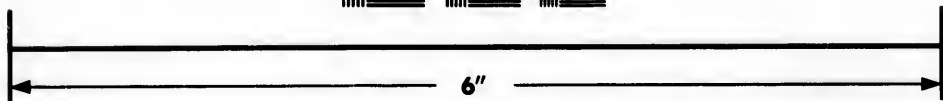
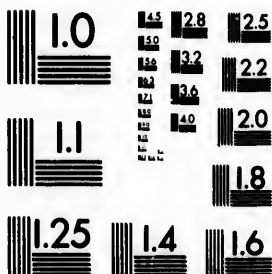


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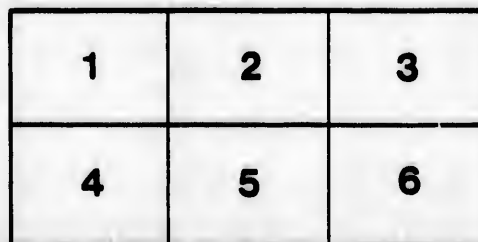
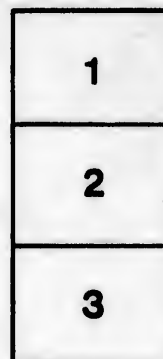
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# The Yukon Deal.

## How the Senate Rescued the Canadian Gold Lands.

Among the schemes devised by the members of the Dominion Government, to make their friends rich at the expense of the Canadian public, the Yukon railway holds a high place. This was a reckless contract on the part of the Minister who made the bargain, but a safe and easy way to make a few million dollars on the part of the favored contractors.

"Had the Senate endorsed the contract one-half of the gold lands in the Yukon, with the exception of the claims located before 1898, would to-day be the property of two enterprising friends of the Minister of the Interior. Mr. Mackenzie and Mr. Mann would have had the right to take and hold alternate six mile blocks of gold lands wherever they might choose them on any creek where gold had been found, or might in future be found, by any prospector, until they should hold 3,750,000 acres or 5,859 square miles. As there is nothing like that extent of mineral land in the whole region the contractors would practically be the owners of one-half of the Yukon and of the neighboring gold regions.

The value of such a concession almost takes one's breath away. It may be judged by the prices paid for single claims on some of the rich creeks. But the actual value would be much greater than an equal extent of any private claim, for the fortunate contractors were asked to pay only one-quarter of the royalties which are collected from other investors.

This concession of half the gold lands in the Yukon was made at the time when tens of thousands of miners were flocking into that country; when millions of dollars were made yearly out of the claims on one small creek; when British and foreign capitalists would have given tens of millions for a much more moderate allotment, paying the ordinary royalty; when the country was swarming with prospectors, every one of whom, whether he liked it or not, would have been giving his services for nothing as a prospector for Mackenzie and Mann.

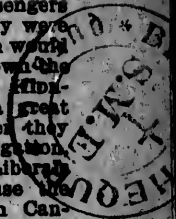
What were Mackenzie and Mann to give for that concession?

They were to build 150 miles of narrow gauge railway with light rails from Glenora on the Stickeen River, about 130 miles from the sea, to Teslin Lake, which was hundreds

of miles from the Klondike. Passengers and freight transported on the railway were to be transferred to small boats which would carry them through Lake Teslin and down the Hootalingua and Lewis rivers to the Klondike. These rivers are frozen up a great part of the year, and in the summer they are often so shallow as to make navigation, even for small boats, difficult. The Liberals called the route all-Canadian because the railway would run entirely through Canadian territory, but travellers could not reach the railway without passing through American territory. Although part of the Stickeen river is in American territory, Canadians have by treaty the right to navigate it, and if the river were deep enough for ocean vessels to a point in Canadian territory, it might truly be called a Canadian route during the season of navigation, but unfortunately, the river is very shallow, and very rapid, and ocean vessels cannot go any further than Wrangel, a point in American territory where passengers and baggage would have to be transferred to small river boats of light draught to be taken up the river to Glenora. Then the Stickeen is only open for three months of the year.

For constructing this fragment of tramway "between two icicles," as one member put it, the contractors were to receive 25,000 acres of gold lands for each mile of tram. These lands they were allowed to select for themselves one block at a time as gold should be found. They were also to own the tramway, and the Government agreed to make the property valuable by refusing a charter to any rival line, which might seek incorporation in the next five years. With this monopoly, the railway, if it was to be of any service at all to the country, would be a great property for the owners, as the transportation rates were enormous.

