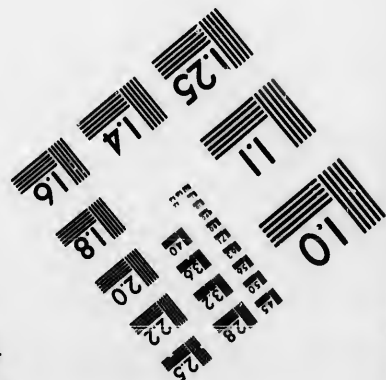
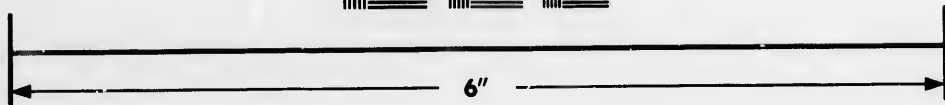
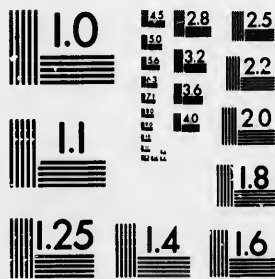


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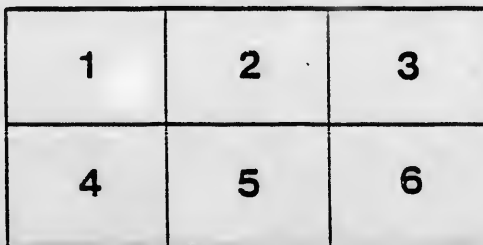
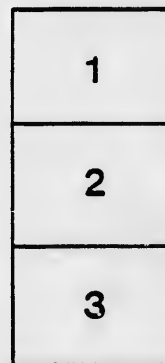
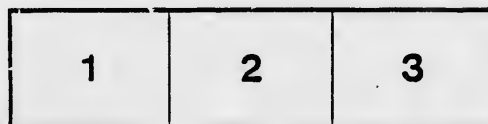
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PLAIN FACTS OF THE ENGLEDUÉ MINING CONCESSION.

Perhaps no action of the Ontario Government has been more persistently distorted and misrepresented than the granting of certain mining concessions to Colonel Engledue and his associates, better known as the "Engledue Syndicate." Mr. Whitney calls the grant a "deal"; he has even gone so far as to call it a "steal." Notwithstanding that Hon. Mr. Gibson, Commissioner of Crown Lands, has fully answered at different times the criticisms of the leader of the Opposition, and shown the absurdity of the position taken by him, he still persists in the use of strong language and much misrepresentation in his fruitless endeavors to make a point against the Government in this connection. There is nothing in the nature of dissatisfaction in the western part of the Province, where the facts are best known, and in the older portion of Ontario people everywhere have come to the conclusion that in this matter the Government have done an excellent stroke of business. A brief narrative of the facts will show that the Opposition leader is either ignorant or dishonest in his publicly expressed views of this transaction, and that his professed suspicions of the *bona fides* of the Government in the matter are unworthy both of himself and them.

ONTARIO'S MINERAL WEALTH.

The people of Ontario are beginning to realize the value of the vast heritage in the northwestern part of the Province which was secured to them by the vigilance and determination of Sir Oliver Mowat and his colleagues, and in which not one "stick of timber," not "one lump of lead, iron or gold," would have been their property had the Conservative Government at Ottawa—backed up by the local Opposition—had its way. Discoveries of gold and other metals have followed fast upon one another in northwestern Ontario during the past few years, and bright hopes were warranted that if capital could be interested in undertaking serious development work a permanent industry, particularly in gold mining, would be established. That this object of ambition was a worthy one on the part of any Government, not even Mr. Whitney will deny. There is no better market for manufactured goods and agricultural produce than a mining camp in steady operation. Large quantities of all kinds of supplies, of flour, pork, beef, butter, cheese, vegetables, fruits, etc., are required by a mining population, which is usually precluded from growing any-

thing for its own use by the unsuitableness of the ground on which it is situated. To meet the varied demands of such a community means better times for manufacturers and better prices for farmers. No more successful means could be found of settling the wild agricultural lands of the Crown in northern and western Ontario than the opening up in their vicinity of a large and prosperous industry with its thousands of busy miners to be clothed, housed and fed.

