

under his control cost several million dollars, and he pointed out that in order to be a paying investment the mine must yield interest on the money invested in this machinery, as well as repay the amount expended in wages. Consequently the larger the number of men employed and the greater the output of the mine the cheaper they could afford to sell the coal. It is easy to see that if foreign coal came into this country and took the place of the Canadian coal to such an extent as to reduce the output of the mines one-half it would greatly injure the owners of the mines and the workmen employed by them, even if the price of coal per ton remained precisely the same as before. On the other hand, if by reducing the imports of foreign coal the output of the mines could be doubled, the price to the consumers might be decreased and the wages of the miners increased without any loss to the mine owners. The same thing is true in every line of production. The larger the number of articles of the same kind turned out of one establishment, the cheaper each of them can be sold.

A great many factors have to be taken into consideration in estimating the cost of production. First of all there is the interest on the capital invested in land, buildings