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THE EDITOR, B. C. RECORD, LTD.,
P. O. Drawer 645, Victoria, B. C.

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BUSINESS MANAGER, B. C. RECORD, LTD.,
P. O. Drawer 645, Victoria, B. C.

THE MONTH.

THE relation of fuel supply to the mining and smelting industry has become a question of great importance to everyone interested in the development of British Columbia, and one keenly discussed at the present time. When a question has trespassed so far as this one has, beyond the limits of business calculation into those of popular prejudice, and has become the rallying point of opposing interests, political parties, and even international jealousies, it is excessively difficult, not merely to distinguish the facts, but also to express

a correct opinion or indicate a proper line of action. In a case where four-fifths of the people have their opinions ready made either

by political prepossessions or by selfish interests any analysis which accepts merely the general good as the touchstone of action is not likely to be either very popular or very influential. Men are generally desirous of being rather confined in an opinion they already hold by a display of argument than induced to examine a question upon general principles. There are, however, certain salient features about this question which, (although they might very possibly give rise in different people to diametrically opposite opinions) must be thoroughly appreciated and understood before there is room for even a rational difference of opinion not to speak of a general agreement.

The theory upon which most countries are supposed to be developed is the rapid alienation from the people as a whole represented in the government of all the agencies of production and of transportation, into the hands of the people as individuals, the common good being protected by the free commercial competition thus engendered. Under modern economic conditions this has become a mere theory, because as rapidly as

resources are alienated, monopoly conditions are developed in their exploitation, and if anything has been proved by the economic history of recent years, it is that all attempts to resurrect competition are futile and must fail. In many cases competition is actually dead, in all it is potentially dead, that is to say, that just as soon as its functions become operative these very functions form the foundation of a combination with its ensuing monopoly. At this point two main branches of economic thought break off. The Socialist considers that such a condition of affairs justifies the retention of undeveloped resources by the State. But others see insuperable obstacles in attempting to substitute the collective energy of the people in the development of industry for the individual's desire to make something for himself and they would, therefore, rather see the public good protected by efficient control of monopoly than by an attempt to resuscitate competition or by an attempted retention of industrial initiative by the State, with its inevitable paralysis of individual enterprise.

If we now examine the four main factors in the question of smelters and fuel in British Columbia, the Canadian Pacific Railway Company, the American Smelting and Refining Company, The Great Northern Railway Company and the Crow's Nest Pass Coal Company, we find that in the case of not one of them is free commercial competition adequate to protect the public interest. The Canadian Pacific Railway Company is an internal transportation monopoly. Its monopoly is not perfect in all places, certainly, but so far as regards the interests at present concerned it is perfect. The American Smelting and Refining Company is an external industrial monopoly of the completest and most perfect kind. The Great Northern Railway Company is an integral part of a monopoly, which controls practically all the railways in the United States. The Crow's Nest Pass Coal Company is a monopoly, which controls all the present available supplies of fuel for the mining and smelting industries in British Columbia. It is necessary to premise that although a monopoly may give rise to the gravest abuses, it is not in itself an evil. Our Post Office system for instance is a complete and perfect monopoly. Its cost is much less and its operation more perfect than it would be under any system of competition, which could be devised. There is probably as much complaint about the operation of the Post Office monopoly in many places, as there is about the operation of the C. P. R. monopoly, and doubtless the complaints are often justified in both cases. Yet no one would dream of advocating a competitive Post Office as a remedy for existing abuses in the service. Why should so many people consider railway competition a remedy for abuses in railway service? The obvious remedy is control of the rates and service. This is possessed and exercised in the case of the Post Office and its efficiency is recognized. It is not possessed in the case of the railway company and competition is frequently set up as an alternative and superior remedy. Of course a distinction must here be drawn between railways owned by separate companies in separate spheres of influence, and railways owned by separate companies in the same sphere of influence, where alone there is real competition. The fixed charges of operating two railway systems are vastly greater than those of operating one and the interest on capital invested is twice as great. Where the government bonuses a competitive road in order to reduce rates and improve service, the purpose is affected at an enormously increased total cost of transportation and this must come out of the rates or out of the taxes. Such a policy is perfectly futile as a means of affording any relief from evils