

Another Powerful Indictment of the Morris Government.

SIR ROBERT BOND on the CROWN LANDS BILL.

HOUSE OF ASSEMBLY.

March 9th, 1911.
SIR ROBERT BOND—This is a most important bill, in some respects the most important that has ever come before the Legislature, and I shall presently demonstrate; but I must record my objection to it, first, because it places too much power in the hands of the Executive Government, and secondly because it facilitates the acquisition and holding of our forest areas by speculators and monopolistic combinations.

Section 2 of this Bill amends section 25 of the Crown Lands Act, 1903, by doing away with the distinction between timber and pulp licenses; by reducing the expenditure of the licensee upon the area leased; and by giving absolute power to the Executive Government to determine how long a license may hold a lease without erecting a mill or pulp factory thereon. I do not see any great objection to doing away with the distinction between timber and pulp licenses, but I entertain a strong objection to reducing the expenditure of the licensee upon the area leased. Under the 25th section of the Crown Lands Act, 1903, which is repealed by the section under review, the lessee had "to erect a mill or mill in connection with such license of a capacity to cut at a rate of a thousand feet board measure in twenty-four hours for every five square miles of limits comprised in the license." Under the law now proposed he will only have to carry out the obligation as to mill and cut in respect to double the former area. To put it another way, under the law as it now stands the holder of a license to cut over 500 square miles of territory would have to erect a mill or mills capable of turning out one hundred thousand feet of lumber in twenty-four hours, while under the proposed amendment he would only have to erect a mill or mills capable of cutting one-half that quantity. What necessity is there for the proposed change? By making it you reduce the expenditure of the lessee on account of plant, and you reduce labor to the people of this country. You facilitate the acquisition of large areas and at the same time reduce the revenue to be obtained from such areas. The greater the cut the more labor, and the greater the labor and cut the more revenue. Are we in a position at this time to cut off any source of revenue or of labor? I think not. Again, this clause facilitates the acquisition of large holdings without any condition attaching as to the erection of mills or cut of lumber. For instance: A man by himself or the agency of others may obtain any number of areas of nine miles in extent, and under this new clause or amendment he could hold them without erecting a mill or sawing a stick. True, under the old law there was a defect in this respect, but you are now doubling the evil by enlarging the prescribed area from 5 to 10 square miles. The defect should be remedied and not increased.

The Most Serious Objection to This Amending Clause, However, is That it Does Away With the Time Limit For Erecting Mills or Pulp Factories.

and places an uncontrolled power in the Executive Government to say whether they shall be erected within two years or ten years. We can imagine without any great flight of thought or stretch of imagination, corrupt ministry in power, a ministry the majority of whom are interested in the acquisition and holding of large forest areas for speculative purposes. Such a ministry under this amendment might hold, for purposes of speculation, vast timber areas for an indefinite period without erecting a saw mill or a pulp factory upon such areas. On the other hand, if they did not acquire the land themselves they could extend the favor to their friends and supporters. It will be perceived then what wrong, what injustice, what fraud may spring up under this proposed amendment. We are supposed to be here to safeguard public interests and not to remove



RIGHT HON. SIR ROBERT BOND, K.C.M.G.

safeguards that exist. The law as it stands is a safeguard against the fraud to which I have alluded, this amendment is a removal of that safeguard, and should not be approved by this House.

Again, Section 3 of this Bill repeals Section 31 of the Crown Lands Act of 1903, and thereby still further facilitates the holding of timber areas by speculators. The Act of 1903 provided that an applicant for a timber license "shall at his own expense cause the limit mentioned in his application to be surveyed by a Surveyor and the boundary lines of said limit to be cut a width of three feet." The object of this provision was to prevent the overlapping of areas, to guard against the robbing of the public domain by the lessee or his employees, and to test the bona fides of the applicant, for no man would go to the enormous expense of cutting a line three feet wide around hundreds of miles, it may be, of forest area unless he meant to establish a business on that area. A mere land speculator would not do so, and to this extent it was a safeguard to public interests. The proposed amendment does away with the cutting of boundary lines and substitutes the blazing, or chipping with an axe, of the trees in a given direction. This of course reduces the expenditure of the applicant, but it is an absolute impossibility to survey through a dense forest without cutting a chain line. It does away with the large expenditure that the cutting of a chain line three feet wide would entail.

