

the opportunities for lead mining are, as is hoped will soon be the case, more propitious, great developments may be expected from the operation of the property.

A letter contributed some weeks ago by Mr. A. C. Galt, of Rossland, to the local press has been published in a recent issue of the *B. C. Mining Review*, which is circulated in London. The publication of this letter was undertaken for the purpose of endeavouring to induce the government to lighten the taxation on the mining industry—a most praiseworthy object. Circulated as it has been in London, it is likely to have an entirely different effect, that, namely, of giving the mining industry of British Columbia a bad name in quarters where it is most desirable that the industry should have a good name. Mr. Galt draws attention to four categorical statements, the first two of which are true, the third of which is only partially true, the last of which is not true, while the cause, which he alleges for the state of affairs described in the third, is far from being the real and true cause. The statements are (1) that British Columbia is a great mining country; (2) that the mining industry depends on foreign capital; (3) that foreign capital has ceased to flow into British Columbia and (4) that the mining industry is retrograding. The reason, according to Mr. Galt, why foreign capital has ceased to flow into British Columbia mines is because the mining industry is taxed to excess. Mr. Galt adduces figures to show that mining has gone back instead of forward since 1896. Now, any comparison with the year 1896 is an unfair one. For this reason. The year 1896 was distinguished by a purely speculative boom in which vast sums of money were sunk not in mines, but in speculative companies and of course the government derived a temporarily augmented revenue from this speculation just as the British government does from a wave of speculation on the London Stock Exchange. There is only one fair method of estimating the progress of any industry and that is by the amount of wealth produced in that industry. It certainly is remarkable that anyone should be found, in a year when the output of our mines has increased by so tremendous a percentage, to argue that the industry has fallen back. During the year 1900 the output of gold from our metalliferous mines increased 21 per cent., silver 38 per cent., copper 19.5 per cent., lead 206 per cent. The value of our production of metals from lode mines increased from \$6,751,604 to \$10,062,052 or 49 per cent. This does not show any falling off in the industry. Speculation it is true, is not nearly so active as before, and we agree with Mr. Galt, John Stuart Mill and other authorities that speculation is a most valuable factor in obtaining and applying capital. Furthermore the grievances of which he complains such as the hampering of joint stock companies by excessive registration and license fees are real grievances and should be redressed. But when he claims that the taxation on the

mining industry is the primitive cause of the diminished inflow of capital into British Columbia we disagree with him altogether. The reason has rather been that much of the capital invested in British Columbia has never been given a fair opportunity of earning dividends not because of heavy taxation, but because it was either invested in worthless property or in what is almost as bad—grossly managed property. What a ghastly array of failures is represented by the English capital which has been invested (save the mark) in British Columbia mines! Is it any wonder that the English investor is at the present time distinctly chary of British Columbia investments? There is another reason, however. That is that there is at the present time no new excitement in British Columbia. The discovery of mining zones is to some extent an accidental matter. Let a new mineral belt, like the Slocan or Trail Creek, be discovered in British Columbia (such as undoubtedly will be) and there will be the same rush, same excitement, the same inflow of capital as before, because whatever has altered, human nature remains the same. The taxes at present levied upon the mining industry of British Columbia are certainly heavy. They are more oppressive, however, on account of their unequal incidence, than on account of the gross amount levied upon the industry. They have laid the foundation of a princely revenue to the province, and, as the country becomes more developed, may undoubtedly be largely reduced. Meantime there is no occasion for unreasoning pessimism with regard to the mining industry of British Columbia. The facts are all against the pessimists.

The circular issued recently by the Le Roi company must be a great disappointment to the shareholders of that company. Their hopes were buoyed up by the following statements of Mr. Whittaker Wright, at the annual meeting:—

"Within the current quarter we shall be able to pay our first quarterly dividend of a substantial character, and continue to pay dividends afterwards regularly every three months."

"It is a great pleasure to me to be able to state that, for several months past, and at the present time, after deducting all costs of mining, transportation, smelting, etc., you are earning profits at the rate of 33½ per cent."

"The entire financing of the company has been done by the Bank of Montreal. I believe, at the present time, we are practically even on the account, so that in future profits will be to the good, and, as I have already observed, will be available for dividend in about three months' time."

Yet when the end of the quarter arrived they received not a dividend, but the following circular:—

"In reply to the inquiries of many shareholders, I am instructed by the directors to express their regret that, owing to the non-delivery of machinery by the contractors, due to the severity of the winter, which not only affected transport, but also impeded the erection of the new plant, the completion of the Northport smelter has been delayed. Added to this a breakdown in the old shaft has cut off for the time being, that portion of the mine from which the ore was principally stoped. In view of these facts the company has not been able to liquidate its indebtedness to the Bank of Montreal, and the directors, therefore, feel that they have no alternative but to postpone for the present, the declaration of any dividend."

It is not our purpose to discuss how far Mr. Whittaker Wright was justified in making the statements he did at the annual meeting. That is a matter be-