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C. A. GREGG, Managing Editor

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THE MINING INDUSTRY—I.

The Colonist, in its effort to shield the government from the storm of indignation which is gathering around it, first resorts to Mr. David Bogle for assistance. We have no fault to find with Mr. Bogle except to enquire what are his credentials to speak authoritatively upon the subject of the mining industry. We understand that he dabbled more or less in mining when he lived up in this neighborhood, but the government organ must indeed be hard pressed for enlightened assistance if it is driven to bolster up its defence of the government by anything that Mr. Bogle can say.

Even this champion, however, has to admit that the scale of fees imposed by our provincial laws is much higher than in adjacent portions of United States territory.

He endeavors to offset this imposition by stating that the protection given by our laws affords a kind of insurance for which these fees are the premium. He then adds: "Apart from that the bulk of these taxes is not paid by the parties represented by the Mining Association at all, but by the business man, the pioneer and the prospector, who though they may growl at the bill (which is a white man's privilege) have always realized that they get value for their money."

This remark deserves attention. It emphasizes the fact, which cannot be made too clear, that every business man, pioneer and prospector in the province is interested personally in the present discussion, and therefore the whole country is suffering from the unjust laws in question. But is it not also true that these imposts fall most grievously on the mining industry? Here in Rossland we have a population of somewhat over 6000 people, composed of business men, pioneers and prospectors. From what source do the moneys flow which pay the taxes of the community? Is it not wholly from the few mines of the neighborhood? The price of labor and of every article sold in Rossland is necessarily fixed to cover the taxes which each individual has to pay, and in the long run the mines pay them all. This palpable fact seems to be quite beyond the expert's knowledge.

Mr. Bogle next addresses himself to the two per cent tax, which he admits is wrong in principle, in that it is a tax upon the gross proceeds of ore shipped, but he is not willing to admit that it is particularly vexatious in fact. He says: "I wonder whether the Mining Association knows what it has committed itself to in the statement that the tax appropriates 6 per cent of the net profits on medium ore and 12 per cent on low grade ore. It means that it costs twice the profits on a medium grade ore to mine it, and five times the profit on a low grade ore to mine it. That is stuff, perfect unmitigated bosh." Anyone who has any knowledge of business will suppose that the above inverted commas should have been placed at the end of the previous sentence, and that the last sentence was really ours. Mr. Bogle fails to see that the cost of mining does not matter so long as a fair profit can be realized. If by expending \$5 per ton on the cost of mining he can realize \$1 profit per ton, the mine-owner is conducting his business at a very substantial profit. Such a condition of things strikes Mr. Bogle as absurd; but he finds no fault in a system which compels mine-owners to expend \$6 for every \$5 they take out of the ground.

Another sample of this expert's knowledge may be seen in the following extract: "As a matter of fact, I saw the other day where J. Roderick Robertson proved that on an ore going about \$9 a ton (surely a low grade ore) he was taxed 3.65 per cent on his net profit. There is a big difference between 3.65 per cent and 12 per cent." Mr. Bogle either does not know, or intentionally conceals the fact, that the ore referred to is a milling ore, and that while it is true that \$9 ore of the kind prevailing in Rossland and the Boundary (which requires to be smelted at a distance from the mines) is low grade, the ore he refers to is really high grade ore, which can be cheaply treated on the spot. Similar ore which has made the Alaska Treadwell mine so famous and so profitable has less than one-third the value of the ore which Mr. Bogle styles low grade.

The rest of the matters dealt with by Mr. Bogle betray the same ignorance of his subject above exemplified. We think our readers will retort upon him the language he applied to the memorial, and will pronounce his defence of the govern-

ment to be "weak, inaccurate, disingenuous and fatuously impolitic."

BURDEN ON THE MINING INDUSTRY—II.

We now proceed to deal with the official statements of the minister of mines and the finance minister, as shown by their interviews published in the Colonist of the 3rd and 4th instants. We desire our readers to consider just how far we are justified in accusing the government of ignorance, incompetence, and wilful perversion of facts.

