

an adequate return on his capital are due to this want of sympathy, is a potent factor in maintaining and accentuating the distrust felt of British Columbia. The mines of British Columbia must cease to be considered merely as a convenient source of revenue, and as a *corpus vile* for experimental legislation.

V. Unstable relations between labour and capital :

Looked at positively and with reference to British Columbia alone, it might certainly be said that if the relations between labour and capital were more stable there were less likelihood of friction breaking out at any moment into open war, British Columbia as a field for investment would be more attractive than it is. As a matter of fact, however, mere instability of these relations, apart from actual warfare, does not particularly affect the profit and loss account of mines actually in operation. It is in the profit and loss account of the mines that the trouble originates. Moreover the labour problem, like the poor, we have always with us, and not only we but every other country, in one form or another. There has nothing occurred between capital and labour in British Columbia which would occasion any special discrimination against the Province as a field for mining investment compared with New Zealand, Australia or the United States.

VI. Overtaxation and injurious incidence of taxation :

The mining industry of British Columbia is undoubtedly overtaxed. Of that there cannot be any question at all. Directly and indirectly its contributions to the provincial revenue are far in excess of what is necessary for its own regulation and development and its legitimate ratio of the expenses of government. But even more oppressive than the amount of the taxes levied is the method of their levy. The taxes are none of them upon property but all upon industry and development. So long as one is content to hold mining property and not work it the taxes are infinitesimal, but so soon as any attempt is made to develop and produce, a series of excessive imposts are encountered. An example of this may be given which would be ludicrous if it were not an illustration of a system which is disastrous in its effects. A mining company may hold a Crown Grant to a piece of mining property merely by paying an insignificant sum demanded as the tax on "wild land," but as soon as an attempt is made to work the ground it is necessary to take out a license costing \$100. If it were the other way about it would be a comprehensible system of taxation. If a company were charged a fee to hold mining property without working it, and that fee was remitted when it did work the ground, the system would be capable of being understood. But as it is, it is monstrous taxation. That is merely an illustration of the system of taxation by which industry is throttled. Development is taxed, cost of production is taxed, everything connected with the industry is taxed except the holding of mineral land without the intention of working or the desire to work it. There is nothing in

British Columbia which is having a worse effect upon the mining industry than this, and nothing which is doing more at once to justify and extend the evil reputation as a field for investment which the country is securing.

VII. Extensive swindling on the part of company promoters :

To describe the operations of all company promoters as swindling would be harsh and untrue. But it must be confessed that the operations on the London Stock Exchange which have had the mineral resources of British Columbia as their excuse, and the investor as their victim, come perilously near to justifying the accusation. To making such a sweeping assertion, however, we would prefer to paraphrase the brilliant epigram of a Glasgow professor made at the time of the City of Glasgow bank failure. He said "Call a spade a spade and not an agricultural implement, call a bank director a bank director and not a swindler." So we would take refuge under his mordant innuendo that the greater includes the less and say : Call a spade a spade and not an agricultural implement ; call a London company promoter a London company promoter and not a swindler, allowing the honest company promoter to escape in the exaggeration permitted to the epigrammatic form of speech.

In this connection look at the capital of the British America Corporation, a capital of £1,500,000 completely destroyed without the mines of British Columbia being responsible for the loss of a single sixpence of it. So far as this company is concerned its mining risk was transferred for a sum in cash equivalent to its whole capital and more, and largely in excess of all that it sunk in the purchase and development of British Columbia mines. The risk for which the country is responsible rests wholly upon the mines operated by the subsidiary companies of the B. A. C.; the odium which British Columbia will receive from the loss of this capital should devolve upon the financial operations of its manager. Until a new class of men with new methods take hold of the British Columbia mining market it is hopeless to look forward to any great improvement in the country's standing among investors who have been victimised.

VIII. Abnormally high cost of production from inefficiency of labour.

This is a matter on which it is difficult to procure reliable comparative statistics. Frequently where such a cause for lack of profits is assigned the real blame lies on the management and organisation of the labour. In well-managed mines the cost of production in British Columbia appears to compare favourably with the same classes of mines in other countries.

If the foregoing analysis be in any sense reasonable the trouble in British Columbia seems to be mainly traceable to exaggerated anticipations on the part of investors ; extravagance and incompetence on the part of the representatives of investors ; overtaxation and in-