

MINING TAX TO BE A FLAT RATE.

Principle of Measure Supported in Legislature.

THE NATURAL GAS IMPOST.

Several Members Enter Their Objections to It.

Messrs. Labrosse and C. N. Smith Do Not Like the Mining Tax—Univers- ity Governors to Have the Power to Borrow — Succession Duties Act Amendments.

The Government bill for the taxation of mining lands, the profits of mines and on natural gas was the subject of a decidedly interesting debate in the Legislature yesterday afternoon. The measure was not regarded as of a political nature, a number of the members of the Opposition supporting it in principle, though there was some difference of opinion as to the methods. Hon. Mr. Cochrane announced that an important change had been decided upon in respect to the basis of taxation on the profits of mines. Instead of a sliding scale, as originally intended, it was proposed that there should be a uniform rate. The details of the rate will be announced later. It is reported that the tax will not be imposed on profits of less than \$10,000, this amount having been exempted in the bill as originally drafted.

During the debate the members of the Opposition were to the fore with many useful suggestions and helpful recommendations. The bill passed its second reading.

University Governors May Borrow.

The Premier introduced an act to amend the university act. This enables the Board of Governors of the University to borrow money up to \$2,000,000. All loans arranged for the securities to be issued and everything of that nature must be submitted by the Governors to, and receive the approval of, the Lieutenant-Governor in Council.

Hon. Mr. Matheson introduced a bill to amend the succession duties law. The measure consolidates the succession duties acts as prepared by the commission revising the statutes. The only new enactments increase the sum exempted from taxation from \$200 to \$300 and imposes a penalty of 25 per cent. of the duty as punishment for concealment of assets.

The Mining Tax.

Hon. Frank Cochrane moved the second reading of his bill to supplement the revenues of the Crown. The bill, he said, would not be an injury to the mining industry and he was confident the people of Ontario demanded rightly that the great prizes should no longer be given away for nothing, but that a fair share of their value should be obtained to assist in defraying the necessary expenses of government. Two methods of taxation were proposed, namely, on net profits and acreage.

Uniform Tax, not Sliding Scale.

The bill as printed provided for a graded or sliding scale. He was bound to say that this feature was objectionable to the mining men, and their arguments were convincing enough to lead to a change from the sliding scale to a uniform rate. It was argued with force

that to levy a higher rate where the profits were large was to penalize success; to fine the man or company whose management was careful and economical and favor the concern whose affairs were conducted with less skill and more wastefulness. "An amendment," he said, "will be proposed in committee which will make the tax a constant one, so that all will contribute to the public exchequer at the same rate, whose profits are over the amount of the exemption."

The acreage tax would be imposed on all mining lands in the unorganized parts of the Province. One effect, it was hoped, would be to exercise some pressure on the holders of vacant mining land, to see if they cannot find some deposits instead of keeping them merely for speculation.

There would be a change in the bill as to iron. He felt that they could well remit any tax on an iron mine, the product of which was smelted in Ontario.

Opposed to Natural Gas Tax.

Mr. Atkinson objected to the tax on natural gas, provided for in the bill, except where it was exported from Ontario to the United States. The workmen and artisans were large users of the product, and he believed it would be a great injustice to impose the tax.

Mr. Preston (Brant) said that natural gas was a cheap fuel and power for the localities fortunate enough to have it. In his district it was used in steam boilers, kitchen ranges and for illuminating purposes. He could see no reason why gas should be taxed and crude oil exempted. Instead of being treated as a mineral it should be treated as a fuel. The industry was a precarious one. Field after field gave out. He trusted the Government would reconsider.

Premier Whitney said that they had for years been taxing natural gas, and not a word of opposition had been heard. They could not put an export duty on gas, for the Dominion Government had been on the verge of disallowing the act that had been in force.

Would it Work Injury?

Mr. McCoig thought the tax on natural gas would work an injury to the industry. He urged care in dealing with this section of the measure. He asked what system was to be adopted in measuring the amount to be taxed.

Hon. Mr. Cochrane said it was not intended to adopt the meter system. In committee it would develop what was intended in this regard.

Tax Should be Moderate.

Mr. Harcourt thought that the recent mining developments, particularly in the north, had prepared the public for a measure of imposing a tax. Speaking specifically of the proposed tax on natural gas he elicited the information that it was not the intention to tax this product under the new measure as well as under the supplementary revenue act on which a nominal tax is now collected. He pointed out that the Federal Government was considering the advisability of placing a tax on the exportation of natural gas. If that were done there would be the Dominion, the Provincial and the municipal imposts on companies exporting. This should be borne in mind in deciding upon the basis and amount of the tax. He reminded the Minister of Mines that on two different occasions the revival of mining in Ontario had been followed by the imposition of mining taxes and the subsequent repeal of the measures because of the handicap they imposed. It was to be hoped that the expectation that the rich new mining region of northern Ontario would continue to be a source of revenue to the Province for many years would be realized, but he urged that the tax on that industry should be moderate, reasonable and equitable. Disaster would follow a heavy tax.

Mr. Fisher regretted that the Government had decided to tax natural gas. If it must be carried through he hoped the rebate on the tax on gas used in the Province would be liberal.

A Strong Objection.

Mr. Smith (Sault Ste. Marie) strong-