

MINING IS PRECARIOUS, WAR TAX IS TOO HIGH

Proposed Federal Levy on Profits to Be Opposed by a Deputation to Ottawa.

IF THE MINES CLOSED

Thousands of Men Would Be Out of Work in the North.

"Mining men view with the greatest alarm the proposal of the Dominion Government to include mining companies in the class of companies which shall pay the proposed business tax on profits," declared an officer of one of the largest gold mining companies of the Porcupine district in an interview. "We see in it the possibility of disastrous consequences," he added. "The more capital we put in our mining enterprises the more we will be giving away. The proposed tax upon mining companies will not be a stimulus to production, which should be the aim of legislation at the present time. It is the very reverse.

"Our disposition is not to object to paying a fair share of the cost of carrying on the war, if it can be arrived at, but we want careful consideration given to what is the fair share of taxation a mining company should pay. The Government must exercise caution in taxing mining companies or the whole mining industry in Canada will be turned into a dismal failure on account of the fickleness of capital and other difficulties of the situation at this time.

"If their profits are cut down many mining companies will find it will no longer pay to operate. What would happen then? As it is, the northern mining camps are the salvation of Ontario.

If the Mines Closed.

"If the mines are obliged to close, thousands of men will be thrown out of employment, and with the mines closed the north country will return to the wilderness state from which it emerged when silver and gold were discovered there."

Commenting upon the letter of "Ex-Miner" published in Saturday's Star, the officer interviewed, approved of the views therein expressed, but thought the writer erred in one or two particulars.

A mining company should pay more than 15 per cent. per annum to be counted a success. No enterprise had greater elements of uncertainty. Depreciation upon plant was much greater in mining than in an industrial establishment. When a mining plant was in disuse it was scrap and nothing else. In mining, the deeper the mine went the more expensive operations became, and at all times equipment had to be kept up to the maximum of efficiency.

As to the view that the larger mining companies were taking the next taxes "with resignation," he stated that the only resignation the mining men had was that they felt sure that when their deputation went to Ottawa in a week or two to place their views before the Government, the Government would make the right amendments to the bill. "We expect," he said in conclusion, "that in the final analysis the Government will not put mining companies in the class of companies which must pay the tax, or if they do, the tax applying to mining companies will show consideration to the precariousness of the mining industry."