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TAXATION OF MINES.

THE Hon. the Minister of Mines, who has been officially touring the Kootenays, is to be congratulated upon the means he has adopted of gaining first-hand a knowledge of existing conditions in those districts, and of ascertaining from the men most directly interested and presumably best informed, the grounds upon which the present imposition of the 2 per cent. tax on productive mines is considered inequitable and unfair. But if the honourable gentleman does not return to his duties at the Capital with an adequate idea of the feeling of the mining community, it will not be for lack of moderation on the part of those who profess to express public opinion. Thus a Rossland contemporary remarks that:

"The two per cent. mineral tax is iniquitous. It throttles the development of the Rossland and other camps possessing resources of a similar nature. Further and permanent prosperity can only be attained upon the abolition of the tax. The Rossland camp will then forge ahead on a scale hitherto without precedent. Facts and figures are forthcoming to support these contentions." And it gives this as a fair sum-

mary of the views expressed by leading mining engineers and others at a banquet given the other day at Rossland to the Minister. Mr. Kirby, general manager of the War Eagle and Centre Star Companies, is reported to have said on this occasion:

"We all know that the great cause of the depression now coming over the British Columbia mining industry is excessive and overwhelming taxation. . . . The two per cent. tax stands like a stone wall before us."

The last expression referred to the operations of the mines of which he is manager. He also described the tax as "an enormous government rake off." Mr Kirby's remarks fairly represent the views expressed by other speakers.

The mine owners cannot be accused of wishing to evade contributing their due share to the revenue of the Province. Neither do they claim that the aggregate amount of the mineral tax is unduly large in proportion to the magnitude of the industry. Their complaint is that the incidence of the tax is such that it prevents the profitable operation of low grade ores. For example:

Mr. William Thompson, manager of the Rossland Great Western allied mining properties, is of the opinion that the two per cent. tax alone prevented the establishment of many Treadwell mines in British Columbia, the Treadwell mine in Alaska being, as is well known, a very low grade but very extensive deposit. Estimating upon the basis of ore worth \$8.50 a ton, the Rossland *Miner* shows that the so-called two per cent. tax is really about 12 1-2 per cent. of the net profits, which would certainly be regarded as an unduly heavy burden if imposed on any other industry. A two per cent. tax upon the net income of the mine would be exceedingly reasonable, but surely to be compelled to pay one-eighth of the profit to the Government is excessive. The question has been before the public for some time, and we see no reason for amending the opinions expressed in the *MINING RECORD* several months ago, when demonstrating that the present tax is highly burdensome to low-grade mines.

Mr. J. B. McKilligan, Surveyor of Taxes, in his report to the Minister of Finance, makes a painstaking effort to analyze the subject of mine taxation. He admits that the difficulties presented are great and thinks the question calls for very close investigation. Mr. McKilligan does not, however, believe that the