

BURDENS ON MINING

The Handicaps Imposed by Unwise Legislation Pointed Out by the Mining Association in a Memorial.

Dominion Government Asked to Appoint a Commission to Investigate and Suggest Relief Measures.

The following memorial has been addressed by the British Columbia Mining Association to His Excellency the Governor-General-in-Council:

This memorial of the British Columbia Mining Association, an organization duly incorporated and formed under the laws of the Province of British Columbia, and representing in its membership the metal mining industry of the Province, respectfully sets forth as follows:

That the Province of British Columbia prior to the recent development of its metal mining industry had acquired a population of only 65,000 whites. During the past ten years the growth of this industry has afforded a rapidly increasing annual production which in the year 1900 had reached a total of \$11,348,481.

Large amounts of Canadian and British capital have been invested in the new industry. This rapid growth has stimulated numerous industries throughout the Province and the Dominion; has brought the physical, geological and mineralogical features of the Province to the notice of the world, and has been the chief factor in increasing its population to the present figure of about 110,000 whites.

In the Continent of North America, the Cordillera of the Rocky Mountains, after passing through Mexico and the United States, in their northward course enter the Province of British Columbia, and pass through its entire length, 700 miles, covering the entire range within Mexico and the United States, 400 miles. From these Cordillerae have been extracted the vast stores of metallic wealth that have enriched these countries and Europe. There is no geological reason why the Rocky Mountains should not be as prolific in mineral resources within the Province of British Columbia as within the countries named; therefore, British Columbia, measuring 700 miles in length and 400 miles in width, and having an area of 280,000 square miles, or 170,200,000 acres, or about 1,630 acres for each white inhabitant of the Province, or 34 acres for each inhabitant in the Dominion, so far as is known is one vast mineral field. That this vast mineral field, with the exception of a narrow strip along the Boundary line of the United States, and a few isolated spots elsewhere, is entirely undeveloped and even unexplored.

The development of these resources begun a few years ago so suspiciously has been brought to a practical standstill; and whereas a few years ago the mountains were swarming with prospectors, to-day these pioneers of the mining industry have nearly disappeared. The flow of capital in the Province has been practically cut off; the metal production is at present decreasing; numbers of producing mines have closed down, and those operating have, with a few exceptions, ceased to pay dividends. The working mines are struggling under heavy burdens which are still accumulating each year. It is now frankly admitted by mining men that the industry is practically dead in many mining divisions and that its condition is rapidly becoming worse.

This Association has been reluctant to make public these facts, hoping that their realization by the communities immediately interested would lead to the gradual removal of the evils that caused them, but it is at last evident that there is no chance of this being realized, and consequently any further concealment would be useless and detrimental to the best interests of the country. It is believed that the only hope for the industry and the communities interested lies in wide and frank publicity and official investigation. No other course offers any hope of bringing about the prompt and radical reforms necessary to re-establish the industry in the position it should occupy naturally. Now, therefore, the British Columbia Mining Association calls attention to the fact that the blighting of the industry is not due entirely to natural causes but mainly to unwise legislation. The ore deposits of British Columbia promise to equal those found in the Rocky Mountains elsewhere, but their development and utilization are seriously retarded by bad laws.

In making these statements, it is clearly recognized that the growth of metal mining, just now checked, has suffered from the infantile diseases that afflict the mining industry in other regions of the world, to-wit: The ordinary elements of chance in the behavior of ore deposits in new fields; the difficulties of pioneer work in new regions; over-valuation of prospective mines; stock swindles; bad management, etc., etc. Such evils, which always appear during the early growth of the mining industry, have been no worse in British Columbia than in other mining regions of the world, and should gradually lessen and disappear as the industry becomes established and permanent. These evils, however, together with the tendency to ascribe to each individual failure some natural cause, have blinded the public to the great and overwhelming burdens resulting from Legislative enactments.

With the improvements of the other conditions unfavorable to the industry during the past few years, this artificial burden has become more clearly recognized as the main cause of the present depressed condition, and it is believed that unless radical relief is given at an early day the industry will with the exception of some rich deposits here and there, be surely crushed out eventually.

The total weight of the Legislative burdens bearing so heavily on the industry can only be properly seen by viewing them in the aggregate, and considering not only those that may be easily cured but also those which at the present time seem permanently established. It is recognized, for instance, that the mining industry must bear its fair share of the reasonable cost of government, and that it is not within the power of the Dominion Government to open the United States lead market to the product of our lead mines unless it become possible to fix, by some form of reciprocity, the arrangements for the representatives of both countries. The need for radical relief to the industry where it is possible, however, is apparent from the following summary of the artificial burdens now imposed:

I. EXCESSIVE EXPENSE FOR GOVERNMENT EXCEEDING TWENTY-TWO PER CENT OF THE PRODUCT.

TAXATION FOR PROVINCIAL GOVERNMENT.

Estimated expenditure for fiscal year ending June 30th, 1901, is \$2,387,873, of which the amount to be raised by taxation is (see Foot Note 1) \$1,394,539.

TAXATION FOR DOMINION GOVERNMENT.

Customs, etc., etc. (See Foot Note 2) \$3,750,000.

General Taxes \$5,145,533.

LOCAL TAXATION.

Town and Municipal is omitted for want of statistics, but adds from \$5 to \$3 per capita to the above general taxes.

POPULATION.

One hundred and fifty thousand total, or 110,000 whites, or about 50,000 white male adults. (Foot Note 2.) Hence the above enormous taxation is added upon a pioneer population so small that if collected in one spot it would constitute a town of only ordinary size, say one-half the size of Toronto, and one-third that of Montreal. Taxation per capita, total whites \$46.77. (If local tax included, probably \$52 to \$55 per capita.)

