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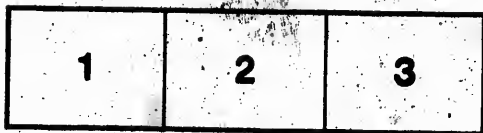
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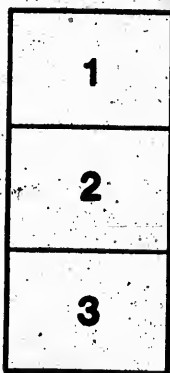
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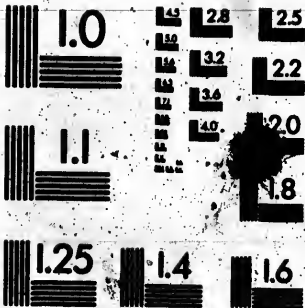
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THIRD SESSION—EIGHTH PARLIAMENT

SPEECH

N. C. WALLACE, M.P.

ON THE

CANADIAN YUKON RAILWAY

OTTAWA, TUESDAY, 8TH FEBRUARY, 1898

Mr. WALLACE. I regret, Mr. Speaker, that the discussion is precipitated on the first reading of the Bill, as the contract involves a discussion, a somewhat full discussion in response to the invitation of the Minister of Railways, without our having the advantage of reading the documents, and without our having had an opportunity to weigh the various propositions involved in the contract and in the Bill. I can assure hon. gentlemen opposite that I am not at all envious at seeing them sit upon that side of the House. But while the hon. member for North Wellington (Mr. McMullen) was speaking, I did regret, and I regret now that just for one short week these gentlemen were not on this side of the House. Remembering as we do their denunciations, their numerous objections in discussing everything submitted by the late Government, I know that many of them are sorry that they are not here so that they might give vent to their indignation.

Mr. TAYLOR. Name.

Mr. WALLACE. Name? Well, the hon. member for North Norfolk (Mr. Charlton), the hon. member for North Wellington (Mr. McMullen), the hon. member for North Lambton (Mr. Lister), the Minister of Customs (Mr. Paterson), and the hon. member for Guysborough (Mr. Fraser). I could not think of any other hon. member who would be delighted to give notice since he has a chance

to engage in their old work of denunciation. For, in all their history, in the history of this Parliament there never has been an outrageous proposition submitted to us as this.

When I saw the advance posters two or ten days ago in the "Globe" newspaper I thought it was such a very bad bargain; I had no idea of the full iniquity of it until it was laid bare by the Minister of Railways attempting to defend it while submitting to the House. Why, he told us in the course of his speech that the great object of this particular railway was to furnish a Canadian route; that the other sections Nos. 1, 2, 3 and 4, though they had advantages, and although he said one of them had undeniable advantages over the route, they all had this disadvantage that they went in part through American territory. But when he was questioned on the matter when he was asked as to the navigation of this river he halted, he hesitated and he made a guess. But the fact is that the road commences about 125 miles up the Stikine River. According to the gentleman's own statement, Fort Wrangell, which the navigation of the river crosses, is in United States territory. When questioned, he admitted that ocean-going vessels could not sail up the Stikine River, and their cargoes must be transferred to some point at or near Fort Wrangell, and then up in flat-bottomed boats. I am sure the Minister of Railways

...tion is, independent of his statement. the-hon. Minister says that if you go to the harbour of Fort Wrangell and transport products there to a river steamer you will have undoubtedly to pay the American duties on those goods in order to bring them into Canada's territory at the beginning of the railway. Before these gentlemen come here the House of Commons and the people of Canada and say that they are making a contract for an all-Canadian route they should be prepared to show that it is really an all-Canadian route. They are not able to say that with regard to this contract. The Minister of Railways himself says that the goods must be transhipped and when transhipped must pay duty. Knowing the Americans as we do, knowing the history of their intercourse with Canadians, knowing the advantage they have taken of Canadians every opportunity, we know that we can not expect any concessions or favours from them. Carrying out the law they will have the power, according to the Minister of Railways and Canals, to levy the American duty on every dollar's worth of Canadian goods sent up the Stikine River, though we have the free navigation of that river for ever, thanks to the foresight and prescience of the late right hon. Sir John Macdonald. The Government has to demonstrate, as they have not yet done, that it is a Canadian route in reality, before they can expect to get the approval of the House of Commons or the people of the country for this contract. The Minister of Railways and Canals has failed to prove that point, and therefore I say the House must pause, the House must wait for the information before they can approve of a contract which, while it was heralded as an all-Canadian route. The Minister of Railways and Canals himself has de-monstrated to-day that it is not an all-Canadian route in the sense in which we desired it to be, that is, giving us free access through Canadian territory for Canadian goods without paying duties to American custom-houses.

