THE DISPOSAL OF WESTERN TIMBER LIMITS—POLICIES PAST AND PRESENT

Ottawa, Feb. 4.—The Minister of the Interior spoke to-day in the debate on the disposal of western timber limits. His address in part follows, taken from Hansard:

Mr. OLIVER. We have had the benefit of the opinions of our friends on the other side for a matter of two days debate. The government has been attacked in its policy and its administration. The country has been informed that under that policy and administration its resources have been squandered and its treasury has been robbed. Would it be out of place to say that our friends on the other side have assumed a policy to exist which has not existed in connection with the administration of the timber resources of the country for a matter of twenty-five years? They have assumed that the timber resources of the country are administered by the government on the policy of revenue from the sale of standing timber. Now, our friends opposite know, as everybody who gives any attention to the matter must know, that for a period of twenty-five years under the late administration, and under the present administration, the policy of that government and of this government, in administering the timber of the country, has been to secure the development of a lumbering industry, and not to secure a price for the standing timber. It is true, the late government did, in 1879, embody in the Dominion Lands Act a provision which contemplated dealing with the timber resources of the country with a view to revenue from the sale of standing timber. That Act provided in good, fair terms for the setting apart of timber lands, for the sale of timber in competition, for the payment of a bonus, and generally speaking provided for regulations looking to a revenue to be derived from the sale of the timber resources of the country. That was the policy which prevailed at the time in eastern Canada, and I presume that the government thought that what was good in eastern Canada must necessarily be good in western Canada; so the policy of eatsern Canada was adopted by them for western Canada. But the conditions were different. The conditions prevailing in western Canada at the time that Act was passed resembled the conditions which prevailed in western Canada many years before, to which the hon. member for South Lanark (Mr. Haggart) and the hon. member for Argenteuil (Mr. Perley) alluded during their remarks. There was need of securing the investment of capital in the lumbering industry in order that the standing timber might be turned into lumber for the use of the people of the country at a reasonable price. They found that the policy which was a sound and good policy under the conditions prevailing in eastern Canada was not a sound and good policy in the conditions prevailing in western Canada; and we find that in 1881 they abandoned the attempt to raise a revenue from the sale of standing timber, becoming satisfied that that was not a practicable policy. I will take the liberty of reading just what they say in the regulations of May 18, 1881:

With a view to encouraging settlement by cheapening the cost of building material the government reserves the right to grant from time to time leases or licenses, as the case may be, under and in accordance with the provisions in that behalf from time to time of the Dominion Lands Act, to cut merchantable timber on any lands owned by it; and settlement upon or sale of lands within the territory covered by such shall, for the time being, be subject to the operation of such leases or licenses.

In the regulations of November 11, 1881, the following conditions are made: that the licensee shall pay a ground-rent of $7 per square mile; that he shall also pay a royalty of 5 per cent. on the sale of all products of the berth; that where two or more parties apply for a license for the same timber limit, their competitive tender shall be invited, and the one offering the highest sum in addition to the annual ground rent shall be granted the berth; and that there shall be a renewal of the license for a year in case the licensee has fully complied with the conditions, and no portion of the berth is required for settlement or other public purposes. That is to say, the government found that the policy of undertaking to derive a revenue from the sale of the standing timber did not conduce to the welfare and progress and settlement of the country, and they abandoned it and deliberately adopted the principle—to quote the words of our hon. friends opposite—of handing over as a free gift valuable areas of timber to those who would operate those areas and turn the timber into lumber so that it could be bought and used by settlers.

What I want to point out is that in policy and principle the same conditions of dealings with timber have prevailed for twenty-five years. And that those conditions were found to be necessary by our hon. friends opposite. They had to abandon of their own motion the position they first took, that the standing timber should be a source of revenue to the country.

Mr. R. L. BORDEN. The hon. gentleman says that the condition as to the operation of a sawmill was not in force. I am not very familiar with the facts but I gather from this and previous debates, during previous sessions as well, that a very large area—I think about 29,000 square miles—which was granted by the Conservative administration between 1878 and 1896, was in the end almost completely given up by reason of the enforcement of these conditions. If not, for what reason were they given up?

Mr. OLIVER. It is difficult, in making a statement such as I desire to put before the House, to give the facts without casting reflection when questions are asked. But since my hon. friend has asked the question, I suppose I shall have to answer. I hold here a number of copies of leases which were issued. Among them is a lease to my hon. friend for Beauharnois (Mr. Bergeron). The order in council was granted on February 3rd, 1883.

Certified copy of a report of a committee of the hon. the Privy Council, approved by his Excellency the Governor General in Council, on February 3, 1883.