So valuable was the privilege of operating a railway from the Pacific to the Yukon believed to be, that other contractors and capitalists stood ready to construct lines by other routes much more favorable for travel. They asked for no subsidies in land or money. But these capitalists were not allowed even a charter or a right to build, lest their enterprise should interfere with the profits of the contractors with whom Mr. Sifton and Mr. Blair chose to deal. The astonishing bargain by which the



contractors were given a kingdom in reward for their consent to provide themselves with a tramway and to accept a monopoly, was a secret transaction. It was made without previous authority of Parliament, though the House had already been called and was about to assemble. There was no call for tenders. Other contractors, hearing the rumor that Mr. Sifton and his colleagues had some such project in view sought in vain for a chance to deal with him. They afterwards complained that they could not even get a hearing.

It was in the session of 1898 that Mr. Blair brought in his bill to give effect to the Yukon railway contract. The measure was forced through the House by the majority vote controlled by the Government. It is fair to say that several members of the Government side refused to vote for it, and four were independent enough to vote against it. Many other Liberals would have done so if they could have resisted Government influence. It is known that several who voted for the bill in the House begged their friends in the Senate to throw out the measure.

The Ministers who spoke in the Commons and in the Senate pleaded strongly for the contracts. They urged that if the road were not built there would be riots, and famine, and pestilence, and all manner of terrible things in the Yukon. For these awful consequences the Conservative party was to be held responsible. It was suggested that the Senate would endanger its own existence by rejecting the bill, and the Government organs controlled by Mr. Tarte and other Ministers, were filled with threats of vengeance in case the Senate should interpose to deprive Mackenzie and Mann of the domain which the contract gave them. The Senate, however, refused to be stampeded, and rejected the Bill.

This act of the Senate is now approved by everybody except those who were directly or indirectly concerned in the contract on one side or the other. There has been no trouble in the Yukon in consequence of the rejection of the measure. No human being except the two contractors, and those who might have shared their gains, has suffered. Another railway has been constructed by a shorter, easier and more direct route into the Yukon. This railway is reached from the Pacific Coast without river navigation, whereas the railway which Mr. Sifton proposed to build could only have been reached by navigating the lower Stikkeen. Since the rejection of the contract Mr. Blair has sent an engineer to examine the Stikkeen route, and this officer gives the following account of the route which the contract with Mackenzie and Mann established as the authorized and subsidized way to the Yukon.

The navigation of the lower Stikkeen is

accompanied with considerable risk and danger, even during the latter part of the season, from snags and low water. During the high water period it becomes a question of the power of steamers plying on the river to stem the large body of swift water, and make successfully the sharp, narrow bends in the channel, while avoiding drifting trees and snags."

These dangers are now avoided. The White Pass railway has been constructed without a dollar of Government aid, and is supposed to be a highly paying investment. This railway takes up the passenger and freight at tide water, ocean vessels making direct connection with the railway, and it goes hundreds of miles nearer to the Klondike than the Mackenzie & Mann Railway would have gone. If the two roads were competitors, not one passenger in ten thousand would go to the Klondike by the Stikkeen route. The White Pass railway is as free from foreign interference as the Mackenzie and Mann railway would have been. The ocean terminus is in disputed territory, which is in all probability Canadian, while Wrangel, the ocean terminus of the Mackenzie and Mann route is undoubtedly in American territory.

The same Government which tried to obtain the control of the Yukon gold fields for Mackenzie and Mann refused in the same year a charter to still another company which desired to build a railway without subsidy into the Yukon from Pyramid Harbor.

By the defeat of the Mackenzie and Mann railway scheme the working miners and private investors in the Yukon have access to the gold fields that would have gone to Mr. Sifton's friends. In every way the country has been an immense gainer by the action of the Senate, and the defeat of Mr. Sifton's Yukon Railway Bill is now accepted by both parties as a great blessing and a happy escape for the country. No Minister has ever dared to suggest a second measure of the kind. It would be impossible to get such a bill accepted by the Government caucus or by the House of Commons.

But if Mr. Sifton and the other Ministers had got their way the measure would have been law, and the two contractors would have owned the Yukon.

By the rejection of this railway deal the Senate has made certain enemies. Corrupt politicians and disappointed contractors have poured out the vials of their wrath on the branch of Parliament which came between them and their prey. But while the memory of the rescue of Canadian gold fields remains the people of Canada will be grateful for the service done them, when the Senate gave the six months' hoist to the Yukon Railway contract.

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