Now, there is another consideration. The Government say that, in considering this contract, they were brought face to face with a case of urgency fraught with many disastrous possibilities. In the first place, they say, they had to provide for the administration of justice in that country, and that if we wanted to send up North-west Mounted Police, we could not do so unless we had transportation facilities by which to send them. That calls to mind the fact that Major Walsh, who has been sent up there to administer affairs in the Yukon territory, has not arrived there yet. I cannot give the exact date, but I think I am correct in saying that his appointment was made several months before he started for the Yukon, and during this time he was going round the country. I hope the Government will explain the reasons why Major Walsh and the officers and men of the

North-west Mounted Police accompanying him remained here for two months after their appointment before they started for this district, knowing the severity of the winter, and knowing all the conditions that prevailed there, making travel in the winter season difficult, if not impossible. Speaking from memory, his appointment was made in the month of August, and he and his party did not start on their trip until about October; fully two months elapsed from the time of his appointment until he was sent away. Well, the consequence has been what might have been expected, that he has been stayed on the route, that he has gone a short distance towards his destination, and that he and his party are now tied up on the route, far away from Dawson City, far away from those thousands of people for whom he was required to administer law and order. But, Sir, judging from the history of other portions of this country, judging from what has been done elsewhere, there is not much danger under the British flag of law and order being set at defiance. Do we not know that at Rossland, in British-Columbia, there is a population composed of similar elements, sometimes called a lawless population, a large portion, at any rate, of which is composed of miners and adventurous spirits, and no strong force was required to keep them in order? The statement has been made—and I believe it is true, because I have been there myself and know the circumstances—that in Rossland, with its 6,000 of population, only one constable was needed for the whole community. Law and order prevail, and a man's life is just as safe there as it is in the city of Ottawa. People could travel round at any hour of the day or night, and without any fear of being molested. However, I think it is quite a proper safeguard to send a force to the Yukon territory, a moderate force, not one involving such an enormous expense; because I think the returns will show that the expense of sending so large a force up there at the time has been very great, and that it was not a wise arrangement to have made at that time. Now, Sir, I come to another important point, the necessity for building this railroad and for making the bargain the Government have made with the contractors. The Minister of Railways told us that the estimates that had been made of the number of people who are likely to go in there; he did not venture to make the estimate himself, but he told us that men who ought to know, men who had given the transportation problem a great deal of attention, expressed the opinion that 250,000 people might be going into the Yukon in the year 1898; while conservative estimates made by these same gentlemen would not reduce the figures to less than 100,000. But, said he, taking half of the lowest estimate that was made, look at the enormous number of people that would re-

quire transportation facilities, look at the absolute necessity of a railway being built in there. Look, said he, at what is given to these men for building a railway through this country, not a country where a trade is to be built up by slow degrees, not a country to be opened up by years of toil, by an agricultural community, but one being brought into life and existence at once, a country which may receive an influx of 100,000 people during a single season. Mr. Speaker, we cannot tell yet what they are to get for building this railway. We are not told what the company is to get for these steamers which they are to build. But if you take, as an estimate for this cheap tramway that they are going to build, \$15,000 a mile, which I have no hesitation in saying will amply suffice to build that road, you have two and a quarter million dollars, and you can add a million to that as the cost of the sleigh road.

It being six o'clock, the Speaker left the Chair.

After Recess.