On a memorandum dated January 24, 1883, from the Minister of the Interior, submitting an application from Mr. J. G. H. Bergeron, of Montreal, for a yearly license to cut timber on a berth as shown on the annexed sketch, and coloured in pink, of 50 square miles, more or less, on the west side of Dauphin river, in the province of Manitoba, more particularly described as follows:

Commencing at the discharge of Lake Dauphin into the Dauphin river; thence due west six miles; thence due north eight and a one-third miles; thence due east six miles, more or less to the river; thence southerly along the river to the place of beginning.

The minister recommends that the license be granted, on the terms and under the conditions of the regulations approved by order in council of November 11, 1881, subject to any prior grant or reserve, and upon the survey of the berth being made within one year under instructions.

The committee advise that a license be granted as recommended.

That order in council stood until the 23rd of October, 1888,—for a period of five years—and there never was a mill erected.

My hon. friend says there was no license issued in this case. True, there was none and in the large majority of cases there was no license issued, but in this case as in others, very evident acts of ownership were exercised. For instance I have here a certified copy of the report of council dated 15th of December, 1882, being an application from D. Tisdale for a yearly license, to cut timber on a berth 50 miles square.

Mr. D. Tisdale applied on October 31, 1882, for a berth of 50 square miles in townships 24 and 25, range 23, and township 25, range 22, west of the first meridian. This berth, No. 126, was granted by order in council of December 15, 1882. Mr. Tisdale did not make any payment in connection with this berth.

On August 27, 1883, Mr. Tisdale applied for another 50 square miles in berth of townships 23 and 24, range 26, west of the first meridian, but was advised that as he already had a berth of 50 square miles he could not be granted additional requested cancellation of berth given him as there was not any timber thereon, and asked for a berth of 50 square miles on the south shore of Lake Minnietakie. This berth, No. 349, was granted in lieu of berth No. 136 by order in council of December 6, 1883. On March 2,1885, Mr. Tisdale requested cancellation of berths as the timber thereon did not justify the expense of survey. The berth was cancelled by order in council of May 29, 1885.

There is no question that this order in council did set apart the timber on that area for the exclusive use and benefit of D. Tisdale and there is no doubt that he did exercise the rights of a proprietor upon that area as against any other citizens of Canada, with the consent of the government of that day. I am not charging any thing improper; but am pointing out the fact that Mr. Tisdale did exercise the right of ownership in that land in as much as he traded it off for another tract which was more convenient.

I am not suggesting that there was the slightest impropriety in this. The government was anxious to have thepeople with money go in and develop the timber resources of the country and they made this offer, which for the moment, I am assuming was a wide-open offer. Mr. Tisdale came forward, he was granted a berth, it did not suit him and he got it exchanged for another. As time rolled on he found it was not a practicable proposition, and he gave it up. There was nothing improper in that so far as I can see, if it is considered from the standpoint which I claim it should properly be considered from, the standpoint of the desirability of interesting capital in the development of the timber resources of the country of that day. I do not wish to say this in any offensive sense but I wish to show hon. gentlemen opposite how their argument, the argument they have twisted and turned and repeated, applies in this and the 213 other cases practically of the same nature granted in one year by the Conservative administration. Mr. Tisdale held a right on this timber berth for a matter of three years. He never paid any rent upon it, and at no time had he been fortunate enough to be able to sell that right, which he had to sell. If he could have sold it he would have been entitled to claim his license and operations might have been carried on.

This is exactly the case of the celebrated Galway Horse and Cattle lease which my hon. friends have never tired of holding this country as being a most corrupt or incompetent transaction, a case of corruption on the part of the gentlemen interested or of incompetence on my part. I say there was nothing improper from my point of view in this transaction with Mr. Tisdale and nothing improper in the fact that H. P. Brown held his right under his order in council until he was able to claim that right and exercise it. If it was wrong for H. P. Brown or his assignee the Galway Horse and Cattle Company, surely my hon. friend cannot say it was not just as wrong in the 450 cases which they assisted in administering under the regulations and under these orders in council.

But it is thoroughly established that the government of that day, as well as the government of to-day, was dealing with the question of the administration of the timber with a view to development and not to revenue. I cannot emphasize that point more strongly that it is emphasized by the facts already placed before the House. Either their principle was that they were dealing with the timber with a view to development rather than revenue, or they have put on record one of the most outrageous pieces of jobbery that ever this country saw.