THE NEED OF CAPITAL TO DEVELOP IT.

There was no question as to the importance of the end; the only difficulty lay in bringing it about. Capital is capricious, and there are fashions in investments just as there are in ladies' bonnets. There are other gold fields in the world, and for a number of years the United States, South Africa, West Australia, and, more recently, British Columbia, have been engaging the attention of investors in Great Britain, the money centre of the world, to the exclusion of other countries. But the agitation for free silver was undermining the confidence of British investors in the future of the United States; political disturbances in South Africa were rendering hazardous gold mining ventures in that part of the world; and it was being found that in West Australia the undoubted richness of the deposits was offset by the want of water, fuel and other necessaries for working them. The time appeared opportune to make a departure from the ordinary methods of dealing with the mineral resources of Ontario, not necessarily by permanently changing the Government's mining policy, but by attempting to divert a part of the stream of British capital to our own Province. Here was a great expanse of unexplored territory, proven by prospectors and miners in various places to be gold bearing, and here were not only abundance of wood and water, a plentiful supply of efficient labor, facilities of transportation, ease of access, but also stability of institutions and security of life and property as great as in any other part of the British Empire.

THE ENGLEDDUE LICENSE; ITS TERMS AND CONDITIONS.

The opportunity presented itself to the Government in the summer of 1896, when Col. W.T. Engledue, of Byfleet, Surrey, England, paid a visit to the Lake of the Woods country and became interested in what is now the well known Mikado mine. He made overtures to the then Commissioner of Crown Lands (Hon. Mr. Hardy) for a concession in the nature of the exclusive right to prospect over a large tract of land in the mineral belt, upon terms to be agreed on. Negotiations were entered into and an arrangement was finally made through the present Commissioner,

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by which Col. Engledue, James Reid and J. K. Kerr were granted a license of occupation covering two blocks of land, called Blocks "A" and "B", containing about 15,000 acres and 31,000 acres respectively, and situated the one north of the Shoal lake district on Seine river, and the other west of Lake of the Woods. The licensees were accorded the right to explore the territory included in these blocks and to develop mines thereon for three years from 1st May, 1897, and on their part were bound to expend in actual exploring and development work \$30,000 in the first year, \$40,000 in the second year, and \$50,000 in the third year. During the first year not less than \$10,000 was to be spent on either one of the blocks, and the remaining \$20,000 on the other. The sum of \$20,000 was deposited with the Government as evidence of good faith, to be forfeited in default of the stipulated expenditure during the first two years. Any lands upon which discoveries of mineral were made by the licensees were to be sold or leased to them on the ordinary conditions and at the ordinary terms prescribed by the Mines Act. If during the first or second year either block was surrendered to the Crown one-half the sum deposited was to be refunded. The terms of the license were such as to carefully protect the public interest, and were quite as stringent respecting development work as the ordinary mining law. The latter, as it then stood, required that patentees or owners of land on which mineral had been found should expend \$4 per acre within the first seven years, while the license of occupation obliged the syndicate to spend \$2 per acre in three years, and from the nature of the case the money had mainly to be laid out not in developing known finds, but in attempting to locate deposits of mineral.

COMPARATIVE SMALLNESS OF THE AREAS GRANTED.