Mr. WALLACE. Mr. Speaker, when you left the Chair I had referred to the fact, which I lamented and which I am sure the House and the country will regret, that the Government when they came down with this important proposition, and submitted it to the House, were not able to present a clearly cut statement as to the facilities for bringing in Canadian goods into Canadian territory. Transhipment could take place at Fort Wrangell, under direction of the American customs authorities. The Minister of Railways had to confess that if transhipment took place at Fort Wrangell the American duty would have to be paid, but he expected that out in the open sea they could transfer goods from ocean steamers to flat-bottom steamers, but would have to go up the Stikine River into American territory where the American Government would not permit transhipment or business to take place. It was claimed for the contract and the Bill presented to this House to-day as its great merit that the proposal is for an all-Canadian route, signifying and conveying the impression through the country that this route has nothing to do with the American customs or anything to do with United States control. I was proceeding to call attention to the contract itself. I had referred to the fact that the cost of the road, 150 miles of construction, would involve an expenditure of \$15,000 per mile, and I assume that as an outside estimate for this narrow-gauge tramway which has been proclaimed by the Prime Minister himself as only a temporary structure. Taking the cost at \$15,000 per mile, the total expenditure thereon would be \$2,250,000, and, allowing a very large margin indeed, the cost of the

cheap flat-bottom steamers for river service might be placed at \$1,000,000, making the total expenditure for railway and steamers \$3,250,000. The cost of operating the road for one year might be placed at \$750,000, which is also a very extravagant estimate, and this would place the cost of road construction, steamers and operating expenses for the whole of one year at \$4,000,000. This is the responsibility that Messrs. Mackenzie & Mann have undertaken. It is no doubt a large enterprise—it is so large that it frightened the Government from undertaking it. But looking at the other side of the picture, and taking the figures which the Minister of Railways has given as a conservative estimate, and not taking 250,000 people as the number that will be transported according to the estimate of transportation companies, into that country during the present year, 1898, but reducing the number to 100,000, how do the figures stand as to receipts from the railway and steamboats after they have got into operation? The result will appear like this. One hundred thousand passengers will pay \$100 each, and I am very much below the mark in placing it at that figure. Those people going in will thus pay \$10,000,000. Assume that one-half the number should return during the year—people will be going and coming constantly—and pay the same rate, but they will have to pay higher no doubt going up than coming down, there will be \$5,000,000 from passengers making the return trip. Taking the estimate of the Minister that every passenger will require a ton of freight and placing it at the rate of \$50 per ton, the receipts under that head would be \$5,000,000. The rate of freight as well as passengers would be gauged and controlled by the competition which the company would have to meet. What would be that competition? That is the overland route, and we know the enormous sums these people have to pay. The Minister of the Interior no doubt will come down with a very large account for services in carrying in freight for the Government. The public press reports that the cost of taking in a few tons of freight was \$5,000 to the Government; I do not know whether that is correct or not, but the press reports that expenditure. Another competitor for passengers and freight would be the route by the Yukon River. In order to reach these vessels have to sail from Victoria about 2,600 miles to the mouth of that river. It is 1,700 miles from that river in addition before Canadian territory is reached. The river is filled with shoals and sandbars, it is exceedingly dangerous navigation for river steamers; water is very scarce along the route because the latitude is so very high, and there are numerous difficulties in connection with the route. Steamers are only able to make one trip a year, and sometimes they can't make even the round trip, so the expense

going that way is exceedingly high. The railway company will regulate its rates according to the competition which I have outlined. When I place the rates at \$100 per passenger and \$50 per ton for freight, I am placing them much below the figures proposed. Taking, then, the receipts as \$10,000,000 from passengers coming in, \$5,000,000 from passengers going out, taking the freight at 100,000 tons at \$50 per ton, the receipts during 1898 would reach \$20,000,000. The total expenditure for the construction and operation of the road for the year and the building of steamers and all expenses I place at \$4,000,000, leaving an enormous profit for the contractors. But supposing that instead of 250,000 people, which the Minister indicated as the number likely to go into the country, we take the lower number of 100,000 upon which latter number I have made this calculation and cut that number in two; let us make a calculation on the basis of 50,000 passengers, which is a lower estimate than is made by the Minister or any competent authority. The receipts from 50,000 passengers on the basis of \$200 each would be \$10,000,000, as against a total expenditure of \$4,000,000, leaving for the one year a net profit of \$6,000,000, over all expenditures. Yet we are told that they are enterprising men who have taken their fortunes and lives in their hands; that the Government, with all the information from miners who have brought down gold, with the reports of their officers as to the exceeding richness of the country, the Government were yet afraid to tackle the question. But in addition to giving these contractors control for this year, the Government give them control, and exclusive control, for years to come over this territory as regards the carrying of passengers and freight. What more do they give these contractors? I am more than amazed.

