

Pamphlet

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OUTLINING

History of Klondike Mining Concessions.

IN the latter part of the year 1896 the famous discoveries of placer gold were made on the creeks in the basin of the Klondike river. These were followed in the years of 1897 and 1898 by the scarcely less famous placer gold discoveries in the basin of Indian river, and on the hills and benches adjoining all the creeks on which discoveries had previously been made. During the past two or three years rich placer ground has been found in the basin of the Stewart river, notably on Duncan, Clear, and Henderson creeks, also in the Fortymile district. The more famous creeks in the Klondike basin are Eldorado, Bonanza, Hunker, Last Chance and Bear, while in the Indian river basin, Dominion, Sulphur, Gold Run and Quartz are the most noted. Not only in the beds of the creeks in both Klondike and Indian river basins but also on the adjacent hills and benches the wealth of placer gold discovered has been enormous.

The proper protection and development of all these discoveries would have ensured to the Yukon territory a population of at least one hundred thousand souls. This population, being dependent almost wholly for food and supplies on the sources outside the Yukon territory, would have afforded a large and unexcelled market to the rest of Canada for farm products and manufactured goods. The possibilities of this market have, we believe, not yet been understood or appreciated by the government, the industries or trades of the rest of Canada.

In the whole of the Yukon territory, except around the town of Whitehorse, the prosperity of the whole population depends entirely upon the production of gold by the individual placer miner. A very large part of the people are engaged directly in this pursuit and the remainder are engaged in supplying the wants of those so employed. Anything which stimulates or retards this one industry equally stimulates or retards the prosperity of the whole community. The cessation of placer mining would result in the abandonment of the territory for the present by almost the entire population. Many of the rich early discovered claims have already by wasteful and rough methods been worked over, leaving a large part of the gold behind, and are now being re-worked by our present improved placer mining methods, which are obviously capable of immeasurably greater improvements, as the methods used by a few of our best operators show. But the greater part of the placer areas have to the present remained unworked, in some cases through lack of water, but generally because it requires a long time and much labor to prospect thoroughly so large a country, and because it was desirable in regard to low grade ground in the earlier years, to wait for, (a) the reduction of royalty, (b) the cheapening of labor, and (c) the introduction of improved machinery.

The work done thus far has taught our miners to work ground at a small fraction of the former cost, and more thoroughly, and has located gravel beds of great extent over the whole Klondike and Indian river basins that can profitably be worked by present placer methods. Yet the Yukon is losing its population, and all business is depressed.

If federal taxes and royalties are reduced to a fair rate, and all placer ground thrown open to the placer miner, and a government water supply for hill and bench ground is inaugurated, the Yukon has just begun its development, and a population yearly increasing in prosperity and numbers will inhabit this territory for many years to come, affording to Canada the best market, for its size, open to her in the world. But, if the present policy is pursued, the prospector and miner will be driven from the country and the population reduced to a few hundreds, outside the employes of Treadgold and other concessionaires, which employes may be Orientals, or persons foreign to our civilization. Moreover, so far not a single hydraulic concession has been worked by hydraulic methods with success, and we have greatest misgivings concerning the success of these supplanters of the placer miner.

As early as 1898 the government began to close the placer ground of this territory against location to the placer miner. In that year a large part of Dominion creek was from time to time closed. In the same year also all fractional claims were closed against location. In February of 1899 the minister of the interior directed that Bonanza, Eldorado and their tributaries and benches should be closed against location. This was followed, on October 7th, 1899, by a regulation closing all lapsed claims in the territory against relocation. In the year and a half which followed, silently at Ottawa, without the knowledge of the Yukon people, and on the flimsiest pretexts, the greater part of our richest placer ground was included in so-called hydraulic concessions. On Hunker creek were granted: The Williams ($2\frac{1}{2}$ square miles); the Milne (2 square miles); the Anderson ($2\frac{1}{2}$ square miles). On the Klondike, including Bear and Lindow creeks, was granted the Boyle (50 square miles). On Bonanza: the Philp (5 square miles); the Bronson & Ray (15 square miles) and the Matson-Doyle (3 square miles) were granted. On Quartz creek another concession (about 4 square miles) was granted to the same Boyle, while the other creeks heretofore mentioned were almost similarly blanketed by concessions which were obtained by fraud in most cases.

