

templated, but whether in the expectation that the result of the enterprise will cause so rapid a development of the lead industry in British Columbia as to render the profitable operation of works of this character possible within a reasonable space of time, or in the belief that our present production of lead ore is sufficient to, at least, maintain without a direct loss, a refinery in operation, we are not in a position to judge; but, it is, meanwhile, abundantly clear that the great railway corporation has determined upon a policy, which it has exceptional opportunities of successfully carrying out, of assisting the development of the mining industry of British Columbia by every possible means. This policy while, of course, not adopted from purely disinterested motives, has already exerted a beneficial influence on mining in Rossland, and the present prosperous state of the industry in that district, the recent large increase in ore-production and the exploitation of the lower-grade mines, is, we opine, largely **attributable to the** considerable reduction in freight and treatment costs, since the Canadian Pacific Company acquired the smelting works at Trail.

Mr. Kendall, meanwhile, has compiled some interesting figures comparing the costs of smelting our Slocan ores at home and abroad. The present duty on lead in Slocan ores, entering the United States, is 1.5 cents per pound, and on lead in base bullion 2.125 cents per pound. The average lead contents of the ore exported from the Slocan has been about 50 per cent. At the present rate of \$15 per ton on ore of this grade the duty on a ton of base bullion would be \$42.50. The duty on two tons of ore, the lead contents of which would be equal to one ton, the duty is approximately \$31.80, as against \$42.50 if the same weight of lead be shipped as base bullion. Estimating the freight on ore at \$15 per ton (of ore) and the cost per ton of lead will be \$31.20. Thus, even at present, there is a small difference in favour of smelting at Trail. Mr. Kendall gives the following example:

Smelting Slocan ores in the United States:

	Per ton of base bullion.
Freight at \$15 per ton of ore	\$31 20
Duty at 1.5 cents per lb. of lead in ore...	31 80
Total	\$63 00
Smelting Slocan ore at Trail:	
Freight on ore and bullion (say).....	\$18 00
Duty at 2.125 cents per lb. of lead in base bullion	42 50
Total	\$60 50

The estimated cost of freight in the second of these statements may or may not be wide of the mark, but it is pointed out that the Canadian Pacific Railway Company can, of course, largely regulate this charge as may be necessary to compete successfully with American smelters for the treatment of the ores.

It is interesting, however, to note in this connection that Mr. R. R. Hedley, superintendent of the Hall Mines Smelter, has stated that the Nelson works, at any rate, could not compete with American smelters on ores carrying over 40 per cent. lead, for the reason, that above that percentage the additional duty on pig-lead offsets any advantage gained in freights.

During the month a very interesting discussion on

the subject of lead smelting in Canada took place in Rossland, at a meeting of the representatives from the Boards of Trade of East and West Kootenay and Yale. Two solutions of the problem were there offered, one by Mr. Buchanan, of Kaslo, proposing a reciprocal arrangement with the United States for the removal of the duty on lead in ore, and not, be it noted, on lead in bullion; and the other by Mr. W. H. Aldridge, superintendent of the Trail smelter, advocating re-admittance, free of duty, into Canada of Canadian lead smelted in this country but refined in the United States, and the imposition of higher duties by the Dominion Government on all manufactured lead, thereby affording Canadian smelters a market for the local product to the extent, at least, of the present consumption of lead in Canada. Of the two propositions, that of Mr. Aldridge appears to us to be not only the most practical, but also the most practicable. It is very unlikely, in the first place, that the United States Government would under any circumstances make such a concession as would place lead miners in Canada on an equal footing with lead miners in the United States, for whose special benefit and protection the duty on foreign lead is levied; but if so, the very object at which Mr. Buchanan aims would be defeated, for with the free entry of British Columbia lead ores into the United States all hope of establishing a local smelting industry would be at an end. Our local smelters, at present, labour under two disadvantages. First, the American smelters have large tonnages of high-grade dry ores, which permits of a more economical treatment of the Slocan wet ores; and secondly, they are more favourably situated as regards the disposal of the product than (say) the Trail works, and in this respect: while British Columbia lead, whether treated in this country or in the United States, finds its way to the London market, the United States Government only requires the smelters to export 90 per cent. of the lead they import; thus American smelters are enabled to sell in New York—at the New York price of from \$4.25 to \$4.50—the difference between 10 per cent. and what they lose in smelting the ore. They not only do not pay for this percentage, but have actually charged to the British Columbia miner the one-and-a-half cents per pound duty imposed by the United States Government on foreign lead in ore. Hence it will be seen that, with a competition as keen as that existing, American smelters have a very considerable "pull" in bidding for our ores; for the average price they are in a position to obtain for their product is very much greater than the Canadian smelter can hope to get when forced to sell all his lead in the English market. Mr. Aldridge, therefore, merely asks the Government to allow Canadian smelters the opportunity to take advantage of the Canadian market to increase thereby the average selling price of lead mined in Canada, and enable our smelters to hold the Canadian price at the cost of importing from England, where our surplus would be marketed. At the same time by increasing the duty on manufactured lead, encouragement would be afforded for the establishment and operation of one or more refineries.

Our criticism of the prospectus of the Boston & British Columbia Copper Mining and Smelting Co., has provoked the following interesting, not to say amusing reply, issued in the form of a circular to the