We were told by the hon. member for North Wellington (Mr. McMullen), whose vision, I am afraid, is obscured by that palace at Regina, that Mr. Ogilvie reported that there was 125,000 square miles, or 80,000,000 acres, of this gold-bearing country, and that this grant would be only one acre in twenty. If the hon. member for North Wellington gives that as his opinion and quotes it to affirm its truth, then so much the more censure upon the Government that they were afraid to undertake the work instead of giving these contractors an enormous quantity of gold-bearing lands for consideration whatever, because, if the member for Wellington is right, the very charter to build the road and run the steamers on the route would give them more than a proper recompense. But Mr. Speaker, what about those three and three-quarter millions of acres? The hon. member for North Wellington (Mr. McMullen) tried to draw attention away from the fact that mining in that country is placer mining, located in the beds of the rivers and in the

little creeks, and that the Government has provided that the line shall be three miles at the base and extending up wherever the company chooses to locate. The company will, of course, locate right away; and when they do locate they are to have blocks of three miles by six miles, or in all 325 of these blocks. As the Minister explained that they have to take an area of six miles by twenty-four miles, of which the Government shall have one-half and the contractors the other half, then, on account of these blocks, six by twenty-four miles, extending up the river twenty-four miles, the company will take possession of just 81 rivers. If they take forty-eight miles, or twice the distance up the river, they will have forty of these immensely rich creeks, such as Bonanza Creek, and these others that Mr. Ogilvie, in his report, tells us about. The Government now tells us that this was a case of urgency. Why, they knew of the richness of this country long ago. They had the reports of Mr. Ogilvie as early as July last, and they had the people returning from that country with great quantities of gold. The later evidence is only confirmatory of the evidence given long ago, because these rich discoveries have been made for years. I remember that in 1893, five years ago, I sent a customs officer up there, and the first year he returned four or five thousand dollars in customs revenue, which has been increasing year by year in consequence of the number of people going in there. However that may be, the enormous riches of that country were clearly established in December, 1896, and the news of it came out to civilization in July, 1897. Here is Mr. Ogilvie's report:

Twenty-one above discovery on Bonanza was the one which first proved the value of the district. The owner of this claim was in the habit of cleaning up a few tubfuls of dirt every night and paying his workmen at the rate of a dollar and a half an hour. Claim No. 51, El Dorado, next produced a pan of \$57. This was succeeded by one of upwards of \$80. Then came one of \$112. Soon after, claim No. 16 showed up a pan of \$212.

One pan, held in a man's hand and the gold shaken out, returned \$212. Why, I am told that a pan yielding 10 or 20 cents makes it profitable enough for a man to earn \$10 or \$20 a day, while here is a single pan making \$212.

And this is what caused the intense excitement in that country. I believe the excitement outside was even greater than it was there. The news went down to Circle City late in December, and it at once emptied itself and came up to Dawson. The scenes of the Forty-Mile rush were repeated. The miners came up any way they could, at all hours of the day and night, with provisions and empty handed.

Mr. Ogilvie has been recognized for years as making most conservative estimates, and yet he says here:

Bonanza and Eldorado Creeks afford between them 378 claims.

Two hundred and seventy-eight claims, Mr. Speaker, would not be as many as are included in one of those three by six miles claims of which the contractors get 325 to make up their three and three-quarter million acres.