Now what was the policy that has been followed right along? It has been well said that lumber is one of the first necessities in the settlement of that country. In order that there may be lumber there must be capital invested ,and the larger the capital invested the more cheaply lumber can be produced. That is an elementary proposition that every one will agree to. Now from 1881 until the 19th of December, 1907, the practice of the old government, was first come first served. The man first asking the timber, it was his for the taking unless more than one man wanted it, and then the question of which should have it was decided by competition. It is upon that principle that our friends on the other side have built up this stupendous charge of jobbery, of corruption and waste of natural resources that we have heard from them during the list few days.

Now what has been the success of the efforts made in regard to the development of that country in that respect? In 1881 there was a total lumber cut—giving only round figures—of 13,000,000 feet, and lumber sales of 12,000,000 feet. In 1896 the lumber cut was 22,000,000feet, and the sales 22,000,300 feet. These figures refer to Manitoba and the Northwest and the railway belt of British Columbia. That was less than a three fold increase in sixteen years. The policy and purpose of the administration then was toget out the lumber and as a result of that policy and administration they were successful in nearly trebling the cut in sixteen years. For the nine months ending March 31, 1907, the lumber cut was 141,000,000 feet, and the lumber sales 128,000,000 feet. That is to say, taking nine months instead of a year, there was a four fold increase under the administration of this government in ten years as against a less than three fold increase under the administration of our friends opposite in sixteen years. Now both the governments were striving for the same thing—to get the lumber cut, to get it on the market so that settlers could buy and use it. While I have nothing to say at this stage of the discussion in condemnation of the policy of of the late government in that connection I must point out the policy in both cases being the same—the enormously greater success of this government in achieving development that these records show.

In regard to the number of mills, there were 55 in 1896, and 99 in 1907. It may be interesting to know where the increase of mills took place. In the Winnipeg district there were 29 mills in 1896, and 29 in 1907; in Edmonton, 2 in 1896, and 16 in 1907; in Calgary, 10 in 1896, and 13 in 1907; in Prince Albert, 3 in 1896, and 6 in 1907; in Westminster, 11 in 1896, and 25 in 1907. I think it is fair to say that having succeeded to the extent this government has succeeded in securing the development of the lumber industry, and having secured that development by the alienation of a total of something less than 8,000 square miles of timber, their administration stands in a much more favorable light than the administration of their predecessors, who, with the alienation of some 30,000 square miles of timber, only succeeded in getting a lumber cut of 34,000,000 feet in the year 1896.

Now a word as to the plight in which the people of Winnipeg are left by the immense alienation of timber by this government and the terrible plight of the people of Saskatchewan and Alberta. Our friends opposite have mourned over the results that will come to these people because of this stupendous alienation of timber. They would have the country believe that the timber is all alienated, or practically so. What was the alienation of 30,000 square miles which they provided for under their administration.

If there were then in the country 30,000 square miles of timber to be alienated and there have now been alienated some 8,000 square miles, there is a balance of more than three times as much remaining to be alienated of timber land that these hon. gentlemen said was timber land and in all probability was timber land.

I do not think it really profitable to bring in these matters, but seeing that they have been brought in I might take the opportunity to repeat that the timber limit which the hon. member for Argenteuil (Mr. Perley) got as a free gift on the 21st December, 1882, upon which he paid one year's ground rent, over which he had the right to exercise proprietorship for a period of six years, which he then gave up as being of no value, and which was of no value, is a part of the very limit that the hon. friend (Mr. Ames) has estimated to be worth I think half a million dollars. Is there not some explanation to be made by our friends on the other side of the House in this connection? They have revelled in stupendous figures as to the value of these timber limits. They have given out to the country that this government has robbed the people of hundreds of thousands, and millions of dollars that they have absolutely prevented the people of Winnipeg and of the prairies from getting timber because it is in the hands of some of these speculators. The timber has been alienated, but it has not run away. It is there on the ground yet just as it was before and it is not worth anything to any man who gets it unless he is willing to convert it into lumber. The timber is there to be used by the people of Winnipeg, to be used by the people of the prairies whether it is in the hands of the Imperial Pulp company or in the hands of Mr. Fraser, or in whoever else's hands it may be, and these men can only get money out of it by manufacturing the lumber and selling it at market prices to the people who need it. Men who have invested their money in these timber limits have to follow their money with their mills or their money is dead and dormant.

Mr. FOSTER. That applies only to the ultimate investment.

Mr. OLIVER. To the ultimate investment. There may be speculative transactions intervening, but there is no value in that timber until it becomes lumber and is put upon the market to be used by the consumer and the only value is the value that the consumer is willing and able to pay for the lumber.

