

The Canadian Mining Review

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OFFICES:

UNION CHAMBERS, 14 METCALFE ST.,
OTTAWA.

Vol. IX. NOVEMBER, 1890. No. 11

PUBLISHED ON THE 25th OF EACH MONTH.

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The Proposed Mining Tax.

The Lieut.-Governor of the Province of Quebec has intimated in the speech from the throne, at the opening of the present session of the Legislature, that among the proposed means for raising revenues is the imposition of a tax upon the mining industries of the Province.

We have repeatedly in these columns expressed the opinion that the true method of dealing with mining lands is to lease them on royalty, with compulsion of operation, or failing that, the forfeiture of the lease. This would put an end to the locking-up of valuable lands by speculators, would give the prospector and discoverer a chance of profiting by his enterprise, and would greatly add to the revenue of the Province. The monopoly and control of our mineral lands by men who have no intention of doing mining work themselves, and whose only effort is to "unload" the properties upon others at exorbitant prices, has become a crying evil, and we call upon the Government to put a stop to it. Henceforth let any applicant, with guarantees of continuous working, have the privilege of mining on Government land, paying a royalty on the output. The present system tends greatly to prevent the operation of mines, because the first purchasers being mainly speculators (often government officials who are able to pull wires

and get favorable grants), sell the lands at prohibitive prices; and many investors who would be willing to risk their capital in actual mining operations, will not pay in advance a large sum for the privilege of what is well known to be a hazardous risk. Men need to be *coaxed* into mining more than into any other industry; for though its profits are often large it has a great percentage of losses. It is stated in Chambers' Encyclopædia that 92 per cent. of the mining capital of the United States has been sunk. The great prizes occasionally won in that country have overcome this discouragement, and venturesome men still invest. But in the Province of Quebec our mines have not had time to yield but few brilliant results; there have been no great successes such as to tempt a large influx of capital, and it requires the most judicious consideration and every possible offer of inducement on the part of the Government to prevail upon capitalists to undertake mining ventures. Even if these fail to be profitable to the investors the money expended goes to the toilers of the country, and is of incalculable benefit in those regions now, unfortunately, so widely spread, where farming has become unprofitable or the lumbering business has declined. The mining industry is not one that is making such profits on the average that it can bear to be taxed. It has accumulated no gains by the fostering hand of government through a protective tariff, and owes no acknowledgement for favors received. On the contrary, the privileges given by government to manufacturers have operated in every respect adversely to the mining interest, increasing their expenses in every direction without the least compensatory return. If any single branch of trade is to be selected to bear a special burden of taxation let it be that which has been most fostered at the expense of the community. Let not the tax fall upon the one almost sole manly industry of Canada that is struggling unaided to its feet, and asks no privilege but "a fair field and no favors!" A tax on mines, coming in addition to the high prices demanded by present owners of mineral lands, would operate as a fatal blow to many prospective enterprises, and would prove to be in some cases the last straw that breaks the back of a struggling industry.

It is hardly in our province to proclaim schemes of political economy, but upon general principles we must condemn special taxation upon individual industries and demand that taxation, which is made presumably for the good of all shall be so levied as to be paid by all in some sort of equitable proportion to their means and privileges. A tax on all land values would more nearly approach to ideal equity, or a tax on incomes, though irksome and difficult, would be in the direction of justice. The Government having sold its lands for the greater part outright, would be guilty of breach of faith if it now demands further payments; and in the cases of late sales, where the possibility of taxation was intimated, assurance having been given by legal enactment that this res-

triction would not be enforced for a given period, a feeling was created that the Government was opposed in principle to such taxation and investment has been made in confidence that such a liberal policy would be continued. If any tax is to be levied we would suggest that it should be placed upon the mineral lands held in idleness by speculators; then they would either go to work or else abandon the lands, and in the latter case they could be leased on royalty to bona fide miners. Let industry be untaxed, but let monopoly, idleness and special privilege be made to pay richly for their usurpation of natural opportunities which ought to be ever fully available to all willing workers. The more mining is prosecuted the greater is the chance of discovery. Venturesome capitalists dared to pursue the dubious production of copper at Sudbury, and were unexpectedly rewarded by the discovery of nickel. For the interests of the country therefore we say,—Hands off from every struggling industry and let not the parent be the one to heap unnecessary burdens upon the child!

Another Bluff.

In another place our readers will find the full text of Mr. S. J. Ritchie's Memorandum to the Canadian Government praying for a liberal bonus to the Central Ontario Railway. Without commenting upon a proposition of so much magnitude, one cannot help comparing these, his latest utterances, with the promises so glibly given a few months ago to the Ways and Means Committee of the U. S. House of Representatives. On that occasion, Mr. Ritchie was prepared, in the event of the duty being removed from imports into the United States of nickel ore and matte, to utilize the natural gas of Findlay, Ohio, for the manufacture and treatment of his ores, indeed, he said, "we are contemplating bringing in all our ores to that place to be smelted." In the face of these contradictory statements we are compelled to accept with caution the very glowing promises he now booms out before the public. As a matter of public policy, the Montreal *Gazette* hits the nail squarely on the head, when it says:—

"We recognize and appreciate the immense value of our undeveloped, unused resources, but if the development can come only through government backing, then, by all means let the Government stand to reap the profit of the investment as well as the loss. Mr. Ritchie denies that his enterprise is a private and individual one, but surely this is a most transparent quibble! Other person may put money in the venture and so make the interest that of a community of shareholders, but none the less the public phase is wanting. And where is the line to be drawn? There are iron, silver, gold, coal, petroleum and other mineral deposits in various parts of Canada; is public money to stand behind private interest in the development of these resources? If not, why not, under the reasoning of Mr. Ritchie. Or is an exception to be made in his favour because he is an American citizen, who co-operates with the most gigantic monopoly in the United States, and has more than ordinary assurance in pressing for favours? The Sudbury mines are either valuable or worthless. If the latter, then the Government would be guilty of squandering public funds in using the receipts of customs to back up Mr. Ritchie; but if the former then the merit of the deposits should secure all the capital required. We fear our Ohio friend has been trying to play it on the Government, forgetful of the fact that a country may be young without being green."