The total area of land covered by the license of occupation was about 46,000 acres—not more than is contained in a fair sized township in the older parts of the Province. It was a very small proportion indeed of the mineral-bearing belt of northwestern Ontario. It has been estimated by Prof. Coleman, of the Bureau of Mines, that in the region stretching from Lake Superior to Lake of the Woods, and lying south of the Canadian Pacific Railway, there is an area of land in which gold has been found in many places, and which may fairly be described as gold bearing, at least 260 miles long by 120 miles broad, or containing 20,000,000 acres. The granting of the Engledue license of occupation left 19,952,000 acres open for general exploration; in other words, one acre only in every 435 of this one gold field was comprised in the two blocks. In the districts of

Thunder Bay, Algoma and Nipissing outside of the above area, and south of the height of land, there are tracts of mineral-bearing land of nearly equal extent, so that only about one-eight hundredth or one-nine hundredth of the known mineral-bearing formations of northern Ontario was placed under license of occupation to the Engledue syndicate. A farmer owning a farm of eight or nine hundred acres would not be deemed improvident if he gave a prospector the privilege of exploring a single acre of his land with the right to purchase any part of it, on terms fixed by himself.

THE LANDS UNKNOWN AND UNEXPLORED.

The areas chosen, while believed to be within the mineral belt, were wholly unknown and unexplored; they were miles away from the nearest known occurrence of gold, and if anything of value existed upon them it was outside the knowledge alike of the Government and the syndicate. As to Block "A" lying north of the Seine river, not a single application for mining land within it had been received by the Department of Crown Lands at the time the arrangement was concluded, nor for many miles to the north, east and west. The nearest known gold-bearing lands lay to the south, five miles away. Only three locations had been surveyed, and a few small applications made for land in Block "B," the nearest known gold mining property to which was four and a half miles distant.

Mr. Whitney has repeatedly stated his belief that these blocks were known by the syndicate to contain valuable gold lands previous to their making application for them, and has sought to fasten upon the government a charge of improper dealing in thus granting large areas of mining land of known value in this wholesale way. To refute this charge it is sufficient to point out that if Col. Engledue and his associates were aware of the existence of gold veins or other deposits of mineral on either of these blocks, it would have been the easiest thing in the world for them to have obtained possession of them in the ordinary way by applying for, surveying and paying for them. Why go to so much trouble and undertake to expend so much money for the purpose of securing discoveries already made, when title to them could be obtained so much more cheaply and simply? A moment's reflection will convince anyone, not a partisan, that Mr. Whitney's idea is absurd.

But if further proof is wanted, it is supplied by the manner of selecting the blocks, as shown in the additional correspondence submitted to the Legislature in this matter at its late session. The selection was left entirely in the hands of Mr. A. Blue, the Director of the Bureau of Mines, who represented the Government during the negotiations. No preference

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was expressed by Col. Engledue or his associates for any one locality over another. As a matter of fact, all were equally unknown to them.

In making his choice, Mr. Blue was, as he says, guided by the following considerations: (1) Having in view the public interest, it was better that the concession should consist of two tracts of small area in different parts of the country than of one tract of large extent; (2) the tracts should be in unexplored territory; (3) as far as practicable they should possess natural boundaries; (4) in their geological formations they should appear to be favorable to the occurrence of metalliferous veins. With geological data and maps before him, Mr. Blue selected the areas known as Blocks "A" and "B," which appeared to fulfil the above conditions, and they were accepted by the syndicate without question or demur. Their mineral value was entirely unascertained, and even their geological relations were not absolutely certain, for while the geology of the region had been roughly worked out, minute details were wanting. So far as the maps showed, the tracts contained Laurentian and Huronian formations, and eruptive granite, but whatever their value may turn out to be, the fact remains that they were chosen by the Government and not by the syndicate. Ample confirmation of this is found in the statements of the company's managers given below.

THE LICENSEES MEN OF STANDING AND SUBSTANCE.

