

smelter at Grand Forks, the C.P.R., however, continuing to haul a fair proportion. The Great Northern branch line is not yet connected with any other Boundary mine maintaining an output worth considering, while, on the other hand, the C.P.R. has spur lines to all the larger shipping mines in the district, and at the present time handles probably about twice as much of the Boundary tonnage as does the Great Northern.

The acceptance of the position of general manager of the consolidation by Mr. W. H. Aldridge, as contemplated, would not necessarily involve the closing of the Northport smelter, nor would it mean that he would work in the particular interests of either railway company or either smelter. The best interests of the stockholders in the consolidated company would, doubtless, be Mr. Aldridge's chief consideration.

In conclusion, it may be pointed out that the *Engineering and Mining Journal* is right in its statement that in the first place, the idea of placing the three big mines at Rossland under one administration was prompted by economy. In proposing this consolidation, Mr. Waterlow's idea was to get rid of over-capitalisation, reduce management expenses, increase combined tonnage and, as a result of these changes, "pay a handsome profit" to shareholders in the consolidated company (Le Roi Report, p. 12). The proposed inclusion of the Trail smelter (which, as well as its copper smelting business, has the larger part of the silver-lead smelting business of British Columbia and has works for refining silver and lead and facilities for manufacturing lead products), Crow's Nest coal lands, and, possibly, a big silver-lead mine, came later.

It is also a fact that the two railway companies above mentioned are greatly interested in the situation, but it is unlikely that either will be able to dominate it. If the amalgamation be carried out a division of the traffic will doubtless be arranged.

It is particularly unfortunate that both Mr. T. G. Blackstock and Mr. Waterlow should at this juncture be incapacitated by illness from continuing to actively promote the amalgamation they are mutually agreed would be in the best interests of the companies chiefly concerned. Whether others not favourable to it will succeed in their efforts to prevent it, remains to be seen. Meanwhile there is some satisfaction in the knowledge that a determined effort has been made to improve the position in regard to several of the larger mines of British Columbia, and it is hoped that existing obstacles may be overcome, and that eventual results will be to benefit the stockholders in the companies particularly and the mining and smelting industries of British Columbia generally.

THE BUDGET SPEECH AND THE TWO PER CENT MINERAL TAX.

WIDE publicity has been given to a statement relative to the two per cent mineral tax, alleged to have been made by the Hon. Minister of Finance in the course of his budget speech in the

provincial legislature last month. The statement referred to is as follows: "A possible solution might be the certified payroll of the mine exempted in addition to cost of freight and treatment with the two per cent tax raised sufficiently to meet the case and a rebate of fifty per cent of the tax made to all ores smelted in British Columbia." While there was a note to that effect among the papers of the Finance Minister, he is authority for a denial of having made that statement in his speech since he did not feel warranted in thus referring to that subject without the previous knowledge of his colleagues of his intention to do so.

The following report of the minister's utterances on the subject of mining and the two per cent tax on the occasion mentioned has been authoritatively vouched for as correct.

"The increase in mineral production for the past year was very gratifying. In the year 1903 the total production was under \$17,500,000, while for 1904 the lowest estimate was nearly \$20,000,000, and some reliable authorities placed it at about \$21,000,000. This increase in value also pointed to largely increased output, as the value of copper in 1904 averaged one-half cent per pound less than in 1903, and that of lead was very slightly higher. The principal increases were in lead, which doubled the output of 1903, and in coke.

"He hoped that in any amendment made in the future to the present system of taxing mines, the principle of rebated taxation would be applied to ores smelted in the province."

It may be added that the estimated production and value of copper and lead in 1904 the minister had in view, as compared with 1903, were as under:

—1903.—		
	Quantity.	Value.
Copper, lb.	34,359,921	\$4,547,535
Lead, lb.	18,089,283	689,744
—1904.—		
Copper, lb.	36,688,500	\$4,600,000
Lead, lb.	37,000,000	1,500,000

The revised production statistics will probably show that this estimate is about 22,000 lb. too high in copper, and nearly 1,300,000 lb. in excess of the actual output of lead in 1904.

Information has been received from Ottawa to the effect that there are several proposals before the Dominion Government that, if adopted, will tend to further the mining interests of Yukon Territory. These include the enlargement of discovery claims from 500 to 1,000 ft., and of ordinary placer claims from 250 to 500 ft.; a reduction of the fee chargeable for a free miner's licence, and, with a view to encouraging quartz mining, a remission for ten years of the royalty on gold and copper from quartz. Benefit will also be derived from the hydrographic survey of the Klondike and Indian rivers it has been decided to have made this season.