With the sudden disappearance of the cause of the great consumption, and with large stocks already distributed, it became at once evident that the fixed war price could not be maintained.

On the other hand, the producers, who had greatly increased their plants and outputs under the pressure of war's demands, found themselves with immense stocks on hand, and an accumulating increased output which had been produced under war conditions as to costs, and which they could not sell, without a loss, for much below the fixed war price.

The producers made an attempt, through combination, to maintain the fixed price, but the consumer did not have to buy, and consequently, as a matter of fact, practically no sales took place for some months around the end of 1918.

The great producers' combination immediately set about reducing their production to a point much below normal, hoping that the immediate coming of peace, with its expected greatly increased industries and rehabilitation from war's devastations, would soon exhaust the existing stocks.

This hope was to a great extent frustrated by the unexpected delay in settling the peace terms, and the slowness with which the expected rejuvenation of the peace industries has been taking place, due to the almost universal social unrest.

The burden of maintaining a profitable price over such an unexpectedly long time became too great for the producers, and they were, to a certain extent, forced to realize on their holdings at a reduced market price.

Whether the present price has reached bottom or whether it is being partially sustained artificially is unknown; hence the continuing demoralization of the market; but it seems certain that the present price obtainable is not high enough to permit of a continuation of production under the present scale of higher wages and high costs of necessary mining supplies. This latter phase is being reflected in a slightly rising market price during the last month of the year. Should this rise not continue until it reaches the present cost of production, it will mean continued curtailment of production and the eventual elimination of the less economically well-conditioned producers.

Such is the uncertainty attending the market conditions of the near future, in the light of which it is impossible to predict, with any degree of certainty, what output in copper our British Columbia mines will make during the coming year. Should the market price improve somewhat, or should the items affecting the cost of production diminish, we can confidently predict a much increased output, for the mines are in a position to make it, should the conditions render it commercially profitable so to do.

The value of the products of the metalliferous mines this past year is estimated to be about $20,095,057, a decrease of $7,815,221 as compared with the preceding year.

This is almost entirely atrributable to a decreased output of copper and a lower market price for the product, as has been already commented upon and further explained in the later notes on the metal.

Generally the outlook for 1920 is most reassuring. The opening of new camps in the Portland Canal district has been the outstanding event of the past few months. There is no doubt that this district will be subjected to extensive prospecting and development this year. In short, there is every reason to believe that 1920 will be most important to the Province in point of mining development.

The production of gold, both placer and lode, shows a decrease of about $506,947, as is fully pointed out in the detailed notes on that metal. With the value of the product fixed, while the abnormally high prices of all items entering into the costs of production remain as they are, the condition of this branch of the industry never can be satisfactory.

The output of silver shows an increase both as regards quantity produced and the value of the product. Silver

(Continued on Page Twenty-Three.)