

methods and ore treatment if we ignore such realities as a government taxation which amounts to one-fifth of the gross value of the product, and a single item of which bars the treatment of low-grade ores?

The phenomenon before us presents the following features: The Rocky Mountain range has been developed from lower South America to British Columbia, yielding a practically continuous chain of productive mining districts. It is found equally productive at the two points touched of Southern British Columbia and the Yukon. The unexplored area between, some six hundred miles of which is in British Columbia, should average up as well as the part already known. Concerning the development of this area I quote from a memorial of the British Columbia Mining Association of June 28th, 1901:—

"The development of those resources, begun a few years ago so auspiciously, has been brought to a practical stand-still, and whereas a few years ago the mountains were swarming with prospectors, today these pioneers of the mining industry have nearly disappeared. The flow of capital into the Province has been practically cut off, the metal production is at present decreasing, numbers of producing mines have closed down and those operating have, with a few exceptions, ceased to pay dividends. The working mines are struggling under heavy burdens which are still accumulating each year. It is now frankly admitted by mining men that the industry is prostrated in many mining divisions, and that its condition is rapidly becoming worse."

Allowing for all the reaction of the mining boom the Association correctly ascribes the increasing paralysis to its two main causes—excessive taxation and oppressive legislation.

At present conditions are even worse than those then described. Prospecting, and the development of new deposits to replace those exhausted, has practically ceased. Of 14,326 Crown-granted and recorded claims held December 31st, 1901, only 78 yielded ore in excess of 100 tons total production for the year. This is about one claim out of every two thousand held. The bulk of the tonnage was confined to a dozen or so mines, most of these operating at a loss. The increased metal statistics of \$15,000,000 for 1901 against \$11,348,000 for 1900 was due entirely to two mines, neither one of which yielded dividends, and one of which has announced a large increase in its debt.

Moreover, the statistical figures of production are fictitious in that the metals are valued theoretically by New York quotations for the refined product, the true or actual values received by British Columbia industry being much less. Meanwhile the serious financial condition of the Province has been clearly shown by Mr. F. J. Proctor in his pamphlet on "The Financial Crisis in British Columbia," and it is currently reported that the Government failed in its recent attempt to float another loan in London. The stagnation of commerce and the present exodus of population are recognized by everyone.

It is not of interest here to go into details about the oppressive and threatening legislation which in British Columbia has so characterized the dealings of the State with its chief industry. What is of moment is the spectacle, unknown elsewhere in the Dominion or in the Empire, and probably unparalleled in the world, of a mining industry trying to exist under a

burden of taxation which amounts to between twenty and thirty per cent of its gross product.

The gross products of British Columbia in 1901, as nearly as they are indicated by statistics, were about \$27,000,000, distributed as follows:

Industry	Probable Annual Production.	Per cent.
Metal mining	\$15,070,582	55.1
Coal mining	5,016,398	18.3
Fisheries	3,065,900	11.2
Lumbering	1,690,000	6.2
Agriculture and Miscellaneous	12,520,000	9.2
	<hr/> \$27,362,680	<hr/> 100

Without considering an increase in the \$10,000,000, debt of approximately \$800,000 yearly, the actual taxes collected, Dominion and Provincial, amount to \$5,350,000, which is 20 per cent. of everything produced. This is from a population which probably does not exceed 125,000 to 130,000 whites. Through the shifting of taxation by other industries on to mining the burden on the latter probably approaches 30 per cent. of its product, even when the latter is valued by the aforesaid fictitious method. In this remarkable state of affairs the fact that mining exists at all is the strongest evidence of the value of British Columbia ore deposits, and of the future which awaits the industry here whenever these artificial burdens are removed.

Even if the total load permitted it, low grade ores must remain for the most part untouched on account of the so-called 2 per cent. tax on the gross output of the mines. This tax is only one item in the total mentioned above, but it has the peculiar effect of exacting an increasing proportion of the net profits when applied to the lower grades of ore. For instance on the milling grades of Rossland it will seize anywhere from 10 to 20 per cent. of the net profits. This bars Treadwells in British Columbia.

The present state of affairs is instructive not only to the mining profession, showing how unwise government can injure mining, but also to students of economics, presenting an extreme case of the blighting effects of taxation on industry. To the student the phenomenon is marked by the same familiar symptoms which always accompany evils caused by acts of the political organism. There is the same curious indifference and refusal to see facts as they are, the same tendency to ascribe evils to every cause but the right one. There is the usual effort to conceal the truth from the outside world and to condemn those who boldly and clearly call for reform. There is the same old anxiety not to correct the evil but to find excuses for evading action.

WHAT GOVERNMENT COULD DO FOR MINING.

Buckle, in his history of civilization, briefly characterizes its progress as the gradual abolition of bad laws. Beyond this industry requires nothing. All it wants from the State is what Diogenes asked from Alexander—"Keep out of my sunshine." As every economist knows, the State is all-powerful to injure industry, but cannot directly aid it except by the familiar procedure of assisting one branch by robbing others for its benefit. Indirectly, however, the State can do wonders by the gradual, persistent removal of laws which oppress. Few people realize the sensitiveness of industry or the narrow margin