The licensees were men of standing and position in the financial world of Great Britain—men accustomed to carry on mining enterprises on a large scale and possessing access to large amounts of capital. Col. Engledue himself was in 1891 entrusted by the Government of Lord Salisbury with an important mission of inquiry as to the condition of the Highland crofters settled in British Columbia, and had been connected with a group of capitalists who for some time were engaged in exploring tracts of mineral land under a concession from the Government of the Transvaal Republic in South Africa. Mr. Reid was a former resident of Ontario, but has for some years been living in England, where he is known as a man of enterprise and substance. Mr. Whitney has sought to make it appear that the connection of Mr. J. K. Kerr with the enterprise in some way involved the Government in an act of politics! favoritism, because of that gentleman's well-known Liberal opinions, and he has insinuated that after Mr. Kerr became so connected, the Government dealt more generously with the syndicate than they were disposed to do previously. Mr. Kerr's letter, published in the Sessional papers, shows that his position was merely that of a legal agent, entrusted with the duty of looking after

the interests of the licensees on the spot. He has since surrendered his trust and is no longer connected with the project. "I do not hold and never have held any shares in the company which has taken over and is operating the license of occupation," Mr. Kerr says, "nor has the company been nor is it in any way indebted to me in respect of the same, except for some trifling professional charges payable to my firm."

ACTIVE AND VIGOROUS OPERATIONS.

A company, known as The Ontario Government Gold Concessions, Limited, has been formed, with a capital of £80,000, stg., for the purpose of taking over the concession and exploring the lands, the shareholders being well-known capitalists of London, nearly all of whom are reputed to be millionaires. The ability of this company to supply the necessary means for a thorough exploration of the lands covered by the concession, is undoubted, and the advantages to be derived by the mining industry of the Province from the allying of such men with it can hardly be over-estimated.

In July last, or as soon as the fly season was over and men could live and work comfortably in the woods, two directors of the company, Messrs. Reid and Peake-Mason, came out from England and at once made arrangements for the vigorous carrying on of the work of exploring the lands, as they were bound to do by the terms of the license of occupation. They engaged two men of skill and experience in the mining profession—Messrs. Alan Sullivan, C. E., and Thomas R. Deacon, O. L. S., both of Rat Portage, to act as managers of Blocks "A" and "B" respectively. Ample funds for defraying expenses were placed at the credit of these gentlemen in the Imperial Bank at Rat Portage, a force of twenty-five or thirty competent prospectors was engaged for each of the blocks, the men were fully equipped with tools, explosives, etc., provisions and supplies of all kinds were laid in and an active campaign at once begun. Mr. Sullivan's method in Block A was first of all to survey the area into lots of about eighty acres each, the survey lines being actually run on the ground and the posts numbered. His prospectors were then divided into pairs and certain lots assigned to each pair, which they were required to thoroughly examine before removing to another area, their method being as follows: the ridges are first carefully explored and followed to lot boundaries, then the low lying ground, the moss being removed wherever possible in a strip across the strike of the country rock. If the character of the rock is promising, two or even more parties are put on the lot together, the prospectors being under standing orders in all cases to exhaust every possible means of ascertaining whether a quartz deposit

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exists or not. If a vein is discovered, it is partially stripped by the prospectors, who also determine its strike, width and surface continuity, and samples are taken for preliminary tests. Should these prove favorable, development work is then proceeded with in the ordinary way. Mr. Deacon's plan of operations on Block "B" is much the same, except that he has subdivided the area into lots of 160 acres instead of eighty.

STATEMENTS BY THE COMPANY'S MANAGERS.

If the company had previous knowledge of valuable deposits of mineral on the blocks, it is reasonable to suppose that these would have been first explored and taken up. As to this, Mr. Deacon says in his letter laid before the Legislature :

"It has been stated that they, (the company), were in possession of secret information as to the value of these lands prior to their receiving their license of occupation. If such was the case, they have not yet deemed it expedient to reveal to their manager where these hidden treasures are, though I have expended nearly \$10,000 of their own money looking for them. The statement is made, and as manager of the company I have no hesitation in saying that it would not be made by any responsible man having any knowledge of the circumstances. My instructions were very brief and were simply to adopt what scheme my experience and judgment would suggest, and to keep a record for the company's use. No reference was made to any particular part of the location, nor was I advised to commence at any particular place, nor given any suggestions whatever as to which parts would prove the most profitable. I was simply instructed to explore the concession, and I am still engaged in that work."

