The Financial Aspect of Mining.

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That such a great country as Canada, so admittedly rich in all kinds of minerals, with its well developed transport facilities, its enormous food producing areas, its magnificent timber and practically unlimited water supply and power, should be so backward in the important industrial branch of mining is cause for surprise and enquiry. The reasons for this state of affairs, and anything that may explain and remedy the lack of development in this direction, are subjects that must commend themselves to every good citizen, and above all to members of the Ontario Mining Institute, for consideration.

It has been stated that in proportion to the capital invested, mining has been less remunerative in Ontario than almost anywhere else.

I do not believe, nor do I think our Institute is willing to admit, that workable ore deposits are so few and far between that it is unwise to attempt development. I think the causes of failure may be looked for, very often, in other directions, and we may examine, a little, certain of these which have, among others, lately attracted my attention. They may be broadly set down under five divisions:

(1) Highly capitalized promotion schemes floated on surface indications.

(2) Application of treatments not suited to the ores.

(3) Untrained and incompetent management.

(4) Premature surface equipment, and buildings.

(5) Bad roads.

Under the first heading the following points suggest themselves as directly bearing on the legitimate capitalization of a mine. "The cash "value of a mine is that which will net a given annuity to the investors; "the amount of this dividend should increase with the risks run." (Ihlseng.) This can only be determined by actual development, which means the expenditure of a certain amount of money. The quantity of ore revealed, its grade, and cost of treatment should then determine the estimated value.