Their several affluents will yield as many more, and nearly all of these claims are good. I have no hesitation in saying that about a hundred of those on Bonanza will yield upwards of \$30,000,000, and about thirty on the Eldorado will yield a million each. These two creeks will, I am quite confident, turn out from \$60,000,000 to \$75,000,000, and I can safely say that there is no other region in the world that has afforded so many home stakes—that is, fortunes enabling the owners to go home and enjoy the remainder of their days at their ease—considering that the work has had to be done with very limited facilities, the scarcity of provisions and of labour, and that the crudest appliances only are as yet available. When I tell you that to properly work each claim ten or twelve men are required, and that only 500 were available that season, it will give you an idea of the difficulties which had to be contended with.

Mr. Ogilvie winds up by saying :

This will be the largest, as it is probably the richest, gold field the world has ever known.

That is the opinion of Mr. Ogilvie, and that is the report upon which the Government have acted. They tell us now : Oh, we had to do something. And what did they do ? They gave 5,800 square miles of these valuable claims, not scattered all over the country, but for every ten miles of road the contractors build, they are entitled to drop on their claim, and I venture to say that, while they have an army of railway builders working there day and night, they will have another army of prospectors who will take possession of all these creeks that show to be any way rich. Does any one mean to tell me that Eldorado and Bonanza are the only creeks with enormous quantities of gold ? No ; there are others and others, and this company, having the right to take these for every ten miles of road they build, will every fifteen days be enabled to take a fresh claim. They will have Eldorado and Bonanza creeks innumerable for this contract. This Government has given away half of all the riches up there, and I shall show clearly that they have given a large part of the other half away, too.

Now, Sir, how could this be a case of urgency when the Government knew all about it in July ? They certainly knew it in August, and they did nothing. They knew it in September, October, November and December, and yet nothing was done. It is true, that the Minister of the Interior went up there and started Major Walsh on his mission when it was impossible to get through. He is now hundreds of miles from Dawson City, where he will have to remain until navigation opens in the spring, and perhaps after all he will wait to get through on

this new railway and this new line of steamers.

But we were told by the Minister of Railways that they had tried in every way to get this contract accepted by these gentlemen. It was almost pathetic, Mr. Speaker, to hear the hon. gentleman reciting to this House the efforts that they had made. He shed copious tears evidently, and besought these gentlemen to accept less than 25,000 acres per mile. He said that it was not the spasmodic shedding of tears, but that day after day he was surrounded by a large committee of the greater number of the members of the Cabinet, who implored these hard-hearted contractors to consent to take less than 25,000 acres per mile. I am quite sure that all the members of the Cabinet were present. I am quite sure that the Minister of Public Works (Mr. Tarte) was not there. He had many other public duties to perform. He was down in the province of Quebec quelling a rebellion, fighting his old-time friends. He had his hands full. It appeared at one time that his hands were more than full. I am certain that if the Minister of Public Works had been there he would not have consented to give this contract to Messrs. Mackenzie & Mann. He would have undertaken the job himself. He has many friends who are on the lookout for something too, as past experience has proved, and if they had known that these negotiations were going on from day to day they would have been on hand. The Minister of Railways tells me that he was down on his knees every day beseeching these stony-hearted contractors to accept a little less than 25,000 acres a mile, and he implored us on this side of the House to say how much less we would have asked these contractors to take. Mr. Speaker, I would have asked them to take 24,000 acres a mile less than they got, and then they would have been getting an enormous profit. I am sure that I am not speaking at random when I say that if the contractors of this country had known that the Government were making a contract with some one, or were anxious to get some one to build the railroad, and were offering such enormous, such unparalleled subsidies, there would have been a hundred such contractors in Ottawa within twenty-four hours ready to bid each other down, and to take far less than these contractors are to receive from the Government. But, Sir, these negotiations were going on ; the people of this country knew nothing about them ; no one knew that Messrs. Mackenzie & Mann were in Ottawa, day after day, negotiating and planning to get this contract. If they had known it, there is not a contractor or a capitalist in this country who would not have been willing to put his money into the work without these enormous subsidies of the richest mineral land the world has ever seen.