The minister of mines announces that he attaches but little importance to the memorial of the B. C. Mining Association, (although he devotes two printed columns to answering it), and he has no hesitation in saying that the Federal authorities will treat the whole document as so much waste paper. This is certainly the treatment which has been given by Mr. McBride and his colleagues to previous communications from the mine owners and their association, and he naturally assumes that the Federal authorities will not show any greater wisdom.

The first subject which he deals with offers an instance in point, namely the eight-hour law. One would suppose that the country and the legislature had had sufficient proof of the injury both to miners and mine owners, occasioned by this law in 1890, and that any further attempts at legislation, with a view to extending that injury, would be promptly squelched by anyone that the extension of the eight-hour law to certain engineers working above ground affected any large number of individuals. The danger of this apparently trifling enactment was and is that other surface laborers would be sure to make similar demands in the near future, and this would involve the country in yet another struggle and a vast one. We are informed that this objection was pointed out to the government in unmistakable language, and they were urged to oppose and prevent it. What did they do? They treated it just as the minister says the Federal authorities will treat the memorial—as so much waste paper.

Mr. McBride seeks to bolster up the actions of the government with many glittering generalities. For instance: "I am perfectly willing to compare our laws with those of any state in the Union, or of South America, Australia or South Africa."

Yes, but having made the comparison and having found by the unanimous verdict of our best mining men that we are the most heavily burdened mining country in the world, he is not willing to acknowledge it. We have in this district mining men who have had experience in all the countries he mentions, and they all with one accord deny the minister's statement that "the restrictions and impositions complained of are as a matter of fact much less burdensome than those of almost any other mining country in the world." It is therefore up to Mr. McBride to produce his authorities.

Then again he says: "So far as the laws are concerned, nothing has been done by this government to alter the status of the mine owner, or in any way to prejudice the investment of capital."

Even if this statement were true it would surely be the duty of the government to repeal or amend injurious legislation enacted by their predecessors. But the statement is the reverse of true. (1) Take the case of the mineral tax. No sooner had the present government taken office than they called a special session, and the finance minister proposed to double the mineral tax. Now to appreciate the folly and injustice of this proposal we must recall the circumstances. Complaints, and loud ones, had been made against the previous government that they had injured the mining industry grievously by tinkering with the laws affecting it, and always in the direction of increasing its burdens. This was one of the objections constantly used by the supporters of the present government in their election campaign. Consequently when the present government was elected a great feeling of relief was experienced by the mining community that new burdens would cease and old ones be relieved.

The proposal of the finance minister was a rude awakening from that dream. A deputation composed of the representatives of the principal mines of Rossland, Nelson, the Slokan and the Boundary requested an interview with the government to try to avert this new burden, the details of which we shall reserve for a later criticism. The measure had not been introduced into the legislature, but the government, with indecent haste, introduced it during the day before the deputation was granted an interview and then, when the interview took place, and the deputation urged their views against the bill the government, with affected regret, explained that the measure, having been introduced, could not be withdrawn. The deputation promptly came to the assistance of the executive by suggesting that a clause be inserted providing that the increased tax should not be introduced except by proclamation, and they stated that if the existing one per cent tax did not realize as

much as the government expected to realize from the two per cent tax during the then next six months, they would not oppose the issue of the proclamation. This was such a reasonable suggestion that refusal seemed impossible. Now observe the sequel. The members of the government, as we are informed by several of the gentlemen who formed the deputation, individually agreed to the suggestion, and promised that the measure should only be introduced by proclamation. The deputation was satisfied and its members went home to their respective districts. And what did the government do? They put the bill through the very next week, and even made the additional tax retroactive by several weeks.

If the Colonist desires it, we are prepared to name the member of the deputation to whom the ministers each gave their promises, and we can assure our readers that this member's name stands as high, in Victoria, as that of any citizen there.