Taxation per capita, white male adult \$102.59. (If local tax included, probably \$108 to \$111 per capita.)

If Dominion Census Returns should show that these estimates of population are too high the per capita would be proportionately increased.

SHARE OF TOTAL BURDEN IMPOSED UPON MINING.

Owing to the unequal distribution of present taxation, it is notorious that mining districts bear an excessive proportion of the load, making the per capita for them more than the above amount. The above taxation is shifted mainly to the ultimate producers. If divided among the five industries according to their relative importance, roughly indicated by such statistics of production and exports as exist, the probable share carried by each is:

Industry	Production	P. C. of tax
Metal Mining	\$11,348,481	50 \$2,572,273
Coal Mining etc.	4,966,270	22 1,131,801
Fisheries	3,800,000	16.8 884,284
Lumbering	1,850,000	6 308,673
Agriculture and Miscellaneous	1,150,000	5.2 267,517
Totals	\$22,644,751	100 \$5,145,533

BURDEN ON METAL MINING.

Product for 1900 (Foot Note 3) \$11,348,481. General taxation (equal to 22.7 per cent of product taken for cost of government) \$2,572,273.

Balance left for expenses and profit (?) \$8,776,208.

As a matter of fact the unequal distribution mentioned makes the real load much in excess of this 22.7 per cent.

It is also evident that other four industries shift a considerable portion of their taxes on to mining through the supplies which they furnish to it. Thus the actual load is considerably in excess of the above figures.

The results of the above excessive taxation show themselves in mining communities in the form of costs of

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living, in business and in mining operations, which, in view of the distance from supplies, are very excessive. This is notorious and is the subject of general complaint. Such items as the following list bear directly on the mines, and are thereby clearly recognized, while the others reach them in innumerable ways through the gradual shifting of taxation on to the ultimate producers.

1. Customs duties, the effect of which is to increase running expenses by an amount which, as nearly as can be estimated, is about 12 per cent.

2. The two per cent tax imposed on the output of mines. The effect of this tax is to appropriate six per cent of the net profits on ore of medium grade, increasing to 12 per cent and upwards on ore of low grade. This prevents the extension of mining to low grade areas, and has led to the practical suspension of further investments of capital in that direction. Such low grade ores exist in large quantities in this Province, and experience in other regions has shown that they constitute the most powerful factor in establishing a mining industry upon a permanent basis.

3. Excessive fees payable on the incorporation or registration of mining companies.

4. Excessive and vexatious fees for boiler inspection.

And several other matters, such as the fees payable for the registration of land titles, the high rates charged in connection with the recording of mineral claims and transfers of the same, the unfair imposition of timber dues and the tax for Free Miners' Licenses tending to discourage prospecting for minerals.

II. OPPRESSIVE LEGISLATION IMPOSED BY THE PROVINCIAL GOVERNMENT AND INCREASED BY EACH SESSION.

1. Eight Hour Law, the effect of which has been to increase the cost of underground labor by about 16 per cent, which was passed by the Provincial Government during the last two days of a session, without any previous notice to the general public, the mining managers or the miners themselves.

2. Severe struggles between capital and labor originating through the Eight Hour Law. These struggles accompanying the decline of the industry have changed the former friendly relations to class antagonism, which leads to incessant urging of class legislation dangerous to the industry and communities dependent thereon.

3. Extension of the Eight Hour Law to certain surface employees.

4. Unreasonable demands by the Provincial Government for information concerning private business for alleged statistical purposes.

5. Unwise technical provisions in Mines Inspection Act, one instance of which is the new code of signals for shaft hoisting. This unnecessary interference with the most delicate and dangerous technical operation of mining was not asked for by anyone or justified on any grounds, and was imposed by parties not practically acquainted with mining. It endangers life and restricts the holding capacity of mines and was passed against the official protest of this Association.

6. The steady increase of taxation and the continued urging of oppressive legislation so that mining capital is kept in constant apprehension and uncertainty as to further burdens.

7. The Provincial "Master and Servant Act," which practically prohibits the employment of labor in any other Province, notwithstanding the fact that labor for a new and unpopulated Province must come from elsewhere.

8. The Dominion "Alien Act," prohibiting the engagement of labor in the United States, notwithstanding the fact that Canada has only a small supply of skilled miners, and that the men required for developing the mining industry therefore must come mainly from the mining regions of the United States.

III. UNITED STATES CUSTOMS.

United States tariff duties on lead in ores and bullion thereby shutting off the United States market for this product.

We call attention to the fact that the sum total of these artificial burdens, due to human enactment, is not equalled in any mining region of the world.

In individual capacity and as an Association we have repeatedly informed the Provincial Government of our distress and petitioned for relief. These requests, together with those for a commission to investigate the industry have hitherto been met with invariance and have been ignored. So far from having any prospect of relief every session of the Legislature sees new additions to the load, and still more severe legislation is being urged.

Generally speaking, there is little hope for proper security for investors in British Columbia mines until this policy is changed and radical measures for relief adopted.

We beg to record our appreciation of the fact that the special difficulties affecting the silver-lead industry, recently laid before the Dominion Government, were by it afforded a measure of relief, and trust that the present petition will receive no less favorable consideration.

Your memorialists therefore humbly pray that in view of the vast sums of Canadian and British capital now involved, the very existence of which is imperilled, a royal commission be appointed to enquire into the conditions set forth herein with a view to recommending measures for relieving the mining industry of British Columbia from the many grievances complained of.

Adopted by resolution of the British Columbia Mining Association 28th of June, 1901; at Nelson, B. C.

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