

Thus we find, if we take all the expenditures chargeable to consolidated fund and this extra sum chargeable to capital, our revenues from the Yukon, without counting the indirect revenues I have referred to, amount to \$128,508.06 over and above all expenditures in that district.

Now, it was the policy of the government, at the beginning—to use an expression which has become current—to make the Yukon pay for the Yukon; and that has been carried out. And, now, Sir, in view of this very handsome financial statement to the credit of the Yukon, and in view also of the desire of the government to encourage the development of mining in the Yukon as a permanent business, now that the first rush for rich creeks has passed, my hon. friend the Minister of the Interior has been able to announce a very important step—that is, that the royalty in the Yukon district instead of being 10 per cent, shall hereafter be 5 per cent. That, I have no doubt, will be a very important concession for the development of the country. We do not think that a reduction was needed earlier. So long as the first flush of the Yukon excitement was on, the people were ready to go in and pick up their nuggets and pay the royalty cheerfully. But that is over, and, if that is to be a permanent mining district, mining must be carried on under better conditions than heretofore. Everything that increases the cost of mining is a disadvantage to the miner and to the development of the district. So, my hon. friend the Minister of the Interior has concluded to advise that this reduction should be made and we have accepted it. This does not necessarily mean that the revenue will be reduced by half. For my part, I am a great believer in the idea that you can sometimes get as much money out of a low duty as out of a high duty. I am not prepared to say that it will be so in this case, but, undoubtedly the tendency of high duties is to lead to smuggling. Therefore, with a less royalty than we have heretofore had we shall be able the better to collect the revenue, and I trust we shall not have so great a

falling off in the revenue from that source as might seem probable from the mere announcement of the reduction of the duty.

#### SOUTH AFRICA CONTINGENTS AND HALIFAX GARRISON.

The House will be glad to be informed as to the expenditure on the South African contingents and the garrison at Halifax. We appropriated two millions for the war in South Africa, and the probability is that that will just about cover our expenditure.

The following figures show the expenditures upon the contingents:

##### Expenditure on South African Contingents.

1899-1900—

First contingent .....	\$ 305,503 57
Second " .....	946,714 48
General .....	185,387 77

\$1,437,605 82

Less refunds..... 8,247 22

Total expended 1898-1900..... \$1,429,358 60

Expended to Feb. 26, 1901, from

June 30, 1900 .....	539,356 77
Estimated further expenditure .....	35,000 00

Probable total expenditure ..... \$2,003,715 37

Thus it will be seen that the expenditure will probably be very slightly over the amount already appropriated. Over and above that, however, we have made provision for a special item with respect to the garrison at Halifax. It will be remembered that it was the desire of Her Majesty's government to withdraw the Imperial regiment from Halifax in order that they might take part in the war, and the suggestion was thrown out that Canada might garrison Halifax. That was very cheerfully done. What may be the future of the arrangement we have yet to know and to announce to the House. The following figures will show the expenditure on the Halifax garrison:

##### Halifax Garrison.

1899-1900 .....	\$116,265 14
Expended between June 30, 1900, and Feb. 26, 1901 .....	184,711 73
Estimated further expenditure, 1900- 1901 .....	85,000 00
	\$387,976 87