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TAXATION AND THE MINES.

ELSEWHERE in this issue we print a paper read at the recent meeting of the Canadian Mining Institute at Nelson by Mr. E. B. Kirby on the subject of the "Influence of Government on Mining." This paper has already attracted much attention; but, it may be frankly admitted that we hesitated for some considerable time before deciding upon its publication in the MINING RECORD, and this, not because we do not entirely sympathize with the course Mr. Kirby advocates—the removal or lightening of the burdens of direct and indirect taxation now imposed on the mining industry of the Province—but for the reason that to our mind Mr. Kirby has been carried by his zeal into making statements which are not only unwarranted in point of fact, but are also of a nature likely to deter the further investment of capital in our mines. Some of these statements we cannot allow to pass unchallenged.

As a general principle, it may be admitted that the amount of taxes paid by a community is a burden to that extent upon the industries of the country, although to that rule there are so many exceptions that it is a very unsafe guide to follow in practical legis-

lation. Yet it may be conceded that, other things being equal, a community in which taxes are light is more favourable to the prosecution of industry than a community where taxation is heavy. It may also be true, within limitations, that the burden of taxation ultimately falls upon the producer; and hence, that if the product is food, upon the farmer; if it is timber, upon the lumberman; if it is metal, upon the miner—using the term "miner" in the wide sense to include every one engaged in any way in the mining industry. Theoretically, the amount paid in taxes may be considered as so much in reduction of the profits of production. But these principles are applicable only to theoretical conditions. Practically such a diversity of considerations enter into all transactions that it is impossible to regulate them according to fixed rules of invariable application. Whether or not a tax is an injury to any particular industry can only be ascertained by practical test and cannot be settled by reference to academic principles. Therefore, while one may admit that mining can be more profitably carried on in a lightly taxed community than in one that is heavily taxed, it by no means follows that the taxes in British Columbia are a serious handicap to that industry here. Mr. Kirby confounds revenue with taxation. Not by any means all the revenue of the country is derived from taxation. Perhaps half the revenue of British Columbia is from that source, that is, so far as the Province itself is concerned. The amount paid the Province by the Dominion is derived from taxation, but not from provincial taxation, therefore it follows that this amount, which is nearly a quarter of a million dollars, must be left out of consideration in estimating the provincial taxation, otherwise, as it cannot be severed from the federal taxation, it would be twice counted. Of the remaining revenue of the Province, which may be roughly approximated at \$1,350,000, about two-thirds is derived from taxes and one-third from sources that cannot be called taxation. At an outside figure, the taxes paid to the Provincial Government have never exceeded \$850,000 in any one year. In these are included the receipts from free miner's certificates, mining receipts, licenses, real property tax, wild land tax, income tax, mineral tax, revenue tax, fines and forfeitures, succession duty and royalty and tax on coal. The items not included are land sales, land revenue, timber royalty and licenses, rents, law stamps, probate fees, registry fees, assay office fees, printing office receipts, sales of Government property and other items of this nature.