Now, Sir, the hon. Minister asks: "What were we to do?" Why, Sir, are the Government incapable of taking any action? Has the governmental machinery broken down, so that the Government are incapable of undertaking anything themselves? Messrs. Mackenzie & Mann have surrounded themselves with competent and capable engineers, with staffs of experienced workmen, with all the appliances necessary for rapid railroad building, and the Government could have secured the services of men like Mr. Mann or Mr. Haney—because we have the best railroad builders, I believe, in the world to-day—men of experience not only in our own country, but in all other countries. The Government could have gone to these men and said to them: "We want to have this road built as expeditiously as money and appliances can do it, we want you to use every effort to get it built, and we will pay you liberally and handsomely for your services for six months or a year." Could not the Government have secured the services of able and competent men, of the very men who are doing this very kind of work in this country to-day? Why, Sir, it is a reflection on the Government themselves to say that they were unable or incompetent or unable to undertake such a task, when the urgency of the case required that Canada should be up and doing. But it appears that they were letting the months go by, one after another, and doing nothing until the month of January came, when they said: "We must meet Parliament in February and something must be done, so that we can go before Parliament and say, see what a progressive and enlightened Government you have." Even the Minister of Railways himself did not seem to have any reports, or any definite knowledge of the situation or of the country through which the road was to be built, or of the cost of the road. He has not explained any of these things to this House, and I presume it was because he had nothing to explain. But, Mr. Speaker, this was the course that was taken: a rash, mad, headlong, precipitate bargain was made without due consideration of the consequences—giving away for nothing the richest gold fields the world has ever seen, and giving them away unnecessarily; because plenty of men would have built this road without asking for any such bonus.

Now, Sir, the hon. member for North Wellington (Mr. McMullen) said before six o'clock that this was an excellent bargain. He said that if these men do make money they are risking enormously, and he did not believe it was a good bargain for them. According to the evidence and the information we have, which is reliable and accurate, they are risking nothing; they are going into as sure an enterprise as they ever went into in their lives. He tells us that the experience of the United States is that these roads are not profitable. I

will venture to say that our good friend was simply speaking at random. He told us further, that not ten per cent of the original promoters of these roads own them to-day.

Well, I characterize that as a similar statement, because I do not think the hon. gentleman can mention a road to-day which is in that condition. If he can, I would like to hear from him what one it is. Now, there is one other point, and I think it is a very important one in connection with the building of this road. We are told that the Government are imposing a royalty of 10 per cent on all the mines operated by all miners throughout the country. But this company is not to pay 10 per cent to the Government, but only 1 per cent. Now, suppose that a mine is being operated and that it costs \$80 to produce \$100 worth of gold, the 10 per cent they have to pay to the Government will leave the enterprise without a dollar of profit to those who are dealing direct with the Government, but if they deal with this company, which only pays 1 per cent, there will be a clear profit of \$9 per 100. What more? Take Eldorado and Bonanza Creeks, where Mr. Ogilvie estimates will be taken out between \$60,000,000 and \$75,000,000, what is to prevent this company going to these men who are mining on those creeks and buying to them: Drop your claims with the Government, we will take them up and make a bargain with you. We will divide the 10 per cent, taking 5 ourselves and allowing you 5. You will thus save 5 per cent, and Mackenzie & Mann will make an equal amount. That can be done, and the additional advantage to these miners will be this, that whereas each miner has to pay \$15 for a license each year to the Government, and only gets a yearly license that has to be renewed with the Government; in the case of lands obtained from Mackenzie & Mann, they will have the fee simple for ever, they will have the Crown grant transferred to them without any condition, and have to pay no mining license. But in the case of Government mining lands, the miner must pay a miner's license, must work his mine, and have the license renewed on his claim every year. So that there is every inducement to the men on these claims to make another bargain, and make it with Mackenzie & Mann rather than with the Government. That I consider an enormous advantage to these men, because it will make it the interest of every miner in the country to pay them tribute.