It Thereby Enormously Facilitates the Speculators in Acquiring and Holding Timber Areas.

while on the other hand it necessarily must lead to the overlapping of claims and the involving of the Crown Lands Department in possible litigation and certain confusion. Again, the 3rd Section still further facilitates speculators in holding large timber areas. Under the Act of 1903 the Governor in Council for good and sufficient reason might extend the time for making the survey for "one year, but no longer, on payment of the fee for the year, and then past, and an extra bonus and rental of two dollars per square mile." This, then, permitted an applicant to hold a timber area for two years and no longer by a payment of six dollars per square mile to the Crown. The Bill before us proposes that an applicant may hold a timber area, without a survey being made, for three years, by a payment of four dollars per square mile. This is clearly in the interest of the Speculator and at a loss to the revenue. And, again, the Bill before us provides in Section 4 that before a person obtains a license for timber areas under the Act of 1903 may

exchange them for licenses under the Bill before us and thus get rid of the obligations imposed by the Act under which they obtained their first title. The object of this measure is so apparent that I am amazed that it was ever brought forward. It is an Act purely and simply in the interest of the speculators and timber grabbers who hold in their possession to-day the whole of the timber areas of Newfoundland, and of the Labrador as well. Through the Web and Woof of our Legislation let us run the Golden Thread of Justice.

I can perceive nothing but injustice and inequity running through this Bill. If it becomes law it will work an injustice upon the people of this country, by locking up our public lands in the hands of speculators; by depriving this country of the revenue that should flow from those lands; by fostering and aiding monopolistic combinations which have proved the curse of every land where they have held sway. If it becomes law it will be injurious, because it will have become such by the vote of those members of this House who have a personal interest in the timber areas held under license, and therefore a personal interest in this legislation.

Since the present Government came into power they have approved applications for immense areas of public, so-called timber lands. Since January 1, 1910, they have approved applications for

Fifty Million Acres, or seventy-eight thousand one hundred and twenty-five square miles of timber areas. The fees that were payable upon that vast area under the Act of 1903 amounted to Three hundred and twelve thousand five hundred dollars, but, I observe from the statements tabled by the Department of Agriculture that only Fifty-nine thousand and two hundred and sixty-four has been paid by the applicants leaving a balance due to the Crown of Two hundred and sixty-three thousand Two hundred and thirty-six dollars.

Under this Bill becomes law Fifty million acres of land now held by speculators and land grabbers must revert to the Crown, because of non-compliance with the law under which the applications were approved. Let this Bill become law and those Fifty million acres may remain locked up in the hands of the speculators and land grabbers for the next three years. There cannot be the shadow of a doubt in the mind of any observant man but that those applications were made looking to free export of pulpwood to the United States. In the year 1909 the "American Newspaper Publishers Association" made an appeal to the United States Government for reci-

procity with Canada, based upon free export of pulp wood from Canada to the United States. Here is an extract from the "brief" that was presented:—

"A reciprocal arrangement with Canada for free paper and free 'pulp' is advisable to insure the continuance of the present supply of free logs from Canada." The threatened retaliatory export duty upon logs to be imposed by Canada would ultimately fall upon the newspaper consumer. The present consumption of pulp wood by the pulp and paper mills of the United States, including manila, book, and writing, is stated, upon authority of the Paper Maker, a trade journal, at 2,000,000 cords per annum, which consumption requires the entire stripping of pulp timber on 625 square miles per annum.

"Our spruce wood supply is limited. We, therefore, urge that the commission should take advantage of the present opportunity and immediately secure a sufficient supply of spruce freed from tariff complications.

"The trust has increased its timber holdings, and that ownership is more than sufficient to give it a wood supply for a long period of years on the trust which can be utilized to operate large plants in competition with the trusts, so that all that might be done in the United States towards the enlistment of capital, the development of new enterprises, or the conversion of manila mills to news, extension of pulp or sulphite mills to news production, would be inconsiderable in comparison with the wiping out of the duty on paper and the opening of Canada to our relief."

The publicity given to this demand and the favorable manner in which it was received opened the eyes of speculators and land grabbers to the resources of Newfoundland and Labrador, and during the past two years we have witnessed a mad rush to the Crown Lands Department for timber areas. Men who did not wish their names to appear put forward their applications through others, and in the Royal Gazette we have seen Postal clerks, office keepers, and other public officials; importunate loafers and keen witted lawyers vying with one another in the scramble for timber areas. The appeal of the American Newspaper Publishers Association to the Government of the United States was successful and reciprocity with Canada based upon a free export of pulp wood is an accomplished fact.

