

agree with the returns published in the company's annual reports, and that whereas on the showing of the former returns \$17,621.85 was paid in taxes, the Government was actually entitled to \$37,259.08 if the latter returns are accurate. In making the returns to the Government the Le Roi Company apparently took advantage of a technicality and, regarding the smelter as a separate undertaking entitled to a reasonable profit on the cost of smelting the ores, calculated accordingly. But in the company's annual report no such distinction could have been made. If we are correct in this assumption, and the profits credited to the smelter were no more than those usually earned by custom reduction works operating in the Province, blame can hardly attach to the Le Roi Company for adopting this plan to avoid paying a rate of taxation on a higher value per ton than other mining companies not owning and operating reduction works of their own. But this is really one of the principal arguments concerning the alleged inequitable incidence of the two per cent. tax, that mining companies owning their own smelters are either in a less or in a more advantageous position as regards the payment of the tax according to whether or not the practice adopted by the Le Roi Company is allowable. We observe that the Granby Company also recently entered an appeal against the assessment levied under the two per cent tax. The company is reported in the press to have made a return showing the gross value of the ore to be \$3.75 per ton, and the nett or taxable value \$1.26, the deductions being, smelter treatment \$1.76, freight 33 cents and smelter profit 40 cents. In addition to the levy of the two per cent tax the assessor held that income tax should be paid on the smelter profits. This claim, however, was not upheld by the Court of Revision.

Among many references, lately published, to the persistent report that Mr. Jas. J. Hill, of the Great Northern Railway, has secured control of a stock-majority of the Granby Consolidated Mining, Smelting & Power Company, is one in a Montreal newspaper that purports to be an account of an interview with Mr. S. H. C. Miner, president of the company, which attributes to that gentleman the statement that the report is true. We do not know—apart from the very natural sentiment that British control, whether Canadian or United Kingdom, would be more pleasing to think of—that it matters who has control, so long as the mine and the smelter that treats its ores are in British Columbia. Far better for the province that the moving spirit directing the industrial policy of this comparatively big undertaking be in the United States if an energetic policy of development and expansion be followed, than that it be in England with such drawbacks to progress as have characterised some of our English-controlled mining enterprises. It is quite unlikely that Mr. Hill, or those holding stock under his influence and direction, will attempt to build up a smelting industry south of the International Boundary line to the detriment of the best interests of British Colum-

bia, for the Granby Company has already expended large sums of money in establishing and equipping its smelter at Grand Forks. The mine certainly cannot be moved out of the country. Nor is it probable that those seeking business for the Great Northern Railway, whether in the coal mining regions of Southeast Kootenay, the metalliferous mining districts of West Kootenay and the Boundary, or the big undeveloped Similkameen, will deliberately adopt a policy that would eventually arouse much opposition to them and their undertakings in the province. The prospects are that the extension of financial interests in British Columbia industries of men of influence in railway circles will hasten the provision of adequate transportation facilities for districts at present needing them badly, and will supply a healthy competition in other districts now under the domination of one railway. The legislature of the province or that of the Dominion will, if necessary, at any time, be able to devise an effective means of protection against any important movement that works substantial injury to our industrial interests.

In a short leader the *Nelson Daily News* recently referred to the reported resumption of work at the lead mines in Ontario and Quebec, as a result of the bonus on lead provided by the Dominion Government, pointing out that lead mine operators in British Columbia need feel no alarm on the score of Eastern competition, but rather welcome it, as the operation of the Eastern Canadian lead mines and the establishment of lead manufacturing works in Montreal would render it an easier matter to influence Government in the desired direction towards securing tariff modifications both in respect to raw materials and manufactured products. This view, we think, is a sensible one; but in any case the greater proportion of the bounty offered will necessarily continue to be earned by British Columbia producers. The method of stimulating industry by the adoption of the bonus system may be admissible under certain and abnormal conditions, but it should be likened to the administration of a powerful tonic to a person suffering from temporary prostration, the effects of which if not counteracted might result in a chronic disability. To continue indefinitely a course of tonic-taking (to carry on the simile) would be to ultimately weaken or destroy the natural functions of recuperative energy, and not improbably bring about a condition when an abandonment of the practice would have perhaps a fatal termination. In the present case the provision of a bounty on lead has been effectual in improving conditions, in our lead producing districts where previously a most pronounced depression obtained, but before the period anticipated in the Bounty Act expires, it is to be hoped that provision will be made, in better accord with sound economic principles, and along the lines of tariff reform, for the upbuilding and continued prosperity of an industry which is already one of considerable importance to Canada, and whose potentialities in the direction of development and expansion promise so well. While