In regard to the stupendous values. That hon. member for St. Antoine gives $500,000 as the value of the Cedar Lake limit. Does my hon. friend who gave that value know that at the present time and under present conditions a timber limit on Cedar Lake is of no more actual value as a working proposition, so far as my poor judgment goes, than if it were in the moon? It is of no more value today than it was when the hon. member for Argenteuil acquired an interest there. It is just as near Winnipeg today as it was then. Lumber was dearer in Winnipeg then than it is today. It was not worth anything then and it is not worth anything more as a working proposition now. It has a speculative value and my hon. friend has regaled this House and attempted to spread throughout the country the idea that this government is robbing the country of that speculative value. I do not know that it is necessary to emphasize that statement; it is so utterly absurd that I am sure that even my hon. friend will himself be able to see it. There were during the past year or two town lots in Winnipeg, in Regina, in Saskatoon, in Edmonton and other places in the Northwest; perhaps my hon. friend acquired an interest in some of these town lots when he was up there. They had a speculative value running into millions and millions and millions, because they were being bought and sold on the market in those days. They had a value which is as legitimate a value as my hon. friend has put on the Cedar lake limit.

Mr. AMES. I only put that value on the Cedar Lake limit because the agent of the company put that value upon it.

Mr. OLIVER. Precisely, just the same as the real estate man to whom my hon. friend went for prices put a value on suburban lots in Saskatoon and Edmonton.

I had the privilege of making a trip through the Boundary Creek country of British Columbia a few years ago when that country was being developed and when a number of mines were being operated to a certain extent. I had the pleasure of meeting my hon. friend from Yale-Cariboo (Mr. Ross) at that time. There were millions of dollars being invested in that country in speculative values; there were hundreds of thousands if not millions of dollars invested in actual operation of mines; but there was not a dollar being produced from minerals in all that country and there could not be until a railroad was built. And yet the country was booming, mines were thought to be worth all kinds of money and everybody was a millionaire. I had the pleasure of travelling with a gentleman well known inCanada, Mr. George Ham, and Mr. Ham remarked that it was the most prosperous country he had ever seen and that the people were the happiest; because while in other countries there might be some people who were poor, in that country he met no one who was not a millionaire except one who was a billionaire. The wealth of the people was as plain as daylight; every man of them could prove it to you with pencil and paper; there was no argument about it any more than there was about my hon. friend's statement with regard to the timber limits; every man there told you so; "I have a claim that is so many feet long and as many feet wide, it runs so many dollars to the ton, there are so many tons, and the difference between the cost of production and the product is so much, it is my mine, it is worth a million. All that in face of the fact that perhaps the man could not pay for his next meal. And to-day although that country has been developed and although ore is being produced at the rate of millions of dollars, you could buy ninety-nine one hundredths of those claims today for anything you would choose to give for them. Perhaps my hon. friend from North Toronto (Mr. Foster) knows more about that than I do.

If these speculative values are there, how is it that every man on this side of the House allied with the government and having the back door entry that gentlemen opposite think exists, are not all millionaires.

Mr. FOSTER. There are a few very smart fellows who won't let the others in.

Mr. OLIVER. My hon. friend says there are a few very smart ones who will not let the others in. Well, there are smart men on the other side of the House, and let me point this out to my hon. friend: it has not been alleged, and if alleged it cannot be proven, that under the system of tendering for timber limits which has prevailed since the year 1896, a gentleman who sits on the other side of the House did not have just as good a chance to put his money into a speculative timber venture as a gentleman who sits on this side of the House. There may be allegations on that point, but the facts are here to prove that there was no restriction in the past which confined the purchase of timber limits to a member on this side of the House. I say that the principle of dealing with these timber limits is that they should be developed; that lumber should be cut upon them, that in order that they should be developed it was necessary that they should get into private hands, and that they were free to the first comer for twenty-five years. The first comer applied for a timber berth got it unless somebody bid more than he did in the competition. Now, according to the records of my hon. friend there have been 8,000 miles alienated and there remain some 20,000 miles to alienate. Why have these gentlemen opposite not been up and doing; why have they not asked the timber to be put up to public tender and taken their chances on getting it? It is because they know that the arguments advanced by the hon. member (Mr. Ames) have absolutely no foundation in fact; not any more foundation in fact than the values of these suburban lots in the cities of the Northwest or of these Boundary Creek mining claims of which I have spoken. These gentlemen know that and if they did not know it they certainly have been acting with more disregard to their own interests than any set of men can justify themselves in doing. They might have been up and out after these limits, but they knew the limits did not have the value they place on them. They knew that between the requirement of a timber limit and the earning of a dividend, and the actual sawmill operations, there is a tremendous gap which has to be bridged by the application of capital, energy, intelligence and business sagacity. It is not every man who acquires a timber limit, nor is it every man who builds a mill who is able to arrive at a point of successful management of a lumber business. My hon. friend (Mr. Ames) has said that there is 40 per cent of the timber which has been alienated for purely speculative purposes. I say it is a good thing that there is not more than than, and that under all the circumstances it is satisfactory to show that 60 per cent of all alienations are either now under operation or are in the way of coming under operation.