So far it has not matured as regards this country, but the public have been told that the question is still open and in the meantime these speculators and land grabbers want to hold on to their areas at the least possible expense. This Bill, if it becomes law, will make them do so. There is a moral as well as financial consideration attached to this matter. The holders of these so-called timber areas we know, for the greater number, have no knowledge of the character of the land they hold. It is almost certain that a vast quantity of the areas is as barren as the summit of Mount Blanc. Yet the fact that it is leased by the Government as timber land gives it a certain value on the market and helps

The Speculator in Preying upon the Credulity of Others. Has not the Government a duty to perform in the premises? I certainly think so. Quite recently an almost similar condition of things was proceeding in connection with public lands in Australia, and the Prime Minister of New South Wales conceived it to be his duty to warn the British public through the English press.

Now what do we find as respects this Colony and the English press? Let me read you a few extracts from the "Standard of Empire" to show you how the British public are being fooled in the matter of these lands. The "Standard of Empire" is very properly subsidized by this Colony in order to advertise its public lands and other natural resources, and people naturally turn to it for reliable information. This paper has been availed of to circulate the most misleading and false statements respecting timber areas and their transfer. During the past two years a persistent attempt has been made to direct attention to these lands that are held by speculators. Week after week cable despatches have been transmitted such as the following to the

"Standard of Empire," London.

ANOTHER PULP DEAL.

December 1st, 1909. Only last week news came about the completion of the great pulp deal on the Gander River North. On Saturday a still larger deal was completed, and the money was paid to the original grantees by Mr. W. S. Kimber and associates of New York. The property consists of 305 square miles of good timber country along Fishel's, Crabbe's and Robinson's Rivers, on the West Coast. The motive power will be obtained from Robinson's River. The company has a paid-up capital of \$25,000,000, a capital of \$4,500,000 (\$24,557), Sir Edward Morris's Government has been very liberal to the new company.

here has now been taken up by the great pulp and paper making concerns, in addition to an area of 25,000 square miles in Labrador.

The great Hearsst deal is now practically settled. It covers an immense extent of fine woodland, and has the advantage over all the Northern pulp and paper factories of an ice-free port, whence the paper can be shipped every day all the year round to New York, London, and elsewhere. The spruce wood makes excellent tough paper. There are several more pulp and paper deals now in course of negotiation, mostly with United States capitalists.

January 19, 1910. The amount of fees received by this branch of the Government for licences to search for minerals and grants for timber areas for the manufacture of pulp and paper is by far the largest ever received. For the full year from July 1, 1908, to June 30, 1909, the amount received for licences, etc., was \$53,000. In the last six months from July 1 to December 31, 1909, \$87,000 had been already taken.

2000 MILES OF PULP AREAS.

In this department there has been an immense increase of business. The permanent head of the Department informed me that there was a dozen grants of pulp areas at Labrador, and they averaged each about two thousand square miles. There was not in Newfoundland, he declared, more than one or two hundred square miles of woodland not taken up for areas.

March 16, 1910. Another important pulp deal has been negotiated this week, a pulp thousand square miles having been sold to a United States syndicate.

The situation is in the Bay D'Espoir district, and the transfer includes a splendid ice-free shipping port. The same syndicate is negotiating an extensive timber deal in the Straits of Belle Isle, Labrador.

Sir E. Morris's Government would gladly have sold these and other valuable pulp areas to British syndicates, but while English investors are hesitating the business men of the United States are seizing all the best sites and paying promptly for them.

April 27, 1910. The Government has concluded a very important pulp deal, by which an area of 2,500,000 acres of timber in the Hamilton Inlet district of Labrador will be leased to a company possessing a capital of \$25,000,000 (\$25,136,986) at a rental of \$50,000 (\$10,273) per annum.

Another pulp deal of an extensive character is now engaging the attention of the Government, and is likely to be put through in the course of a few days. The area concerned is about 7000 square miles, and the rental offered is in the neighbourhood of \$20,000 (\$4,154). Other inquiries are also under consideration, two of them being English capitalists.

May 11, 1910. Another pulp and paper company in the United States, with a capital of \$25,000,000, has been formed to work an extensive timber area. The opportunities thus snatched up by United States financiers have been offered first to British capitalists.

May 12, 1910. With regard to the big pulp deal at Labrador, the company is registered in the Anglo-American Development Company. Its capital is \$25,000,000 and it is composed of a group of financiers and paper manufacturers. The whole area is twelve thousand eight hundred square miles; explorers declare that it is one of the finest timber limits in these latitudes, and the work will be started at the opening of navigation next month.

