

bulk where, of course, economy of production is a much more important consideration. The progress of the Klondike appears now to depend upon working a large gross number of yards of gravel of a poorer content in gold. Whether the Klondike is to increase in importance or diminish will be largely influenced by the extent to which the general conditions of mining in the district can be made to further economy of production.

In quartz mining, where, through the introduction of heavy machinery, the erection of local mills and smelters, and the cheapening of transportation, and so forth, a lower grade of ore is enabled to be treated successfully the gross output of metal always increases, nor does the general prosperity diminish, nor the gross value of the profits obtained. This applies equally to placer mining. The terms "pay ore" and "pay dirt" are purely relative terms, relative to the cost of production. Diminish that and their significance is changed. Under the circumstances therefore, and with the data available from this year's operations, there seems every reason to suppose that the Klondike is capable of maintaining a steady increase in gross output for many years to come. But upon the problem which it now presents, the factor of economy, or the want of it, in production, is of the most vital importance. Cheap goods, cheap railway transportation, and effective labour-saving machinery, are all essential to the future well-being of this most important district, and it is well worth the while of those who have been drawing large revenues from the Yukon trade to consider that from now on they must aim at less profit over a larger business, or run the risk of injuriously affecting the health of the goose which lays the golden egg.

Some time ago when the situation in reference to mining was discussed in the *MINING RECORD*, in an article which attracted much attention at the time, we adopted the view that the reaction noticeable in the mining industry throughout this Province, was due almost entirely to the wild speculation which preceded it, and the lack of the business judgment

*MINING* with which many of the mines were  
*PROGRESS.* handled, and not to the conditions,  
either imposed by Nature or law, under

which mining is carried on in British Columbia. While we did not argue that all the laws and regulations of the Province were beyond criticism or amendment, we insisted most strongly that far too much stress was being laid upon their influence in bringing about, or their ability to remove, the hard times noticeable.

We think that our contention has been fully borne out by the events of the past two or three months. It is quite true that the reaction, in the sense we dealt with it, has not yet passed away. Those who were rich in their minds through the possession of mining shares of little or no intrinsic value are no longer rich, even in their minds, although they still possess the shares; and too many of them are in the position of

being required to derate the fruits of their industry for a long space of time to recover what was lost during a brief period of inflated speculation. While those whom this animated speculation brought into existence, as it were, brokers and promoters and speculative prospectors, find that to a large extent their occupation is gone. Such an experience, as general as it has been throughout the country, could not but bring about hard times as bitterly real as the preceding prosperity had been false and illusory.

But at the same time it is satisfactory to note that there never was a time when more men were actually at work in the mines of British Columbia than at present; there never was a time when the output of ore was larger or more valuable; and there never was a time when more capital was being legitimately expended in the purchase of mining property, the installation of machinery both for mining and treating ore, and the construction of railways for the service of mining districts. It is unnecessary to particularise here. Readers of the *MINING RECORD* must be familiar with the events to which we would appeal in support of this contention. The promising outlook for the coal, smelting, railway and iron interests of East Kootenay, the rapid recovery of the Slocan now in progress, the rehabilitation of the Silver King at Nelson, the heavy investments in the Lardeau, the increase in furnace capacity and railway development in the Boundary, and the promised inauguration of copper mining and smelting on a large scale on the Coast—all these things discover, to those of only ordinary observant capacity, a steady progress in the development of legitimate mining in the Province of British Columbia.

The point we wish to make at the present time is this, that these satisfactory features are entirely inconsistent with the hypothesis that the natural or legal conditions under which mining is carried on in this Province were responsible for the depression noticeable this spring, and still existent to a certain extent; while their appearance concurrently with this speculative reaction is proof positive that this reaction has nothing to do with the conditions under which mining is carried on, but the inevitable outcome of a largely foundationless boom. It is absolutely incredible if the laws of British Columbia were as bad as they have been made out to be, or if the resources of British Columbia were of the profitless character attributed to them in some quarters, that, in the face of reaction, gloom, and difficulty, such solid progress, investments of so large and beneficial a character, would have been made during the past few months, it is absolutely incredible that such far reaching and satisfactory developments would have been the promise of the immediate future.

Considerable dissatisfaction is being openly expressed at the practical working of the Act under which coal lands are acquired, and prospecting for coal carried on in the Province. The Act does not appear to accom-