

# SMITH'S BILL TO HURT EDDY LAW

Smith, of Baker, has introduced his big bill. The measure was submitted to the house of representatives at Salem Tuesday. It was referred to the committee on mines, of which Mr. Smith is chairman. The other members of the committee are Bingham, of Lane; Capron, of Multnomah; Smith, of Josephine, and Jackson, of Jackson. When "big bill" is mentioned, it is meant that the measure relates to the Eddy corporation tax law. While Mr. Smith has fathered the bill in the house, having introduced it under his own name, it is believed that he is not the author thereof. The gentleman from Baker held a conference at Portland Monday with the executive officers of the Oregon Miners' association, at the presidential head of which body is Alphabet Dodson, one-time Sumpter newspaper man. The Smith bill is undoubtedly the result of that conference.

A copy of the measure has not been received in Sumpter, but it has been learned that the bill provides that all mining companies in this state, not on a paying basis, shall be exempt from the payment of an incorporation tax and an annual license tax, and repealing all laws or parts of laws in conflict therewith.

The most vital section of the proposed law relates to the filing by mining corporations of an annual report, addressed to the secretary of state, detailing the amount of money expended by the companies in their mining operations and the exact sum realized from the sale of bullion, ore or concentrates. The secretary of state is to determine from this statement the exact financial status of the companies. If he finds a company making a profit, a tax is imposed thereon, although it is not stated on what basis. If on the other hand, the company is found to be not yet on a paying basis, all taxes and license fees are remitted. Should the secretary of state have reason to doubt the truth and correctness of a company's report, he is empowered to call upon the district attorney to make an examination of the financial affairs of the suspected corporation. If by this examination it is found that the corporation made a false report, a tax and license fee shall be assessed against it, with an additional penalty of \$20 for examination.

Under this bill, the secretary of state is made court, judge and jury in the matter of determining whether a mining corporation is subject to taxation or not.

There appears to be a number of grave defects in the proposed measure, and it does not give entire satisfaction to the mining fraternity of this district.

It is not believed that the bill will pass.

Smith's bill will, of course, be opposed by the big mining companies of Oregon, especially of eastern Oregon, which have hitherto violently objected to any plan having in view the compelling of such corporations as the E. & E., North Pole and Columbia to disclose the value of their bullion production.

Regarding this matter, the Salem correspondent of the Portland Telegram writes:

That there will be no amendment of the Eddy corporation tax law, short of a heated battle, and that the objection raised to any amendment thus far proposed will be supported with the argument that it is unconstitutional, appears more than likely at this time. Already there has been introduced in the house a bill providing for the exemption of non-producing mining companies from the corporation tax, and it is understood that other bills will be introduced later in the session, the plan being to form from all these contributions a satisfactory measure in the committee room.

In support of an amendment, the miners, or a class of them, say that it is unfair and inequitable to tax mining corporations engaged in the exploitation of mining properties, for no other purpose in sight than that of developing the prospect, but that an amendment should be made so as to tax all mines on the basis of their output, instead of on the basis of capitalization.

Friends of the Eddy law declare that the measure is all right as it stands; that there should be no exemption of corporations; that if an association of persons can afford to form a company, they can afford to pay a tax for the privilege, and that the existence of the law will go a long way toward putting a kibosh on wildcat mining schemes, by enforcing bona fide capitalization of mining companies. Besides this, they say that to impose an incorporation tax on all corporations on the basis of their capitalization, and under the provisions of the same act exempt a certain class of corporations, would be unconstitutional under that provision of the state constitution declaring against the enactment of discriminating and class legislation.

That such a law as that proposed would be of the class-legislation order would appear on the face of the fact that mining corporations are the only class of corporations which it is proposed to exempt on the basis that they are non-productive. The same exemption does not apply to other corporations which enter business on a non-paying basis. There is a measure pending by which it is proposed to tax mining corporations after their output reaches the annual amount of \$1000, but this is objected to on the ground that a plea would always be forthcoming that the annual receipts of the company were less than this amount.

There appears every prospect that strong opposition will meet every effort to amend the law, and many are predicting that an amendment will not pass.

Friends of the new law meet the unconstitutional argument on the ground that the corporation tax is in reality a license, in that it is so designated and required to be paid annually.

The Oregon legislature needs a boss and the need is an urgent one, too.

