

THE BOUNTY ON ZINC

Victoria, B.C.—To the operators of the silver-lead-zinc properties of British Columbia the announcement that the Dominion Government has offered a bounty of 2 cents a lb. on all the zinc mined and smelted in Canada is of special interest. Owing to the special conditions this encouragement to the zinc industry will have a direct and no doubt a beneficial bearing on conditions in British Columbia; in fact, there is no doubt that it was designed with a twofold object in view, namely, the forestalling of the threatened closing down of the electrolytic zinc plant at Trail and the maintenance on a shipping basis of the many mines of the Slocan and East Kootenay Districts of British Columbia producing ore of the character in question. There has been some criticism in the Province on the ground that the bounty will be an aid to the Canadian Consolidated Mining & Smelting Company; but those most conversant with the problems which that concern has been and still is facing in dealing with the refractory ores referred to believe that the policy is warranted; that without a subsidy it would be impossible to keep the electrolytic plant going and avoid considerable loss; that the company probably would have been compelled so to do in view of the present quotation on ordinary prime spelter; and that such action not only would have thrown a large part of the Trail plant into inaction, but would have had a similar effect on many of the British Columbia mines which have been largely developed since the beginning of the war.

The refining of zinc in British Columbia dates from the beginning of the war, or rather a very short time afterwards. The story of the phenomenal rise in price of zinc is well known. Great Britain and her allies contracted for all there was available in the United States and quotations soared to 40 and 50 cents a pound. About that time the Imperial Munitions Board, having information regarding the very large bodies of zinc bearing ores of British Columbia, came to the Trail smelter interests and said, in effect, "If you are in a position to build, equip, and operate an electrolytic zinc plant we will guarantee you a market for all your zinc at 15 cents a pound for a specified number of years." To this the company agreed and the plant was installed. The expense involved went over six figures and, as a result, it became possible to handle successfully the silver-lead-zinc ores of the Province. The company fulfilled its contract with the Imperial Munitions Board. For a time it was supplying zinc at 15 cents when the outside prices were 40 cents a pound and over, but it had the satisfaction of knowing that it was in no way subjected to the fluctuations of the market and, while its understanding with the Board endured, it would not be affected by the metal unloaded by plants which sprang up all over America following the shortage to which reference already has been made.

There came a time, however, and it was not long ago, when the contract expired. Then, if the company was to continue its production, the electrolytic zinc of British Columbia would have to meet in open competition the prime spelter of the Belgian or distillation process. The quotation, which approximately still prevails, 7 cents a pound, according to the company, would not permit the maintenance of the electrolytic plant. It was because of the development of this situation, and the possible consequences of the cessation of its operation, which induced the Dominion Government, from all accounts, to adopt the policy indicated. With the

2 cents bounty the company will be in receipt of 8 cents a pound for its product (at present prices) and, no doubt, with this advantage, will be able to carry on. If the price rises the bounty diminishes and is eliminated entirely when market price reaches 8 cents.

Advocates of the bounty in the Canadian Parliament said that it was not proposed that it should continue for all time. It was a temporary expedient having the object of tiding the industry over a critical stage. Experiments were in hand in relation to the electrolytic process which, it was hoped, would make it possible to recover the zinc at less expense than at present and thus make the balance more even as between the output of the electrolytic and the Belgian processes. It has been stated that the subsidy will operate to the disadvantage of the French Complex Ore Reduction Co., which has been supported financially by the Provincial Government, and which is expected to solve the problem of treating the complex ores of the Canadian West. The answer given is that the bounty applies throughout Canada and that the product of the French Complex Company, in common with that of all others in the Dominion, will derive equal benefit.

By way of further explanation of the Canadian situation it may be said that there now is no special market for electrolytic zinc. The Imperial Munitions Board is not taking it, because it has supplies sufficient to meet all its needs. The reserve was considerably increased when large quantities intended for the Russian Government had been left on the hands of the British authorities.

WILL USE COAL INSTEAD OF OIL.

The possibility of fuel oil being unobtainable from California because of war exigencies is occupying the attention of most of the large industrial corporations of British Columbia which have been dependent on that form of fuel. The Powell River Pulp Company, one of the largest industries of its kind in the Northwest, has arranged to make a rapid change from oil to coal, should developments make it necessary. The same is true of the Whalen Pulp & Paper Mills while Mr. W. P. Hinton, vice-president of the Grand Trunk Pacific Railway Co., who was in the West a few days ago, states that his company has made representations at Washington, D.C., with a view to ascertaining the attitude of the United States Fuel Administration to the reported shortage of California fuel oil. Mr. Hinton explains that his company is particularly interested because of the steamers which it is operating in the Pacific Northwest. It is the intention to reconvert the G.T.P. locomotives using fuel oil on the 800 miles of line westerly to Prince Rupert to coal burners, and in this connection the company is interested in the development of the Telkwa and other Northern British Columbia Collieries, which are tributary to the Grand Trunk Pacific Ry.

An increase of wages has been demanded by employees of the Canadian Consolidated Mining and Smelting Co. in several of its mines. In most instances the miners have accepted the company's offer of substituting the Rossland mines scale in the lead mines, which means an increase of approximately 15 cents a day. Some, however, have refused this proposal. At the Sullivan mine, Kimberley, B.C., an increase of 50 cents a day was asked, which would give muckers \$4.15 a day and miners \$4.65.