

happens. Either the European demand must increase or the American demand increase so much as to use up the surplus. We confess not to be able to accept the most roseate views about the European demand. To say that it would go back to the conditions of 1900 would be to maintain the proposition that the late industrial activity was of a normal character. On the contrary, the reaction now in progress is likely to carry industrial activity below the normal for a while. Nor is the American demand likely to show any marked immediate expansion. It is much more likely to be affected by the same causes of contraction, though to a lesser degree perhaps, which are now influencing the European demand.

The *Engineering and Mining Journal* appears to defend the supposed intention of the Amalgamated company to maintain the price of copper on the ground that even if it did allow prices to fall consumption would not be materially increased. That is not exactly the point, production would be materially diminished. There is no trust in the world strong enough to control or limit the production of copper except by permitting the demand to regulate the price. If, in the face of a supply in excess of the demand, the Amalgamated Copper company endeavours to maintain the price of copper at from 16 to 17 cents a pound, its success will only last as long as its money does and that will not be very long. The success of a trust in maintaining an artificial price of any commodity in a particular country is purely and simply a question of controlling the sources of supply in that country, and of being protected against outside competition by means of an import duty. It is true that the Amalgamated company controls between 50 and 60 per cent. of the copper produced in the United States. Suppose it limited production in the mines it was able to control, and at the same time maintained the price at its present level, it would only be placing a bonus upon the production of mines it was unable to control, and fostering the development of new countries and new mines to enter into competition with it. Because then the American price would be looked on as a permanent institution until the Amalgamated Copper company was bankrupted, and a stimulus would be given to the development of mines which have been left alone during the boom conditions of the last year or two.

No conceivable condition of affairs would be more advantageous, temporarily at least, to British Columbia than this. The copper production of the Province is at present only a very small factor in the situation. This year it is only some three per cent. of the American production. But developed with a permanent market for copper at its present price provided at the expense of the Amalgamated Copper company, it would become in a few years time a very appreciable factor indeed.

It is, however, extremely unlikely that the Amalgamated Copper company will embark on any such Quixotic enterprise. Its immense resources may indeed be used, and wisely used, to steady the market, and

prevent undue fluctuations from purely temporary causes, but we do not credit that company with any wild intention of tilting up against the law of supply and demand in reference to such a commodity as copper. Therefore, the only outlook at present seems to be a lower range of prices, and we rather think that so far as the producer is concerned, that lower range of prices is already becoming apparent in the contracts for matte being entered into now.

With our cheap coal, abundance of ore, water-power and timber, it should be possible to produce copper as cheaply in British Columbia as anywhere else in the world, not to mention the fact that most of our ores contain gold in sufficient quantities to be of material assistance. Undoubtedly some of our low-grade ores possess advantages from a smelting point of view which place them on a level with ores of a higher grade but more refractory character in other parts. So long as we are able to produce copper, and lead, and gold, and silver, as cheaply or more cheaply than other mining countries, there is no need to be alarmed about the future of the mining industry.

Mr. James Dunsmuir's experiences in connection with metal mining in the Province have been singularly unfortunate. He has identified himself in particular with three enterprises, the Alberni Consolidated, the Fontenoy gold mine (Camp McKinney) and the Noble Five silver-lead mine. The first he abandoned after spending a large sum of money in exploitation work, which was not scientifically conducted; the second, he also lost interest in, although still a large shareholder; and so far as the third is concerned foreclosure proceedings have been commenced by Mr.

Dunsmuir's instructions with the object of recovering the money advanced by him to the company some two or three years ago on mortgage. While doubtless Mr. Dunsmuir's losses in these several ventures have been heavy, the public also have suffered severely. When, in 1899, the Fontenoy company was floated in Victoria, a number of people were induced to purchase shares at an unduly high price upon the understanding that Mr. Dunsmuir was backing the undertaking, and also on the assumption that as he was in a position to secure the very best professional advice the property must necessarily be a valuable one. After a period during which the shares had been persistently "boomed" little more was heard about the Fontenoy, until one day shareholders were suddenly apprised that three judgments had been secured against the company; and a meeting of shareholders was called to consider the position. At this meeting one director represented the board, but he informed the meeting that he was unaware whether or not he was still qualified to hold such a position and that he preferred, at any rate, to be present on that occasion in the capacity of an "irate