were as low as could be expected under existing conditions, and we were glad to have the assurance of the local smelter of a market for a fair production, the difficulty then seeming to be with the sudden withdrawal of a large purchaser to find smelter capacity at short notice for the production stimulated as it was by the high prices then current.

"In what I have written I have not reflected in any way on American smelters, nor have I sought to make invidious comparisons, but I have felt compelled not to become a 'silent partner' in what seemed like a conspiracy of falsehood and misrepresentation directed for some other purpose than the good of the lead miners against the Canadian smelters."

We have received from a correspondent the following letter in reply to Mr. Cavanaugh's communication to the Nelson *Daily News*:—

"I am glad that we have in a letter from Mr. N. J. Cavanaugh, who is, I understand, in the service of the Slocan Star mine, operated by the Byron N. White Company of Spokane, Wash., U.S.A., a statement of the case against the Canadian smelter rates. It did not seem much use to continue a discussion of a business subject with a newspaper editor who got beyond his depth when you gave him plain figures to deal with, and whose dishonesty of purpose was made plain by his methods of reply, and whose arguments were mainly inuendo or irresponsible mis-statements of facts. In Mr. Cavanaugh I expect to find a gentleman generally conversant with the sale of lead ore, who, if he is in error, will see it when pointed out to him and frankly acknowledge it.

"First, then, I must tell him that in 1900, when he implies that British Columbia was suffering from the absence of the "trust" in consequence of which we were supposed to have been paid on the basis of London price, the North Star alone shipped more than 13,000 tons of ore to the smelters of that powerful institution, and were paid for all of it on the basis of the said London price, and very good business it was for us that we were so paid, as we received a great deal more per ton of ore than we would have done on the basis formerly in vogue.

Mr. Cavanaugh talks of the Canadian smelters selling the lead in the United States. A little study of the production, consumption and exports of lead of the United States as given in the "Mineral Industry" would show him that there was no room in the United States for Canadian lead; that they were producing in that country all they needed for themselves; and that the refineries through which our lead would have to pass whether smelted in the United States or Canada, were so controlled that no outside lead that was not wanted on that market could be forced there.

It is well known that, excepting such percentage as refiners were not required to export when treated in bond (upon the assumption that it was lost in manufacture), all Canadian lead was treated in bond and exported, and that the smelters were obtaining more in the world's market price than the New York brokers' price less duty, especially as they charged the miner duty on 100 per cent. of the lead contents of ore, but only paid him for 90 per cent.

Mr. Cavanaugh will therefore see that the smelter did not simply get $18.50 freight and treatment in 1899. It got $18.50 plus the difference between the London price and the price it paid the miner.

"I am supposing that Mr. Cavanaugh is right, and that some mine got such a rate. I know that there was a hot smelter fight on at that time and much cutting of rates, but I did not know that any mine got so low a rate as that. If so, it does not prove much, as it was not a general rate. Let us, however, figure out one example, taking the rate and price (N.Y.) named by Mr. Cavanaugh:—

February, 1899:

1 ton ore, 65 per cent. lead equals 1300 lbs.
Less 10 per cent. equals 130 lbs.

1170 lbs.

1170 lbs. @ $4.05 per 100 lbs. equals......$47 38
Less duty on—
1300 lbs. @ 1 1-2 c. per lb. equals.......... 19 50

$27 88

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1 ton ore, 65 per cent. lead, equals 1300 lbs.
Less 10 per cent. equals 130 lbs.

1170 lbs.

1170 lbs. @ London price, £15 10s. equals
$3.35 per 100 lbs.........................$39 20

Difference $11 32
Add freight and treatment rate 18 50

$29 82

So that the smelters received in all $29.82 to pay freight to smelter, for treatment, freight to refinery, refining, cost of marketing silver, freight and cost of marketing lead.

On the same ore to-day he would receive:—
Freight and treatment $15 00
Deduction of 1 c. per lb. from London price,
equals 1170 lbs. @ 1 c. equals 11 70

$26 70

and it is therefore a false and misleading comparison that has been made in the *Ledge* and in Mr. Cavanaugh's letter. It must surely be plain that, had it not been for this arrangement of buying on one basis and selling on another more advantageous, an additional deduction from the price of lead or an additional treatment charge would have been necessary.

"With this falls to the ground all Mr. Cavanaugh's figures for subsequent years, and any honestly intentioned man qualified to make correct use of figures can satisfy himself that the smelter and railroad are getting less to-day for handling a ton of ore and its resulting lead than they did at any former time.

"I form the conclusion from Mr. Cavanaugh's letter that the Slocan Star is paying the American Smelting & Refining Company the same rates as Canadian smelters are charging, viz., $15.00 per ton for ore