This ground had already, as has been shown, been closed to the free miner on the ground, but was now granted to the concessionaires who had never seen the ground. These concessions must be annulled, and this can in most instances be done in court by the minister of justice granting his fiat for an action against them on the grounds that they were issued in error and improvidence and obtained by misrepresentation and fraud. Every one of them can be cancelled by the minister for breach of conditions in their leases, but he has not done so.

In the year 1898 A. N. C. Treadgold was welcomed here as a representative of British capital. He began at once to acquire placer claims of value by purchase. In 1899 and 1900 he purchased interests in the Boyle and others of the infamous concessions above named. On the 31st of May, 1901, under pretence of bringing in water to work low grade gravels, he, with Barwick and Orr-Ewing, asked for a controlling interest in the rest of the Klondike basin. On the 12th and 29th days of June, 1901, orders in council were passed granting his request, with but little regard to the vested interests of the placer miner. Protests were at once made from the Yukon, but the territory was then too prosperous and busy for the private citizen to take much interest in what did not immediately and directly affect his vested rights and prosperity. Emboldened by his success, Treadgold and associates obtained the passage of the order in council of December 7th, 1901. This was not known here till March, 1902. It was at once seen that section 10 of the order in council making the Treadgold grant, as amended, vested in him the entire Klondike basin not already granted to others. We needed water immediately, but not for three and one-half years was he to deliver water in any part of the district and no effective means were provided by which he could be forced to deliver water to the placer miner at any time, while the rates he was allowed to charge were prohibitive in any event. At one blow the prospector and re-locator were excluded from the Klondike basin. Within the three and one-half years in which Treadgold was to bring any of the longed-for water within any part of the Klondike basin, thousands of free miners would be forced to abandon their claims by the fees, taxes, royalties and restrictions which were made grievous in more kinds of ways than it is possible in this document to describe. On close examination it was found that nearly every clause of this Treadgold grant seemed devised to add some new burden or restriction, while scarcely any clause afforded any definite or practical relief to the free miner. One indignant protest went up from the whole Klondike. Immense public meetings were held. Unanimous resolutions were passed condemning the outrage. Not a dissenting voice was heard. Delegates were elected to Ottawa, and relief was expected. On the 21st day of April, 1902, the previous orders in council were repealed. A new order in council was passed, and apparently our delegates consented to this, whether not comprehending the legal force of its terms, or thinking it was some improvement on the prior one, or for what other reason can never be known. A wrong was perpetuated, but by what means we do not know.

Under the repealed orders in council some burdens were assumed in an elusive way by the grantees. \$250,000 was to be expended by them in the first year; 1000 miner's inches of water was to be delivered within the first 3½ years; and one-half this water was to be supplied to free miners under certain regulations. True these conditions when closely scrutinized were found so drawn as to be useless to the placer miner, but they did

bear a semblance of being a quid pro quo for the immense properties and privileges granted to Treadgold, Barwick and Orr-Ewing.

But in the new order in council the grantees assumed not a single burden and paid not a single dollar for the privileges scarcely less valuable than those granted before. They are given :

1. "The sole right to divert water from the Klondike river for the purpose of generating power." They must use the right within six years, or it may be revoked. Quære : If anyone else should attempt, under any grant issued subsequently, to divert water from this river for distribution to the placer miners, may he not be stopped by injunction as interfering with the vested right of Treadgold & Company to use all this water for generating power ?

2. "The prior right to take the first 5,000 inches of water from the same river for distribution." Of what use would any subsequent right be, if the suggestion of the above quære is correct ?