THE REVENUE.

Nothing shows more clearly and distinctly the recent progress of Newfoundland than the contrast between the revenue of the Department of Agriculture and Mines for 1908-9 and the present year's collection. In 1908-9 the whole revenue for minerals and timber grants was \$54,000. This present year it will be \$250,000. The Anglo-American Company paid nearly as much in one cheque as the whole amount received in 1908-9. There is still an immense area of undeveloped timber lands both on Labrador and Newfoundland. The largest owners of all are the Reid's.

February 22, 1910. The figures for the fiscal year in our Colony show great and steady prosperity and advancement. The following are the figures given me today by the Minister of Finance and Customs:—Estimated Customs revenue for fiscal year \$330,000, over the amount received in 1908-9. There is still an immense area of undeveloped timber lands both on Labrador and Newfoundland. The largest owners of all are the Reid's.

May 20, 1910. The great Labrador pulp deal will involve the erection of three mills. A sum of \$54,000 will be paid to the Government, as rent for the first two years, and subsequently \$27,300. There are quite a number of other deals being negotiated, which will give immense employment. Labrador is a very large country, and the supply of timber is like the iron ore at Dell Island—simply inexhaustible. In the near future the Government will have a revenue from pulp and iron mines of \$200,000 a year.

June 13, 1910. "There is continued activity in the mineral areas, and several large pulp deals are in progress of negotiation."

June 24, 1910. In consequence of this regulation, United States pulp and paper companies are now erecting great pulp and paper works both in Newfoundland and Labrador, as well as in Canada.

One of these, at Hamilton Inlet, Labrador, and two other, located near the mouth of the St. Lawrence, have already commenced operations. Their grant covers 13,000 square miles of splendid forests. The several other new pulp projects with-

BANK OF NOVA SCOTIA.

INCORPORATED, 1832.

Information for Depositors.

The following certificate is attached to the 79th Annual Statement, published January 16th, 1911:

We have examined the books and accounts of the Bank of Nova Scotia at its Head Office, Halifax, at the General Manager's Office, Toronto, and at seven of the principal branches, and we have been duly furnished with certified returns from the remaining branches and with all information and explanations required by us. The Bank's investments and the other securities and cash on hand at the branches visited have been verified by us and they are in accordance with the books; and we certify that we have examined the foregoing general statement and that in our opinion it is properly drawn up so as to exhibit a true and correct view of the Bank's affairs as at 31st December, 1910.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

The Books and Annual Statements of the Bank have been submitted to independent audit annually, beginning 1906.

in our Colony are controlled by English and United States capitalists. The head of the Department, Mr. Taylor, tells me that there are over one hundred applicants for pulp areas, besides those I have mentioned. There is a large grant at Sandwich Bay, Labrador, to an English capitalist, Mr. Phillips.

November 9, 1910. Another large pulp factory is being erected at St. George's Bay for United States capitalists. It will begin operations with an output of 200 tons per day, which will gradually be materially increased.

January 18, 1911. An important pulp deal is announced. A tract of timber land at Hamilton Inlet, on the Labrador coast, nearly 10,000 square miles in extent, has been sold to an English capitalist.

February 3, 1911. It is reported that a very big pulp and timber deal has been concluded with British capitalists. It embraces 9,700 square miles of fine timber country on Hamilton Inlet, Labrador. The lessees give a Government rental of \$38,400, and have now sold it to an English syndicate at a big profit. It is gratifying to see that British capitalists are waking up to the importance of Newfoundland and Labrador as a field for enterprise in this direction.

June 29, 1911. Owing to the progressive policy of Sir E. Morris's administration with regard to pulp and mineral areas, the revised figures showing a total of upwards of \$250,000 (\$251,369) (Standard of Empire Correspondent). One of the causes which have contributed to the present attitude of the United States in seeking a reciprocal treaty with Canada and Newfoundland is the great demand for pulp wood in the States. Several of the great paper makers have purchased extensive wood areas, and are building mills in Canada. One of the very largest contracts has just been given to the Reid's, from here to Hamilton Inlet, Labrador. It is understood that they will build three mills on their big grant of thirteen thousand eight hundred square miles of densely wooded timber areas.

Then I would direct your attention to the following extract from a specially prepared article evidently written on behalf of land speculators in this city. It was published in the "Standard of Empire" under date January 3, 1910 by

"A Special Correspondent."