But the "Globe" newspaper, in commenting on this scheme, told us that the Government has wisely prevented agricultural lands from being given to this syndicate, and has protected the farmers up in these northern regions. Mr. Speaker, British Columbia extends to 60 degrees north latitude. All

these given a mat been of degree agricu region necess cultur want is min claims have, them, at the mining lands claims mining may has't fifth of may be 100 feet an acre. of rove acre cl and be because 10 per able a or's lan with t to pay saddle country; I beli some adn a they h in the ment of the res but it which New r we are in thel contru while t will hu sure the result, by the is conc Another the M this. Inst see ing ra that of the ho with r

these lands which the Government have given must be north of that 60 degrees. As a matter of fact, all the mines that have been discovered are probably north of 64 degrees, a region where there can be no agriculture, for 60 is the Arctic circle—a region where there is no farming and no necessity to protect and to preserve agricultural lands. These contractors do not want agricultural lands. What they want is mining lands. They have 325 of these claims, three miles by six miles. They have, wherever they may choose to select them, and they will undoubtedly select them at the places discovered to be valuable mining territory. Why, they can cut their lands up into almost innumerable mining claims and placer claims. I see by the mining regulations that a bar-digging claim may be 100 feet wide, and dry-digging has to be 100 feet square, or one-fifth of an acre. Creek and river claims may be 500 feet long and not more than 100 feet wide, which is somewhat less than an acre. The bench claim is to be 100 feet square, or less than one-fifth of an acre. Why, with 25,000 acres for one mile of road they could have 25,000 of those acre claims or 25,000 of those smaller claims and be practically owners of the country, because a Government claim, subject to 10 per cent royalty, is not nearly so desirable a property as the Government contractors' land with only one per cent royalty, and with the fee simple and no yearly license to pay, and none of these onerous responsibilities with which the Government may saddle the placer and other mines in that country.

I believe that the Government should take some means to effectually return to Canada a part of the large expenditure which they have incurred and are likely to incur in the future in carrying on the Government of the country, and in carrying out the regulations which they have imposed, but it appears that the first regulations which they made have been abrogated. New regulations have been made, which, we are told, will be equally unsatisfactory in their results, and if it be true that the contractors have only to pay 1 per cent, while those working the Government claims will have to pay 10 per cent, I am quite sure that will have the most unsatisfactory result, so far as the obtaining of revenue by the Government from these properties is concerned.

Another point that I did not understand the Minister of Railway's reference to is this. The Parliament of Canada, at its last session, granted two charters for building railways from the Pacific Ocean into that country. I would like to know from the hon. Minister what he proposes to do with reference to these.

THE MINISTER OF RAILWAYS AND CANALS (Mr. Blair). We do not propose to do anything. We leave them severely

alone. I presume we are not going to interfere with any rights given by Parliament.

Mr. WALLACE. They do not get 25,000 acres of mineral lands per mile.

The MINISTER OF RAILWAYS AND CANALS. I think the probabilities are rather against that.

Mr. WALLACE. The other one has got it all. I think there are two ways in which the Government have been negligent, and have not acted as they might have to protect Canadian interests. We have seen during the past season—and I am sure it must have been a matter of regret to every Canadian—that it was persistently heralded throughout the world that this great mineral wealth, these great mines of gold, were in Alaska, in the territory of the United States. And I am told that Seattle, on the Pacific coast, is doing the largest business in providing private outfits and supplies. What I blame the Government for is for not having taken steps in the first place, to let it be known throughout the world that these mines were in the Dominion of Canada, solely under Canadian control, and that Canada was going to look after them in her own interest and the interests of the British people. And another thing—and the leader of the Opposition (Sir Charles Tupper) referred to that the other day, and, for my part, I think it is one of the most important matters that has to be dealt with in regard to that rich country—we should treat the United States in this matter exactly as the United States treats us Canadians. They will not permit Canadians to go in there and become free miners and to take up the mining lands as we permit them to do in Canada, and why should we give them greater privileges than they are ready to give us? It may be quite true that where we are inviting people in, where we are urging them to come in and assist in developing the country, we must make liberal regulations in order to accomplish that end. But the people are rushing to that country, they are bound to get there. Not only are Canadians going there, but people from the British Islands and British residents from Africa, Australia and New Zealand and residents of foreign countries as well. I contend that the first duty of the Government, seeing that there are such enormous riches in that country, was to proclaim that we will have regulations reserving these riches for British subjects. But the Government—instead of considering these things, instead of taking that loyal and patriotic stand, have utterly neglected their opportunities. We found the members of the Government scattered during recess, scarcely one of them being found in Ottawa. They have utterly neglected their duties in regard to this important matter. They allowed matters to drift along almost until the time that the House was to sit, and then they made a precipitate





