

BRITISH COLUMBIA AND IRON AND STEEL INDUSTRY

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production of these materials, but the increased cost of supplies and of labor largely neutralize this advantage. If it seemed probable that pre-war prices would return in the course of a year or two we might base our calculations on this assumption, but, in view of the profound change that is taking place in the position of labor, it seems unlikely that wages will ever return to their original level. One effect of this will be that the prices of supplies and products will all reach correspondingly higher figures.

If electric power could have been obtained immediately at a reasonable price it appeared reasonably safe to undertake the electric production of pig iron by standard methods, but if we are dependent on developing a water power for this purpose, the delay and the increased uncertainty in regard to costs and prices makes prediction almost impossible. In a general way, however, we may assume that in the course of a few years costs and prices will again reach some steady relationship to one another and that this relationship will not be very different from what it was before the war.

On this assumption it would seem that, after prices have once more reached a steady level, the electric smelting of iron ores will occupy, commercially, about the same position as before the war, and by considering the condition in Sweden, which resembles Canada in many respects, we can form a fairly good judgment of the possible development of electric smelting in British Columbia.

We may, therefore, expect with the present methods of electric smelting, that the industry would be successful commercially, but that it would depend, ultimately, on the production of special qualities of iron and steel, and would be unable to compete with the blast furnaces in the production of ordinary grades of pig iron. If, however, the new process for the reduction of iron ores is found to be satisfactory it should produce a decided improvement in the commercial status of electric smelting.

The following are the conclusions in regard to the electric smelting of iron ores in British Columbia:

1. The three most essential requirements are: Iron ore, electric power and charcoal or similar material. In the coast districts of British Columbia there is a sufficient quantity of suitable iron ore conveniently located, water powers available for the development of electrical energy, and waste wood from sawmills for the production of charcoal.

2. Having regard to the present market for pig iron and the probable price for this material during the next few years, it appears that the iron ore, electric power and charcoal could be produced sufficiently cheaply for the commercial smelting of iron ores in electrical furnaces.

3. The development of a water power is, however, a long and costly operation and one which it would be highly inadvisable to undertake at the present time. For present operations therefore we are dependent on the purchase of electric power from the power companies.

4. It appears that one of these companies has a sufficient amount of unused electric power, but it is asking a higher price for this power than the industry can bear.

5. In view of the original cost of development, it would appear that the company could afford to offer the power at a decidedly lower price, but it should be remembered that the company must keep a reserve of power for other purposes and that it cannot, at present, afford to maintain this reserve by undertaking fresh development.

6. A new process is now being investigated by means of which it may be possible to produce electric furnace pig iron commercially in spite of the high price charged for electric power.

7. In view of the small demand for pig iron in British Columbia it would be almost essential, if a smelting plant is to be established on an economic basis, that additional products shall be turned out. Steel for castings and small

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rolled sections, and ferro alloys such as ferro manganese, ferro chrome and ferro silicon, could be made suitably in such a plant. These additional products would permit of more economical operation, would enable larger profits to be made, and would allow the plant to continue in profitable operation if at any time the price of pig iron were to fall below the cost of production.

In view of the present situation it appears advisable:

(a) To develop one or more of the best iron ore deposits and to make complete tests of the ore.

(b) To reserve a suitable water power for future development.

(c) To establish a plant for the economic production of charcoal from mill waste.

(d) To investigate the new process for the production of electric pig iron, and if this is found satisfactory to begin immediately to produce pig iron; purchasing power for this purpose until the water power can be developed.

TRANSFER OF VICTORY BONDS

The Deputy Minister of Finance has made arrangements with the receiver-general whereby the Deputy receivers throughout Canada were authorized to convert the small Victory Bonds of \$50 and \$100 denominations into those of \$500 and \$1,000. This will obviate what has been a matter of considerable inconvenience to bond dealers. The arrangement goes into effect at once. It is understood that a charge of 25 cents will be made for the transfer in each case.

The registration of coupon bearer bonds and the transfer of coupon registered bonds to bearer may be effected at the offices of the assistant receiver-general. No transfer of coupon bonds to fully registered, or from fully registered to coupon can be effected until further notice. At the earliest, such transfers cannot be effected until May 1st next.