(2) At the same session of the legislature the government increased the fee for a crown grant by more than doubling it.

(3) At this year's session the minister of mines introduced his notorious new signal code, notwithstanding the urgent protests of our representative mine owners, and declared that he would go out of office if the measure had to be abandoned. The result of this insane conduct on the part of Mr. McBride was that the mining association deliberately determined that rather than risk the lives of their employees by obeying this new and dangerous signal code they would refuse to obey it, even at the peril of prosecution by the government. Mr. McBride pretends that his signal code was approved by our principal mine managers before its passage. This statement is contrary to the fact, as we shall show by publishing the correspondence in a subsequent article.

(4) Another unjust burden was added at the last session of the legislature by the chief commissioner of lands and works, namely, the steam boilers inspection act. Our readers are already aware that under this act no exception is made in the case of boilers which are insured, and which are therefore inspected carefully by the insurance companies. A mine owner can obtain an insurance of \$50,000 or more for the same fee which the government inspection costs, and it is quite certain that the insurance inspection is fully as rigid as any government inspection would be. The act practically doubles the cost of insurance without giving the mine owner a single dollar's worth of additional insurance.

Oh no, Mr. McBride, your government hasn't done a thing to add to our burdens, or to prejudice the investment of capital in the mining industry!

The statements made by the minister of mines call for a few further observations which we shall reserve for another issue.

THE MINING INDUSTRY—III.

A summary of the acts of oppressive legislation imposed upon the mining industry by the provincial government as set forth by the British Columbia Mining Association in their petition to the Dominion government includes the following:

"4. Unreasonable demands by the provincial government for information concerning private business for alleged statistical purposes."

In an interview published in the Victoria Daily Colonist August 3rd, Hon. Richard McBride in an attempt to explain and defend the policy of the present government in the matter of the "various complaints," as he is pleased to speak of them, refers to this item of the demands of the government for information concerning the condition and affairs of private corporations and individuals engaged in the business of mining. He says that the object of the legislation in this respect "was to obtain monthly reports of the output for the purpose of issuing bulletins."

In regard to the furnishing of information desired by the government, especially relative to the output of the mines, the British Columbia Mining Association makes no serious complaint or objection. On the contrary it would rather encourage the collection and compilation of statistics bearing upon and relating to the mining industry as it deems it necessary that the government be in possession of correct facts and accurate figures in order that it may be in a position to make wise and necessary laws for the purpose of protecting and fostering the industry. It recognizes and raises no objection to the fact that information relative to the

industry is essential to intelligent legislation affecting that industry, but it does object to and has filed its protest against that provision of the law compelling the mine owner to furnish this information for publication. And the association will continue to demand that the private information secured in this way by the government shall be used for statistical purposes only, and not, as the present government seems to think necessary, for the protection of the general public. It is this very policy so ingeniously explained by Mr. McBride; it is this seeming indifference or inability on the part of the government to distinguish the difference between the industry of the miner and the diligence of the company promoter and the stock exchange broker which is complained of.

