

New York do not use Cape Breton coal, but we think the steamboats of the C. P. R. are as good craft as the St. Lawrence icebreakers. Both of the "Empresses" have made record trips from land to land using nothing but this same much maligned Cape Breton coal. If we are not mistaken Montreal is largely heated and lighted by this same coal, and in short practically the whole of Eastern Canada is dependent on it. Perhaps the remarks of the honorable gentleman should not be taken so seriously. He was merely making political capital, and it is really surprising how little it takes to make that valuable commodity. We would suggest, however, that it should not be made at the expense of Cape Breton's natural resources.

### THE BRITISH COLUMBIA COAL AND COKE TAX.

If legislatures and legislation were not imperfect, there could be no excuse for changes in our laws. The assurance of permanence may render imperfect enactments more valuable than intrinsically better laws that are subject to sudden change.

From its very character the mining industry must be based, so far as possible, upon settled conditions. Foreign and Canadian investors have sunk large sums of money in the mines of British Columbia, in the implicit belief that the present laws would remain unchanged, or that, at least, any changes made would be directed towards the encouragement of the industries upon which the Province is depending more and more for its prosperity.

Indirectly, the improbability of increased taxation has been accentuated by two existing conditions. The low current prices of silver, lead, copper and zinc have led to the temporary cessation of mining and smelting in several of the more important districts. To offset this the workmen have recently consented to a considerable reduction in wages. It is distinctly understood that this concession is made because of the present depression and the increased cost of operations.

Again, the necessity of nursing the smelting industries has been recognized by both the Federal and the Provincial authorities. Delegates representing the lead smelters of British Columbia are now in Ottawa asking for an extension of the bounty upon lead.

From all this it is evident that the smelting industries of British Columbia have not yet reached the stage when they can resist successfully the pressure of outside competition and the vagaries of the metal market.

This being granted, it follows naturally that it is illogical and suicidal to impose a fresh tax upon industries whose permanence depends upon present government assistance.

The bearing of this conclusion upon the new coal and coke tax is obvious. The smelters are mainly dependent upon coal and coke supplied from mines in the Province. An increase in the cost of production must be shouldered

by the smelters and referred back by them to the metalliferous mines whose ores they smelt. The output of metalliferous mines already is taxed to the extent of two per cent. It is doubtful whether more than one or two copper producers can stand increased charges. It is certain that lead producers cannot. And in view of urgent requests for a continuance of the lead bounty the proposed tax is anomalous.

So much for that side of the question. We shall glance for a moment at the effect of the tax upon coal and coke producers.

By section 83 of the Crown Lands Act (1888) there was reserved for the Crown a royalty of five cents upon every ton of *merchantable* coal raised or gotten from any lands acquired under the provisions of this Act. A qualifying clause provides that no royalty be reserved on *dross* or *fine slack*.

Sections 3 and 4 of the Coal Tax Act (1900) imposes a tax of five cents per ton of two thousand two hundred and forty pounds upon all coal (except on shipments to coke ovens in the Province) shipped, exported, or in any way delivered from any mine since the first day of July, 1900.

Moreover, a tax of nine cents per long ton of coke was then placed upon all coke shipped, exported, or in any way delivered from coke ovens in the Province. A proviso is inserted remitting the tax upon coke manufactured from coal upon which a tax has already been paid.

As, however, no British Columbia coke is made from run-of-mine coal, this proviso has little bearing upon the subject.

The ostensible object of the Act under discussion is the abolition of royalty, which is paid now by only a part of the coal-producers, and the imposition of a flat tax of ten cents on every ton of coal and fifteen cents on every ton of coke. At first glance this seems equitable. But when the present condition of the smelting industries and of the more easterly coal mining districts is considered, the unwisdom of the change is clearly visible.

The collieries and coke ovens of the Crow's Nest Pass Coal Company at Fernie, and the Canadian Pacific Railway mines at Hosmer supply a large proportion of the smelters of Southeastern British Columbia. At both Fernie and Hosmer plans are being carried out whereby production will be materially increased. The fuel famine of last winter, the natural expectation of increased demand from the smelters and a growing market in the United States have warranted this expansion. But, were these collieries dependent upon the Provincial smelters for a market, they could operate only intermittently and without hope of immediate expansion. That they may be able easily to meet the needs of the smelters the collieries must seek other markets. The market across the border is held in the face of strong competition. Every cent added to the cost of producing coal makes their hold upon the outside market more precarious. The freight haul in the Rocky Mountains is long and expen-