3. "The right to divert and use the water of Rock creek." As no claims are worked on Rock creek, the reservation annexed means nothing. Rock creek was the source which engineers have always declared the most available, perhaps the only available source for water for distribution to the Klondike miner.

4. "The right, subject to no payment except royalty prescribed, to make entry for and work abandoned mining claims on Bonanza, Bear and Hunker creeks." There is at present no royalty. Abandoned claims may be, and generally are, claims that are not worked out, and in many cases not prospected much, or at all. The former owners, perhaps, scarcely visited them after staking. Adjoining owners very often proved these claims of great value. Entry can be made by simply watching the record books and entering for claims as they lapse. They cost nothing to Treadgold to acquire or hold.

5. "The prior right to purchase mineral bearing lodes" in a wide range of cases.

6. "Freedom from occupation rents, assessments or other dues in respect to the grantees' lands, except timber lands."

7. "The property of the grantees shall be exempt from representation." This should be read along with the right given in paragraph 5.

Under their joint effect, Treadgold holds nineteen valuable claims on Bonanza creek alone, which he had previously purchased as a placer miner, and on which he now, by the department's ruling, pays no annual fees and does no annual labor. Daily his so-called entry agents are adding to his great number of idle, unassessed claims. Thus while the free miner is taxed beyond what he is able to bear, and debarred from holding claims, and while this oppression of him has been kept up for years, Treadgold is freely granted without any condition or payment all he wishes to take in the basin of the Klondike.

These rights, with many others which space precludes from mentioning, he holds under the terms of the order for 30 years. Unless relief

comes quickly, Treadgold and his associates, aided by government imposts, will in the first few years drive the oppressed placer miner from the Klondike basin, and the grantees' right there will be none left to dispute. But further, he has the right to assign the rights acquired, or any of them, to others, and soon we may be met by the plea that new owners have acquired, some of these bona fide and without notice.

Moreover, the administration policy has been to broaden and strengthen Treadgold's claim to his immense possessions. We have only space to mention two instances. First: Creek claim 86 below discovery on Bonanza creek, owned by Treadgold, lapsed for about three months, and was restaked and applied for by free miners. He had not even made the entry which the gold commissioner rules he was entitled to do without fee. No work had been done on the claim for years. The action of Noakes vs Treadgold followed. The result before the gold commissioner disheartened Noakes, the staker, so much that too hastily he concluded there was no law in the Yukon territory against Treadgold. The other instance mentioned is concerning the water grant on Rock creek held by Acklen and others. This small grant, somehow or other, had been made before Treadgold got his grant, and somewhat interfered with his monopoly. The pressure put upon Acklen and his associates in regard to this grant it would be believed impossible to occur in Canada, the generally supposed home of such things being in China or South America.

Thus seems to be ending in gloom the romance of the famous Klondike gold discoveries. From the wealthiest region of Canada, in order to create a giant monopoly, for whose benefit God only knows (certainly not the people of Canada), a population, the best in the world, is being slowly driven. They are now standing at bay against fearful odds and are still keeping up the fight for fortune and prosperity. But no energy or ability can withstand, and the curtain may fall at the close of this history of the struggle on an abandoned land. To us it is a tragedy, but to you we appeal upon the principle that you should save this market for your products and aid in furthering the prosperity of Canada and maintaining her farthest outlying settled and prosperous community.

What is the remedy? The Treadgold order in council was passed under sections 47, 90 and 91 of the Dominion lands act. Under section 47 it is doubtful if a grant can be made to one and denied another. Such would not be a regulation but a subversion of regulations. It has already had the required publication in the "Canada Gazette." See section 91. But it must be laid before parliament within fifteen days of its opening, and we are advised that parliament may then annul it. Until it is laid before parliament it is an inchoate grant contingent upon the approval or disapproval of parliament. This, then, we earnestly ask of you: That you join with us in bringing every possible legitimate influence on parliament and every member thereof to procure the cancellation of this iniquitous, and to us fatal, monopoly or concession.