

incidence of the tax would be made perfectly equitable by deducting the cost of mining, as well as that of treatment and transportation, because, as he points out, the cost of mining is rarely the same in any two mines. The basis of the tax is, he says, the value of the material removed from the mine, and that value does not in any way depend on the cost of mining. This is clear enough. A ton of ore containing 12 per cent. copper and costing a certain sum to mine, is not worth any more than a ton of ore containing 12 per cent. copper and costing only half as much to mine. The market value of the copper in the ore is regulated by the market price of copper bullion and not by what it costs to take the ore out of the mine. An absolutely fair basis would be to tax the value of the ore in the mine, if there were any way or arriving at correct conclusions, for then all operations would be put upon an equitable basis. A ton of copper in ore in a mine is worth the value of a ton of blister copper less the cost of refining, treatment, transportation and mining, and this, of course, is true whether the ore is high grade or low grade. If that value could be ascertained, and the ore mined could be taxed upon that basis, the incidence would be perfectly equitable. Mr. McKilligan foresees great difficulties in the way of any effort to arrive at the actual cost of mining, and very slight consideration will show that these must arise. They are probably not insurmountable, but yet no one has come forward with a plan which has met with general acceptance for overcoming them. An arbitrary scale has been suggested to represent the cost of mining, a low rate being allowed on low grade ore and higher rates on higher grades. It is possible that some such plan or some modification of it might prove satisfactory. If each mine were notified that the allowance for mining would be a certain sum, and were permitted to appeal from the classification and produce its books to show what the cost really is, it is altogether probable that in the course of a few years a fairly equitable basis would be reached. Mine owners object to being compelled to disclose their business, and perhaps it is not unreasonable that they should be unwilling to allow the examination of their affairs for purposes of taxation. No other business is compelled to take the assessor into complete confidence. We do not require a merchant to make a sworn statement of his business and permit his books to be overhauled. We reserve the right to tax him at what seems fair and give him the right to appeal if he thinks he is taxed too much. Let it be supposed, therefore, that the law shall say that in fixing the amount of taxation upon any mine, the law shall fix an arbitrary amount as the cost of mining, the amount being regulated by the value of the ore. This sum, together with the cost of transportation and treatment, being deducted from the smelter returns, would give the arbitrary value of the ore in the mine. If in the opinion of the owner it was

too much, he would be at liberty to appeal against it and show what the cost actually was. This plan might not ensure perfectly equitable taxation, but it would remove the complaint made against the present system on the ground that it taxes the cost of labour and management, and it would certainly enable the mine owner to have the actual value of his ore made the basis of taxation, if he so desired. Possibly this suggestion may be of some small service towards the settlement of an exceedingly difficult problem and may indicate a direction in which relief may be found for the mining industry.

In regard to the aggregate volume of taxation not much requires to be said. The total is not great compared with the metal output, but hardly any room exists for doubt as to the statement that if the low grade ores were placed on a fair basis as regards taxation, the increased output would far more than compensate for any falling off in the revenue. The question is not, as yet, a political one, which is fortunate. It may easily become political, and therefore the interests of the Province demand that, all preconceived ideas being dismissed as far as possible, a determined effort should be made to place the mineral tax upon such a basis as will satisfy the mine owner and be just to the Province at large.

#### MINING ON VANCOUVER ISLAND.

ONLY a few years ago there were comparatively few possessed of the belief that Vancouver Island would become an important metalliferous mining area. What was claimed at that time to be the best opinion was adverse to the value of such deposits of economic ore as were known to occur on the Island. Many shared this opinion. The change in this respect is almost revolutionary and the disposition now manifest is rather to fly to the other extreme. For this change there is a very substantial basis; there are undoubtedly substantial grounds for most sanguine anticipations. It may, in fact, be confidently asserted that the mines of the Island are about to become an important factor in the industry of the Province, and that their permanency and increased output is no longer a matter of speculation. Unfortunate mistakes were made during the early days of metalliferous mining on the Island, such, for example, as the employment in the supervision of a large expenditure of money of a person whose only qualification appeared to be that he was not doing anything else at the time. Another error was in failing to recognize that the geological problems peculiar to Vancouver Island could not be solved by reference to those presented by some other locality. Perhaps there is no place of similar area where the "experts," generally self-styled, have made more mistakes. But while individuals have suffered in