What "protection" does the public need? What danger or menace is there in the business of mining, and what is the nature of the protection the government would afford its public in respect to this legitimate enterprise? In what manner will the monthly publication of production and of the profits realized by the several producing mines protect the public from the danger of loss in wild-cat schemes and speculations foisted upon them by the promoter? Does a man with capital to invest in mining ever find it to his profit or advantage to search the government records, reports or bulletins to learn of the condition of a mine in which he proposes to invest? Does a shareholder of record in a joint stock company need to look to monthly bulletins published by the government to secure information relative to the affairs of the company in which he is interested? The investor of capital in a mining enterprise is always conversant with the chance with which he may have to cope. He has full knowledge of the condition of the industry in general and particularly of those immediately pertaining to the investment he has in hand, as well as of the protection which the government will afford his investment. The speculator, on the other hand, although he may appreciate the risk, has little knowledge of the actual conditions affecting his proposed speculation other than the misleading statements and guttering array of statistics and figures of aggregate tonnage and values as published by the government; and no government can hope to safeguard this speculating element of its public from the inevitable loss attendant upon the wild speculation which always follows in the wake of the legitimate industry of mining. And a government makes itself ridiculous in the eyes of the world in attempting it. Mr. McBride states—and it is presumed that he speaks with authority as to the policy of his government in respect to this legislation for which he must be held responsible—that this information is demanded from the mining industry and is to be published with the object of protecting the public. By this statement he tacitly acknowledges that the interests of the province lie in protecting the speculating public rather than in legislating for the benefit of mining as an industry. And that his government has committed itself to this policy of fostering and encouraging that very element of wild-cat promoting and stock jobbing which he claims it is trying to prevent. For of what benefit is the publication of the production of the producing mines of certain districts if it is not to attract attention to those districts and give the promoter and the broker an opportunity to invite speculation? And, agreeing with Mr. McBride in his admission that the evil of stock-jobbing, wild-cat promoting and illegitimate booming is propagated and encouraged by reason of the fact that collective statistics are published only once a year, how much more would speculation and the gambling in stocks be encouraged by making public the monthly returns from individual mines as provided for and contemplated in the legislation enacted by the present government?

It must be borne in mind that the protest of the Mining Association is not directed particularly against the furnishing of information as required, but more especially against the government of the law empowering the government to publish monthly and individually the returns of the mines. The Association demanding this private detailed information for publication amounts to an invasion of the private rights of the citizen; and the publication of such private information is a most flagrant violation of the confidence which that citizen imposes in his government. What would the merchant think should the government demand that he make public the amount of profit he realizes upon his wares? What would the manufacturer think were it demanded of him that he divulge the secret of the process of manufacture of a certain patented article in order that the public might learn the nature and extent of his gains? They would look upon such demand as an invasion of their personal rights and privileges—rights and privileges which the most humble citizen of a government holds sacred. All the information touching ore shipments, values and earning capacity of a mine is strictly private to a corporation and to its shareholders, to the absolute exclusion of all uninterested parties, and the public has no right to expect and the government no legitimate reason for demanding that this private information be made public before it is given to those most nearly interested. For it resolves itself into this position by reason of the fact that if returns are made regularly each month to the government from the mines here in the province at the same time a like report is transmitted to the financial or head office of the company in the east, more especially to England, the information can be made public properly before it is received by those who by all the rights and courtesies of law and ethics are first entitled to it.

It may be asserted without fear of contradiction that in no other country where mining is recognized as an important industry does the government demand information of a private character for public circulation. On the contrary, when information is required, demanded and furnished to the government for statistical purposes, it is asked for and received by the government with the express understanding and stipulation that such information will be held in the strictest confidence. If this fair policy could be recognized by our provincial government neither individual nor companies carrying on the legitimate business of mining in the province would have any objection to supplying to the government such information as might be of benefit or advantage for publication, collectively, with a view of exhibiting the condition of the mining industry and of promoting the development of the mineral resources of the province. It is conceded that the government requires and should have sufficient and accurate data from reports and returns made by individual companies in order that it might estimate the importance of the industry, judge of its growth or decline, encourage its development, husband its resources and legislate for its benefit and safety. But when that government demands and compels private information for general publication, and goes so far as to advertise the fact that it collects and makes use of such information, not for the benefit of the industry, but for the use of the general public, but for the exclusive interest and advantage of the speculating public, then indeed has the legitimate industry a right and justifiable reason for objecting to a law whose "unreasonable demands" work so severely to its disadvantage.

BURDEN ON THE MINING INDUSTRY—IV.

THE FINANCE MINISTER'S PLEA.