With regard to results, Mr. Sullivan says that the exploration of Block "A" has shown its geological character to be different from what was at first believed. The large wedge of schist marked on the geological map does not exist in the interior of the block, which appears to have been absolutely unexplored either by white man or Indian, but bands of biotite schist are found which gradually merge into the mica granite observable almost everywhere along the shore. "While we have not yet found anything to be unhesitatingly recommended as a first rate deposit," says Mr. Sullivan, "there are two or three large fahlbands or dykes carrying gold in small proportions which the company will probably test by diamond drill next season. The mining to date has consisted solely of test pits; about twelve of these have been sunk, varying from ten to twelve feet in depth." Concluding his letter Mr. Sullivan states :

"I may say that this part of the company's land is being examined as carefully and closely as it is possible to do it; neither time, labor nor money is being spared to determine its resources; my explicit instructions are to examine everything and examine it thoroughly. Those employed are all Canadians, and the methods used are as much ahead of those of the ordinary prospector as a minute investigation is ahead of a passing glance."

Mr. Deacon states that about one-half of the area comprised in Block "B" has been gone over, and exploring will be resumed as soon as spring

opens. A number of veins, probably twenty-five or thirty, have been found, and about twenty-two pits of various depths have been sunk to test them. Some of them have proved to be worthless, and some of them are now undergoing development. On these work will go on all winter, and a diamond drill will probably also be set at work in the spring. While some veins that promise well have been discovered, no sensational finds have been made as yet, but the work of development will be pushed, and the ores thoroughly tested.

THE OBJECTS OF THE CONCESSION ACHIEVED.

The foregoing recital of facts is sufficient to show that the Government acted not only in perfect good faith, but with excellent judgment and sagacity. They were not afraid to leave the beaten path of the ordinary mining laws and regulations, but were prepared at the right moment to seize the opportunity of bringing the mineral resources of Ontario before the world. This object has been achieved, and English capital has come and is now coming in greater volume than ever before to assist in the development of those resources.

It is not a valid objection to say that the Government refused to entertain subsequent applications for similar concessions from other parties. There was no intention to make a permanent change in the mining policy of the country; and the attention of capitalists having been secured, no further reason existed for departing from the ordinary method of dealing with mining lands. At the end of the term the net result will be that the Province will have had 46,000 acres of land in the mineral belt systematically and thoroughly examined for mineral at no cost to the public chest, and if any veins are found of value—as it is to be hoped there will be—the lands on which they are situated will be bought and paid for on the ordinary terms by a strong company perfectly able to work them. The best friend of the latent mineral wealth of Ontario could not wish for a better fate for all the veins and deposits which the Province contains.

In the mining districts of Western Ontario, which are more immediately affected by the Engledeu affair, and where, if at all, it would be most likely to provoke criticism, not a word is now said in condemnation of the Government's action. On the contrary, the prevalent feeling is quite strongly in approval of it, as any one may convince himself by conversing with men interested in mining there, or by perusing the local press. A paragraph in the *Fat Portage Miner*,—a Conservative paper—dated 18th November last, may be quoted as showing how the matter is now regarded even by opponents of the Government:

“While there is a big body of land in each concession, it is now quite probable that the gold bearing reefs are not so numerous as at one time supposed, and if such is the case it is obvious that the Government is the gainer in the transaction. The syndicate, however, has plenty of means to make a thorough investigation of their grants, and if there are veins of economic value thereon they will be discovered.”

If valuable deposits of gold ores are found on the lands comprised in the concessions, the capitalists of which the company is composed have the means to develop and work them to the fullest extent. To do so they will require to lay out large sums of money in uncovering the veins, in sinking shafts and in installing mining plant and gold mills. Employment will be afforded to hundreds of miners and workmen of all kinds at good wages, mining camps will develop into villages, perhaps into towns, and the sounds and scenes of civilization will succeed to the silence of the wilderness. Labor and capital will both be rewarded, and an impetus given to the mining industry of Ontario such as it has never yet received.