This is the extract I refer to:—

"In order to offer every possible encouragement to the outside capitalist, the Government of the country offers most generous terms for the leasing of their timber lands. The price as compared with the timber areas of Canada and the United States on the one hand, or Scandinavia on the other, is ridiculously low.

All persons desirous of acquiring from the Crown timber areas in the country must approach in the first place the office of the Minister of Agriculture and Mines. I visited this department where I was shown a map of the country, from which it appears that every available square inch of timber land in the Colony has been disposed of by the Government to different individuals. It would seem from this, therefore, in so far as timber for either the lumber or pulp industry is concerned, there is no opening to the British capitalist; if he wants to get it on the 'ground floor' terms, and become one of the pioneers of this country's future development.

But this is not so, for the reason that though every square inch of the available timber lands of the country has been disposed of by the Government, the bulk of it has been granted to those shrewd inhabitants of the Colony who, foreseeing the inevitable boom in the timber lands of the country, have acquired the areas from a speculative point of view, and hundreds of square miles can be acquired to-day from the natives at a very small margin of profit over and above the nominal sums which they paid to the Government in recognition of the concessions issued to them.

Many of these properties, of course, have already been disposed of, and others are now under option or negotiation. United States capitalists are unfortunately the largest buyers of timber lands, and already control extensive areas of the finest timber in the Colony, but from enquiries which I have made it appears there are at present about 6000 square miles of timber land now open for sale by private owners. Practically the whole of this is well watered and admirably situated for the establishment of lumber and pulp mills. The majority of it has been granted (and so can be purchased) in blocks of from 200 to 600 square miles. The price at which these areas can be acquired is very varied, according to location, from anything between one

dollar, and five dollars per acre. The majority of these forest lands are estimated to lie between ten and twenty cords of pulp wood to the acre. A cord and a half of wood will make a ton of paper so that on the basis of twenty cords we have a yield of fifteen tons to the acre; or, in other words at a dollar per acre, it will work out about 3d. per ton of paper. At a conference early this spring at St. John's, the Prime Minister said that assuming the value of the timber land of the Colony to be \$15,000 per square mile the 'valuation' of this wooded territory would be, in potential labour alone \$350,000,000.

The man who can go there now and put down his gold can acquire timber areas which within the next few years will yield to him many hundred per cent. profit, whilst in the meantime his investment costs nothing to keep and is as safe and sure as the finest of city freeholds."

In these extracts we have a persistent effort to inveigle the British public into this timber lands scheme. Is this a scheme to which the Government and the Legislature of this Colony should lend themselves? If we adopt this bill we must certainly do lend ourselves to it. There will be a rude awakening for this country if British investors discover that they have been cruelly deceived and deliberately defrauded. The fair name of this Colony is at stake. The future credit of the Colony is endangered by this land scheme, and we as public trustees should look to it. I lay it down as a sound principle that before the Government seeks to make any alteration in the Crown Lands Act, 1903, they should by the enforcement of that Act get back these fifty million acres of land with which I have been dealing in the public domain. If the bill does not become law these fifty million acres must revert to the Crown because of non-compliance with the law under which the applications were approved. But, Sir, let this bill become law and that vast area may remain locked up in the hands of speculators and land grabbers for the next three years. When those lands have reverted to the Crown steps should immediately be taken to have them examined, reported upon, and such as may properly be described as forest areas plotted and laid off on a plan. If the Government then determined to sell or lease, the purchaser or lessee would know what he was getting for. This is precisely what all other Governments have done. Then again, every civilized country in the world with the exception of China and Turkey is conserving its forest areas, recognizing that at the present rate of consumption in thirty years from now there must ensue a timber famine unless reforestation and conservation takes place. We are giving out our forest lands to any one who applies for them for the sake of a few immediate dollars return in rental and bounty and we are permitting indiscriminate cutting without any return in all directions. Perhaps I shall be asked, are we to obtain no revenue from these lands? Perhaps it may be contended that owing to natural obstacles pulp mills must be advantageously operated on the Labrador.

My Answer is That the Government Should Hold the Balance of Our Timber Areas Here and on the Labrador as Feeders for Pulp Mills Erected and to be Erected in Newfoundland.

If the climate of the Labrador is adverse to the successful operation of mills down there, then the pulp wood may as easily be transferred to this country for the building up of a great pulp and paper industry, as it can be to any other country, and from this extern supply the Colony can swell its revenue and enormously increase the demand for labor. Nothing would compensate us for the loss the Colony would sustain by the export of its pulp wood to foreign countries. Entertaining the views I have expressed in relation to this matter, I cannot do other than vote against this bill.

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