Now let us see what the Hon. J. H. Turner, the finance minister has to say. In his carefully compiled interview published by the Colonist on the 4th instant, the minister professes not to know what is meant by the statement in the memorial that the expense of governing the province is 22 per cent of the revenue; but after parsing down the figures, as far as he can, he is obliged to admit that the percentage is over 20 per cent. This admission simply affirms the accuracy of the memorial. Regarding municipal taxation he says: "It is open to question if the mines in this province are affected at all by this taxation, which appears to have been included in the memorial in order to swell the total."

What about Rossland, Mr. Turner? Is it really open to question that almost the entire municipal taxation of this city, containing 6,000 people or more, is drawn directly from the few mines operating here. If those mines cease to do business, even for a year what will become of our taxes? The collector would welcome any suggestion you can offer in reply.

The next statement in the memorial which puzzles the finance minister is: "That taxation in this province is \$46.77 per capita."

The memorial shows clearly and concisely how these figures are arrived at, as follows:

(1) Estimated provincial taxation for year ending 30th June, 1901 (doubleless preparatory by Mr. Turner himself...)	\$1,394,550
(2) Customs duties, etc. (Dominion)	5,144,550
Total	5,144,550

If Mr. Turner had taken the slight trouble to divide this sum among the 110,000 people who pay it he would have found that the amount payable by each is \$46.77, as stated in the memorial.

But by far the most important part of Mr. Turner's interview relates to the two per cent mineral tax. Neither of the ministers pretends to justify it as a fair mode of taxation, their champion, Mr. Bogle, condemns it as bad in principle, and the mine owners have always pronounced it to be inequitable.

The finance minister endeavors to palliate it by stating that originally the tax was intended to be two per cent on the gross output, bear in mind—but deputations of mining men represented that one per cent would give the government at least \$100,000. This is alleged to have taken place when the mineral tax was originally introduced, namely in 1896. We don't believe that any deputation said anything of the kind. We believe that Mr. Turner is confusing what was stated to him and his colleagues by the deputation in August, 1900, when the mine owners protested so earnestly, and so ineffectually, against doubling the

tax. On that occasion the deputation asked the finance minister how much he expected to realize from the proposed two per cent tax. He replied \$80,000. Whereupon the deputation did state that if he would only let the tax remain as it was they believed that upwards of \$100,000 would be realized, and if their belief should not be justified during the then next six months, they would not oppose a doubling of the tax. The mine owners knew very well—that the finance minister seems wholly unable to learn—that an increase of tax does not necessarily mean an increase of revenue, and they urged that the proposed increase of the tax might result—as it has in fact resulted—in a diminution of revenue. They explained to the executive that the belief existed among capitalists that the new government would foster instead of hampering the mining industry, and the mere fact of doubling the tax would be a rude shock to intending investors, and would shake all confidence in the new government. The rest of the story and its disgraceful sequel has already appeared in our comments on the interview with the minister of mines.

Mr. Turner assures us that under the old form of taxation many mines, probably all, would pay more than under the mineral tax, and he draws especial attention to the fact that non-shipping mines are entirely free from taxation. We deny the first half of his statement and we say that the second half exhibits another serious defect in the principle he has adopted. Mine owners who work their properties, and expend their money in extracting ore, are taxed up to the highest notch in order that the government may realize what they wish from the mines of the province, while mine owners who allow their properties to lie idle, escape scot free. Truly Mr. Turner is a genius in devising an equitable system of taxation. However, we may comfort ourselves with the hope that some day he will set things right, for he assures the Colonist that "With a view to remedy any such unfairness, it exists, most careful investigation has been and is being made by the government." Holy smoke! When all the world, including Messrs. Bogle and McBride, condemn the tax, and Mr. Turner finds himself unable to justify it, the government will investigate with a view to remedy any such unfairness, if it exists!

