

been made in the different constituencies, and the general opinion appeared in favor of the reduction of the time.

The bill was then passed. Hon. Mr. Hardy then moved that his bill relating to mines and mining lands, which was ready for its third reading, should be referred back to committee for some amendments which he had to offer. He pointed out that when the bill was originally introduced the estimate for the purchase of diamond drills and expenditure in connection therewith, \$15,000 in all, the appropriation for mining classes in Sudbury and Rat Portage, and the setting apart of \$125,000 for aid to iron ore production, were matters that were still under consideration. Since then all these propositions had been approved, and it became a question for consideration whether, in view of what would thus be done in these directions for the development of the mining industry, it would be wise also to enact the provision for the abolition of the royalty for five years, and also on lands hitherto sold subject to royalty. The matter had been carefully considered, and it had been decided that it was not in the public interest to abolish the royalty for this period in addition to the aid that it was now proposed to extend in other directions. At the same time, there was no reason why the royalty clauses should not be modified. He, therefore, proposed that the clauses in the bill which proposed to suspend the royalty should be struck out, and the following substituted:--

"(1) Instead of the royalties on ores and minerals reserved and payable to the Crown for the use of the Province under section 3 of 'An act to amend the general mining act,' being chapter 8 of 54 Victoria, and under section 4 of 'The mines act, 1892,' there shall be so reserved and payable to the Crown on ores and minerals taken from the lands located, sold, granted or leased under the said acts, after the 1st day of May, 1891, and on ores and minerals taken from all lands which may be hereafter located, sold, granted or leased by the Crown until the 1st day of January, 1900, a uniform charge at the rate of 2 per cent. on the ores mentioned in articles A and B of said section 4, and a charge of not more than 2 per cent. on the ores mentioned in article C, when imposed by order of the Lieutenant-Governor in Council, such charge to be calculated upon the value of the ore, less the actual cost of raising the ore to the surface and the subsequent treatment thereof for the market, and subject to all the other conditions and provisos in 'The mines act, 1892,' contained not inconsistent herewith, but subject in any case to the authority of the Lieutenant-Governor in Council to make regulations for the purposes of and as provided by sub-section 2 of said section 4.

"(2) But nothing in this act contained shall prevent the full operation of section 4 of said act upon or in respect of all mining lands which may be located, granted, sold or leased by the Crown from and after the 1st day of January, 1900, or upon or in respect of any mines thereon or minerals which shall be mined, wrought or taken therefrom.

"(3) Nothing in this act contained shall require the payment of any charge until after the expiration of the time provided for in sub-section 1 of said section 4, from the date of the patent or lease, nor until after the expiration of the time and in the case provided for in sub-section 3 of said section 4, from the date of the patent or lease."

Mr. Hardy said the effect of the change would be that silver and nickel heretofore subject to a royalty of 3 per cent. would be subject in future to a charge of 2 per cent. On iron ore the charge was 2 per cent. as before, and so with regard to the charge on other ores on which a duty might be imposed by an order in Council it would be 2 per cent. instead of 3 per cent. Heretofore the royalty had been calculated on the price at the pit's mouth after the cost of mining. The amendment proposed to add to this the words, "and after subsequent treatment." The proposition, like that which it replaced, was suspensory only in its action with regard to the royalty clauses now on the statute book, and would terminate on January 1, 1900, when the old law would apply to all lands subsequently sold. Mr. Hardy admitted the question was a difficult one to deal with, but it was hoped by the Government that this modification of the royalty clauses, together with the aid otherwise proposed to be given to the mining industry, would aid in the development of this important industry, and would not be open to the danger and objections that the abolition of the royalty for five years would be.

#### MR. MEREDITH OPPOSES.

Mr. Meredith declared that this was a deliberate reversal of the policy which the Government had deliberately settled upon and submitted to the House. It was evident that the impending elections had caused the change of policy, which was not caused by a change of mind. He had pointed out before how small was the consideration given to the miners by the ori-

ginal bill, and it was evident that the Government had had in view at the time the introduction of this policy of granting a bonus. Further, this legislation could have no force until after next session. The miners would, no doubt, be extremely obliged to Hon. Mr. Hardy for removing the name royalty, for retaining the burden but changing the name. This action of the Government's was a mistake, Mr. Meredith said; the Government should either stand by the royalties or do what was proposed by the clauses which Mr. Hardy was moving to expunge. The whole argument for the abolition of royalties had been the complaints of the newer parts of the Province and some of the older portions, that the royalties had stopped development and the investments of capitalists. He had been willing to make an experiment, to test if these persons and these sections of the Province were right in their contentions; the original bill would have been a test to see if the royalties really have held back the mining interests of the country. Under the new clauses the test could not be applied, no advantage would be given to the new country, and it could not be ascertained if the royalties really were retarding the country. He was against this amendment, and would stand by the original propositions of the bill. He thought there was no danger of speculators seizing upon the best lands, as was maintained, as the provision insisting upon certain development would remove this danger. The new clauses were not in the interests of the new districts or of the Province; the Province could afford in order to have a test as to the effect of the royalties to take the chance of the lands passing into the hands of speculators. It would be better to have the new Parliament deal with the question instead of having the present Parliament tinker with it. He objected to the amendments on principle.

Mr. Conmee remarked that there was great misapprehension in many quarters as to the so-called speculators, those interested in the mining interests of the Province not deserving such a stigma. He differed from Mr. Meredith in holding that the new amendments did mean something. Of the two evils, of going back to the old system and accepting the proposed scheme, he preferred to accept the latter as the least. For one thing, the new arrangement would ensure a fixed charge and so get over a great difficulty, as the impossibility of forecasting the amount of the royalty had proved a great hindrance to the investment of foreign capital. He did regret, however, the fact that these new clauses were to be in force only till 1900 and were not to be made perpetual. He would suggest one or two changes in the amendment; that the charge be levied on "all cost" of production instead of "actual cost," and that "net product" be substituted for "value of the ore." Mr. Conmee then gave a sketch of the regulations of the different countries as to royalties, and concluded with a hope that his changes would be accepted.

Mr. Hardy said the bill would be open to reasonable amendment in committee.

Mr. Meredith said the modification as to the element of the first cost did not make the charge more certain than before. He asked if the royalty would be reduced for all time, not only on lands sold from the present time to January, 1900, but also on lands sold from the time the original act went into force in 1891 until 1900.

Mr. Hardy said the bill would apply to lands sold from 1891 to January, 1900, when the old law would revive and be applicable to subsequent sales.

Mr. Conmee again suggested that the charge should be levied on "all costs." This would be much fairer to the miner. He would prefer to see all royalties abolished and a percentage of profits taken instead, though he thought it unfair to single out the mining industry even in this way. The leader of the Opposition said Mr. Conmee was as much in favor of the principle of royalties as was the Minister of Crown Lands, but he thought in the time to come both would see their error. He asked Mr. Hardy if he would accept the suggestion to make the charge on "all cost" instead of as provided in the amendment.

Mr. Hardy said the term "all cost" would be too vague. He thought the clause better as it stood.

The new clauses were then inserted in the bill in place of those suspending the royalty. Mr. Hardy then laid before the committee clauses embodying the objects of the resolutions to aid the production of iron ore and to purchase diamond drills for exploration purposes. These were incorporated into the bill without much discussion.

Mr. Clancy urged that precautions be taken to prevent any one person from getting all the bonus, so that all engaging in the business could receive a measure of encouragement.

Hon. Mr. Hardy replied that he could hardly conceive of one man getting all the bonus. It was true that the Dominion regulations had allowed some few works to receive a much larger bonus