

pressing the mining of low-grade ores, and because of its effect in discouraging the investment of outside capital.

Mr. W. B. Townsend, Rossland, moved that the resolution be adopted. This was seconded by John Dean, Mayor of Rossland.

Mr. J. McGREGOR, of Victoria—I think, before that resolution is put through so briefly as that, we would like to hear from the members of up country what sort of taxation they propose to put on in place of that two per cent. tax. Merely to throw it out of existence would be satisfactory to some of the mine owners, but I think the majority of them are prepared to pay a tax of some sort, and I think if they don't propose to put any amendment specifying the reason of the abolition, they should give their reasons, and state what they propose to give in place of it.

Mr. GALT, of Rossland—We all feel from the Upper Country that this is one of the very most important motions that will come before this Convention. We realize that every man here present in this Convention is anxious and willing to assist in the removal of any grievances which are real grievances to the mining industry, whether it happens to be a delegate who is not shipping any ore at all and is not paying the two per cent. tax, or whether it is the merchants who are not interested directly in the matter, that this tax has a very serious and deterrent influence upon the prosperous working of our mines. Now, in other words, it amounts to this: this two per cent. applies principally to the low-grade ores of the Province, and in this manner it is a tax upon the gross value of the ores shipped from every mine, only deducting the cost of freight and treatment at the smelter, and consequently, the mine owner has got to pay two per cent. on a sum which includes all his cost of mining. Now, it is easy for you to see where the difficulty lies. A single instance will show you the injustice of such a tax as that, when you consider the case of a mine owner who wishes to raise the sum of \$100,000, say, from the product of his mine. The lower the grade of his ore the greater the amount of the tax which he has to pay to the Government. Somebody might say that this tax is necessary in some cases, but it cannot be considered a just or equitable tax, as it is not only inequitable but very unjust, because as you go down from the higher grades of ore to the lower, you would at last reach a point (and one which concerns the majority of our ores, or the greater bulk of them) where it leaves a very narrow margin between profit and loss. Now the mine owner that develops that kind of a mine is doing the most possible good for this country, and I may say, in low-grade development work he can only do so if he has large bodies of ore to work, and in working these he necessarily employs a great many men, so practically the larger the body of ore is the greater number of men he employs annually, and as a consequence of the employment of these men he does more good to the Province at large. His employees are more numerous, and he builds up a little community around his mine. Every one of the men he employs pays a certain amount of taxes. In Rossland I do not think it is an exaggeration to say that the whole taxation of that town paid by every individual in it is really paid by the miners and those who own the mines. The whole community depends entirely upon the mines in that district, and if the three or more mines now working were closed down for good, of course Rossland would be wiped out absolutely in a few weeks, and of course the Government would lose all that taxation that they are now receiving from the people in that community. I am not an expert on this question—that is, I am not a miner myself, but I have had occasion to make a great many enquiries, and have heard a great many expert opinions expressed on the subject. The result of this taxation for one year on a single mine in Rossland—I think it was the Centre Star—amounted to 12 per cent. of their net profit. Now, you can readily see that this is a very high amount of taxation for any mine to carry or for any business to pay, and as the grades of ore lower—it can be demonstrated by more than one gentleman here—that the taxation at the rate of 2 per cent. will amount, and in some cases does amount to 15, 20 and even 22 per cent. of the net profits of the mine alone. I am quite sure that there is no gentleman here who will say

that the 2 per cent tax on the mines which are indirectly paying the taxes of all the community they are in, is a fair tax, a tax which compels them to pay 22 per cent. of all the net profits they make from the mine. In regard to the way mining has been operated in the past, I need not go into that, because you all thoroughly understand that it is in an exceedingly dangerous and wretched condition, the result of unwise legislation. The law in regard to the silver and lead mining industry has caused great distress; and the silver and lead mine owners are appealing to the Ottawa Government for relief from the burdens under which they are now staggering, and in face of that it is pointed out by the provincial mineralogist, who is prepared to show only the good side of our country, that the output of the mines in British Columbia has been increasing steadily, and last year there was a very large and substantial increase in the output, but neither the mineralogist, nor any member of the Government who is interested in putting on this tax, ever tries to show the other side of the question, namely what are the profits



Mr. C. Foley, of Vancouver, a member of the Executive Committee, representing Labour.

from the mines which are producing these immense outputs. And when I tell you, gentlemen, as many of you know, not one of these mines producing this enormous output has been able to pay a dividend during all the time which they have been operated, you will readily understand how much attention an investor would pay to the fact that they are making a tremendous output. The only way that these mines can be run is to operate them on a tremendous scale. The amount of ore shipped last year depended on two or three mines, but none of them are paying a dividend; and they are in a very unsatisfactory condition, and there is no inducement offered to investors to put any more money in the company. I therefore think we ought to have a very strong support from this Convention in asking the Government to repeal this unjust tax. Now, it has been stated that those who desire the repeal of the tax should offer some substitute to the Government to take its place. In the first place, several substitutes have from time to time been offered, and they have all been rejected, but it is after all any part of our duty to direct the Government? It