Messrs. McBride and Turner have both hit upon the happy expedient of asserting that mines in South Africa and other distant countries are subject to greater restrictions than mines in British Columbia. Even if this were true—which mining men of experience in those countries emphatically deny—it would be beside the mark for our competition is not with them but with the adjoining States of the Union. If we require miners or prospectors, or capital near at hand, we are driven to look to the United States, and if our conditions are not equal to theirs, we cannot obtain what we want. This glaring fact is of course known to the minister of finance, and he could not escape the necessity of touching upon it. Observe now the instances he selects:

(1) "In the State of Iowa, mines are assessed as real property at one-fourth of market value and pay taxes from the commencement, whether making a profit or loss." Mr. Turner either does not know or he conceals his knowledge, that the mines of Iowa are coal mines, and that whatever taxes they pay always fall upon the consumers of the coal. When any additional tax is placed upon coal, the mine owner can recoup himself by increasing the price, whereas this cannot be done by owners of gold or silver mines. It is currently reported that when our provincial government, in its anxiety to make no discrimination against gold and silver mines, added a tax of five cents a ton upon coal, our worthy premier accepted the hardship without protest and added fifty cents a ton to the price of his article, thereby making 45 cents a ton, in order to fully comply with the law.

(2) The next instance is Illinois, which is also a coal mining State and subject to the observations we have just made. Does Mr. Turner expect that the public will give him credit for sincerity when he thus leads them off on a false scent? Why does he not tell us about the systems in vogue in the States of Washington, Utah, Idaho, Nevada, California and other gold or silver mining States? But stay, he does give us one instance in point, namely Colorado.

(3) He says: "In Colorado, mines are taxed at one-fifth of gross income, and to this is added the value of all improvements and works on mine, and the shares are also taxed." Take the Le Roi, for instance, valued at five million dollars. The tax on this would amount at least to \$37,000, or more than the total amount collected from all the mines in the province last year.

Is it not amazing that a man who poses as a man of business, not to say a financial expert, would not suspect that there was something wrong in his calculation before he would adopt and publish such a ridiculous conclusion? Nothing, however, seems too difficult for our minister to swallow except the true facts of a case. A brief letter, or even a telegram to any reputable au-

thority in Colorado asked Mr. Turner for himself. In answer to the commissioner of Colorado, the following "Under new law as mines equal one-fourth for preceding year, machinery assessed as of private holders as tonality of law being

So that instead of a value of improvements and shares added, a tax on certain assessments consisting of one-fourth of the value of improvements held by private owners of the mine. The rate as we are informed had experience there, counties in the State on the dollar.

We have no data for the year 1900, we apply this Colorado we have the last year, the Centre Star which will serve as a guide. For the year 1900, the Centre Star compared the gross proceeds of the Centre Star compared the year the Centre Star a very moderate amount closed down.

Under the law of would be levied upon above proceeds, and The value of machinery shown by the \$250,000, but in usually takes about the full value as the We will, however, value, so that the Centre Star, as tion in Colorado, the rate were struck dollar the total tax 573. But suppose extraordinary case, at 100 mills, the total \$3,147, in Colorado.

Now it so happens actually paid by the pany to the provin the year in question trifle more than the be in Colorado, under assumptions, and the people there at ing. But the abo by our government Star company was the greater portion basis of the one p the existing two amount must be d

We felt quite su upon this discussion British Columbia higher taxation—burdens—than the in the Union. We have been surpris minister could have instance where the nearly as excessive

But to learn this instance of heavy finance minister of oppressive policy, the taxes in Brit double as much surprise even to u raise a howl of in the province.

The finance m remarks on this h ing statement: " of provincial taxes they appear to b taxes collected in June, 1900, 32,008 ural tax amounted tenth of the whole

In making t minister is deali the memorial wh the metal mining about 50 per cent of the country (b and by the Provin by selecting out of the mining indu tax. Is it not r responsible minist with his figures constituents? W collected for fre amounts to \$13 cents general, am received by the p ing any mention we believe illeg dues on mineral about the enorm to pay to the Do we of customs most everything in mining? We have now a position to jud complaints raised the B. C. Mini ministers chiefly their reply, and in proving the sought to dispr are bound to co in regard to all of in the memo credit wherever One of the m this country is