## NON-NEGOTIABLE TIME CHECKS IN LIEU OF \$

On the 15th inst. the Gold Bug Gold Mining company ceased operations at their Gold Bug group on Rabbit creek, about 12 miles from Granite. At the time work was stopped, pay for 45 shifts work was due the men at the mine, of which there were five. These men were paid off with time checks, which they have been unable to cash, and are naturally much worked up over the matter. They feel that "the laborer is worthy his hire," and that he should get his pay when it is due.

This kind of work has been perpetrated on the miners in Granite district before, and in many instances the men have never received more than time checks not worth the paper they were written on. The sooner operators in this district learn to never start work on their properties until the cash is in the bank to pay for the work, the better it will be for all parties concerned. Stop mining on air, whether hot or cold.

The Gold Bug company was organized about two years ago, the promoters of the company being Van Vleet & Wright, of Sumpter. Mr. Van Vleet has been most active in the management of the Gold Bug, while Mr. Wright has devoted his time to the Blue Bird and other Wheeler properties in eastern Oregon.

To the Gem, Mr. Van Vleet stated he was going east and there was no question but that work at the mine would be resumed within the next 30 days. We hope this will prove true. This state of affairs in the Gold Bug company is to be regretted, as their claims have much merit, and are worthy of the expenditure of considerable developing, and we greatly hope to see this done.

We were requested to make no mention of the closing of the Gold Bug, and would not have done so had the circumstances attending same been what we were led to believe at first.—Granite Gem.

### Bore Through a Mountain.

Some of the enterprising business men of John Day are organizing a company for the purpose of driving a tunnel through Canyon mountain, around the base of which many years ago, vast deposits of placer gold were found, and incidentally there sprung up in that region one of the largest cities in the state at that time. Engineers have been consulted regarding the new project and it is believed that a tunnel drilled through the mountain will cut some rich quartz ledges. Since the placer mines played out a long time since, no thorough prospecting has been given the district, where many men made fortunes from the soil.

Colonel E. S. Topping, who left Sumpter last fall for Victoria, British Columbia, has written to friends here that he is looking well and feeling fit in the land of kings. He says that it has not been definitely decided whether Port Simpson is to be the western terminus of the Grand Trunk Pacific railway, but that he has every reason to believe that the port will in time be the chosen site. He is ready, he says, to jump into the town and make a little stake.

## MANY BILLS INTRODUCED

Bingham, of Lane, has introduced a bill, the effect of which is to exempt certain mining companies from paying the annual license fee required under the Eddy law. Bingham's bill exempts mines whose output is less than \$1000 a year from the annual tax, but does not exempt the initial tax. This bill is identical with that introduced in the senate by Coe.

It would seem that Senator Brownell is found of introducing bills which have failed to become laws, says the Telegram. It was an osteopathic bill by request that the Clackamas county senator introduced yesterday morning, while in the afternoon he came forward with a request bill, which brings to mind the bill to establish a bureau of mines at the last session. After a hard fight it passed both houses, but was vetoed by the governor. Mining men opposed the bill on the ground that it would give the mining commissioner the opportunity to examine their property, and if he cared to do so, make private use of his information.

This bill provides for a commissioner of mines, together with deputies, head offices to be in Portland. The mining commissioner, who is to be appointed by the governor, must take an oath that he will not use his position to further the interests of any person, and he must be a man who is not interested in mining properties. By this way it is hoped to get around the objections made to the previous measure. The mining commissioner is to have two deputies, one in eastern Oregon, and one from the southern part of the state, at a salary of \$150 a month each, while the commissioner is to receive a salary of \$2000. The commissioner and his deputies are to examine mines and make reports to the legislature of matters that will be of interest. Gifts can be made to the bureau and accepted for the state, but it is asked that \$9000 be appropriated to cover the expenses of the bureau yearly. The commissioner is also to be allowed an assistant clerk in Portland at a salary of \$75 per month.

## IMPERIAL SHAFT IN MAGNIFICENT ORE

A. L. McEwen, general manager of the Imperial mine, came down from Cable Cove Saturday night. In the presence of President Alexander Hamilton Sibley, of Detroit, who is visiting at the mine, Manager McEwen, his assistant, Kenneth O. McEwen, and Superintendent John Arthur, sampled the bottom of the main shaft, which is in solid ore of the highest grade yet encountered in the mine. President Sibley will remain at the property for a week.

It has finally been determined that the cannon fired at the Czar in St. Petersburg a few days since was loaded with grape shot. Judging from the fact that no serious damages was done, it is quite probable that the officer who fired the shot was loaded with grape juice.