It is suggestive that Canadian interests, looked after and not lost sight of, as you said, the people are rushing in and you could not keep them out. But you can make regulations which will confine this wealth to British territory. We are told that the business of the country is slipping into American channels. Efforts should be made by the Government to open up avenues of trade and to prevent the entry of Canadian goods into the United States. Few realize the enormous quantity of goods consumed in a mining country. Take, for instance, the West Kootenay country. Eight years ago the customs duties did not amount to \$20 per day in the whole of that country. To-day, as the Collector of Customs will tell you, there is a customs income of more than \$1,000 every day. Besides, there is an enormous quantity of Canadian goods consumed. This, for a population of 20,000 people, gives an idea of the enormous trade in such a country. It may be with our Yukon country, that of other countries, with its 100,000 people, it is estimated there will be at the end of the coming season. This means from \$5,000 to \$10,000 a day of customs duties to the Government, besides the sale of an immense quantity of Canadian goods in that country. But, so far there appears to have been apathy and neglect and utter want of consideration for the interests of Canada by this liberal, by this progressive Government that we are told is always responsive to the interests of the country—but which fails to do anything when the opportunity offers. I have shown that the Government has a clear-cut, decisive knowledge of how Canadian goods are to go into that country, and if this railway were built to-morrow, without paying American duties. They have given this company a subsidy by giving them practically an exclusive right to build a road there which will yield them a profit, as I have shown, of more than double the cost of the road in the first year. They are giving them untold wealth in mineral products which they are handing over to them, and are neglecting British interests. In business operation in connection with the Yukon country they have not considered the interests of the people of Canada, but have practically permitting the United States to control our business affairs. But there was more humiliating still, Sir, we have read in the papers that the American Government was sending supplies in there to relieve the wants of these people. Why,

we were told that the Minister of the Interior (Mr. Sifton) went down to the Yukon to consult the Secretary of War, and that because the Secretary of War was busy he could not come up to consult our Government in the matter. What had the Secretary of War to do with giving relief to starving humanity? Are there no other departments of the United States Government charged with that duty? The reason their action was, as I read it, that they wanted to get a military foothold, they wanted to get some sort of possession of our Canadian territory. We know what their dealings with Canadians and British people have been. They get a foothold here and a foothold there, and when they once get possession, it is exceedingly hard to dispossess them. We were told by the Minister of the Interior yesterday that negotiations were going on at the present moment for American troops without arms to go through Canadian territory, so as to reach another portion of United States territory. I should like to know what portion, I should like to know why this permission should be given, or what necessity there is for their going through Canadian territory, a privilege never granted to Canada by the United States Government in the past, even when it was urgently required. The Minister of the Interior told us that whatever rights we had would be sacredly guarded by the Government, that he would see to it that none of the rights that Canada possesses to-day should be sacrificed to the United States. I remember him speaking of that in Kamloops, and that sentiment was loudly applauded by those present. But I was grieved when I saw in the papers—it was denied afterwards—that the American army was going to be permitted to go in. The statement made yesterday is a partial acknowledgment that negotiations are on foot for that purpose. I think we should give the American Government to understand, that if there is want, if needy people are to be provided for, the machinery of our Government is amply sufficient to provide what is necessary in that regard; that if the American people see fit to send supplies to those of their people who are in need, they can trust the Government of Canada fairly and honestly to distribute it, without permitting American soldiers to perform that duty. Sir, I think that is humiliating to the people of Canada. It is quite unnecessary, and I hope the Government will in future, as I am afraid they have not been doing in the past, study the interests of Canada and of Canadians only.