Now, my hon. friend in his argument of sympathy for the people who have been robbed of their rights, accuses this government of having a wasteful policy and a corrupt administration—perhaps he does not lay so much stress upon the corrupt administration as he does upon the wasteful policy. He says that the government has not taken any proper regard to the conservation of these timber resources. I say that so far as the evidence has gone, the fact that we have secured a cut of such an enormous amount of timber with such a small alienation of land as compared with anything that has been done before, is evidence on that point. But that is not all. It is now two years since the policy of setting apart forest reserves was entered upon by this government, and under that policy there is now held in reservation in Manitoba, Saskatchewan, Alberta and British Columbia 5,391 square miles of forest reserves, nearly as much as the total alienation of timber during the years of this government's administration. And besides that, we have special control of certain park reservations—the Rocky Mountain Park, 4,600 square miles; Yoho Park, 828 square miles, and Jasper Park, 5,000 square miles; a total of 10,904 square miles. We have the 5,391 square miles set apart for the reservation and recreation of the forest and the 10,904 square miles in what may be called pleasure parks, where we have special arrangements for the protection of timber. It is estimated by the gentleman who was in charge of the forestry branch of the Department of the Interior for the last year, a gentleman who has been alluded to by my hon. friend from St. Antoine (Mr. Ames) as being a reliable and honorable man, that we have in the west and in the railway belt 150,000 square miles of timbered lands, that is, lands containing valuable merchantable timber, or a total of 96,000,000 acres. I do not think, Mr. Speaker, that this government has anything to be ashamed of, but has everything to be proud of, in its administration of the timber lands of this country, judged by the purpose for which the lands are being administered. If we are working to one standard and are judged by another, naturally we must have the worst of the argument; but we deny the right of any one to judge us by other standards than those to which we are working, and to which our predecessors have worked. Applying to both governments the same standards, our administration stands far and away ahead of theirs.

There is an instance to which I wish to allude in this connection to emphasize the fallacious character of the arguments put forward by our friends on the other side They have been particularly strong on the idea that there was not a fair opportunity given to people to tender on timber limits, and that as a consequence the country lost enormous sums of money. The hon. member for Alberta (Mr. Herron), in following this line of argument—in which I presume he was instructed by my hon. friend from St. Antoine—instanced three cases in locality in which he was specially interested, and with which he was specially familiar. I am fairly familiar with that locality myself. These are the facts placed before the House by the Hon. member for Alberta. Berth 1157, thirty and one half square miles, five miles south of Coleman, on the Crow's Nest branch of the Canadian Pacific Railway; tenders opened April 6, 1904; there were two tenders; the applicant for the berth was not the successful tenderer. Berth 1114, eighteen and one-quarter square miles, in the same locality within a few miles of the railway; tenders opened December 30, 1903; there were three tenders—McDonald $2,327, McGuire $275, Sharp $51.50. The applicant was not successful. Berth 1115, seventeen square miles, in the same locality, quite close to the railroad; tenders opened December 30, 1903; there were three tenders—Frith $1,275, McGuire $255 Sharp $51.50. The applicant, Frith, was successful in this case. These three berths are estimated by the hon. member for Alberta to be of the value of $325,000. These tenders, as I have pointed out, were opened in December, 1903, and in April, 1904. There is no question of the sufficiency of the notice in these cases. There were thirty or forty or fifty days' notice given for limits within a stone's throw of a daily railway train. The berths were in close touch with large lumbering operations both east and west, within twenty or thirty miles of them, and all on the same line of railway. If these limits are worth $325,000, I want to know what my hon. friend from Alberta was doing when they were up for sale. Surely my hon. friend was not so wealthy that he could afford to allow an opportunity of profiting to the extent of a quarter of a million dollars to pass by for the sale of a paltry $600 or $1,300, or $2,000. Did my hon. friend believe that there was any such value in these limits? does any member on the other side of the House believe that there was any such value in them? The men who operated lumber mills in the immediate locality, who certainly are not philanthropists, as those of us who know anything about the investigations by the lumber combine committee of last session will admit; and is it to be supposed for an instant that these gentlemen would not, if they could, that lumber operation upon them, that in order that they should be developed it was necessary that they should get into private hands, and that they were free to the first comer and have been free to the first comer for twenty-five years. The first man who