasured upon, and without the assurance of a regular supply no zinc, or any other smelter, can be run economically, which means profitably.

"How would I recommend a bounty to be given?" replied Mr. Jones to a query; "Well, that is hardly my business, seeing that although born an Englishman, I am an American citizen and have no right to butt into the management of your affairs. But from a business point of view I would like to say that in my idea the bounty should be so adjusted as to prevent either smelter or miner getting an undue advantage the one over the other. I don't think it much matters how the bounty is given as long as it is provided that it shall not be given if the zinc is not smelted in Canada. If given directly to the mine that mine would see it would lose more in bounty by selling its product to the United States than it would gain from that country by taking its advanced price over