legislature by express provision the power to do what is sought to be done by the bill now before the House. The bill now before the House proposes in no uncertain terms to subject the lessees of all the coal areas in the Province, carrying on the mining of coal, to an increase of thirty-three-and-a-third per cent. in the rental that they are now paying. It matters little whether the increase is 25 or 33 per cent., for if it would be discreditable, and I use the term with deference, to raise the rent contrary to the terms of the contract, the opprobrium to be attached to the Act would not be measured by the amount of the increase. The proposal in the measure under consideration is to raise the rental of persons who had the right to regard their rental as being fixed thirty-three-and-a-third per cent.; to impose upon them by an enforceable law of the Province, without any right of objection on their part, an increase in their rent. It does not require argument to show that if it is wrong that "A. B." should be given by force of legislative enactment the right to break his contract, it is equally wrong to give the Legislature the right to break their contract. In the one case the courts can give a remedy; in the other it depends upon whether there resides in the Local Legislature the power to break its contracts. Probably it has such a power, but, if so, there is all the more reason why a high regard should be paid to the principles by which the rights of individuals are regarded as being secured, and not to be dealt with upon a different principle from any others in a court of law. Now these parties had the right to go to the Government and get their leases renewed upon the same terms as before, a right which is common and perfectly familiar with regard to real estate. The Act before the House proposes to raise the rental thirty-three-and-a-third per cent. We say that that is an Act which is unjustifiable. No amount of exigency in the financial affairs of any country would justify resorting to such a means of raising revenue as that. It reminds one of the way in which King John used to get revenue out of the Jews by pulling their teeth. I am serious in suggesting that if it is the case that these corporations had these legal rights, which must be regarded as sacred, and as constituting part of their personal property, it is not competent as a matter of legislative policy, even admitting the power of the Legislature, to take that property away from them, which is practically what is involved in this bill. Now let us see what the position of these companies is. Let me take one of them as an example. The Glace Bay Company held three leases granted in the years 1862, 1863 and 1865, respectively. These leases were outstanding and never surrendered, and they continued to govern the rights of the parties up to the year 1886. In 1886, by reason of the coming into existence of the law contained in the fourth series of the statutes, to which I have already called attention, the Glace Bay Mining Company became entitled to receive a renewal lease upon the same terms, with regard to royalty, as those contained in their original lease, which I may mention, for the sake of avoiding confusion, was six pence currency. But in the meantime this legislature passed the Act of 1885, to which I must call the attention of the committee for a moment. That Act provided that thereafter all leases should contain a provision, providing for the right upon the part of the legislature to increase or diminish the royalties from time to time. That is to be found on page 10 of the Act of 1885. Now, if that Act, according to its proper interpretation, should be held to be applicable to leases issued previous to the passage of the Act, instead of attacking the propriety of the bill now sought to be made law, we would have to go back and attack that section of the Act of 1885 as a deliberate inroad upon the rights of the lessees. But upon the true construction of the section, the courts would be bound to hold that the provisions of the Act of 1885 did not apply, except to leases issued in the future. That is, it did not apply to existing rights, but must be confined to contracts arising for the first time after the passage of the Act. The section reads as follows :—

"All leases of coal mines issued after the passing of this Act shall contain a provision that the royalties may be increased, diminished, or otherwise changed by the legislature."

If that section really applies to existing rights we have to admit that at that time a violation of the principles, the soundness of which will be admitted by every intelligent man was committed. But we say that it was competent legislation, for it provided only for the case of corporations which should first become lessees after the passing of the Act, and we contend that it could not be held to affect the rights of parties under the existing law. Whatever question there may be as to the undesirability of making such a law, even as respects leases to be issued in the future, for the reason that such a power, subject to the whim of the government, would be unsatisfactory to capitalists abroad, it must be admitted that, so far as the interests I am now advocating are concerned, there would be no invasion of existing rights. Now, why does that clause not apply to existing leases? The language of the Act is: "All leases of coal mines issued after the passing of this Act." Now, at that time all the rights I am advocating existed. Some of them existed by virtue of leases long previously issued. All of them involved the right on the part of the lessees to get the renewals on the same terms that the existing leases contained. Now, what would happen when the leases came to be renewed? There would be documents issued covering a new period of time, but which would be in reality nothing more than a continuation of the old period. These documents are called renewals. They are a re-statement of the old conditions in a document which carries the provisions and rights of the parties over a new period of time; only that, and nothing more. Therefore, inasmuch as it is shocking to an ordinary sense of fair play to break a contract, even though it be broken by a Legislature, the courts would, beyond all peradventure, hold that Act to apply to leases arising afterward; for to impute any other intention to the legislature would be to impute the intention to break a contract. That would be something discreditable, and something which the courts would not impute if there was any other way of giving effect to the language. Inasmuch as it would be held to be discreditable in any legislature to seek to take away a vested right, the courts would unquestionably construe the language so as to apply to new rights arising subsequently. That argument I need not elaborate, but I may say that we have in support of it the opinions of three or four lawyers, whose opinions have been sought without regard to politics, and who have all given it as their solemn, and confident opinion that the language in the Act of 1885 does not mean that the Government shall have the right to impose new conditions with regard to royalties upon persons having existing rights coming forward and demanding renewals, which up to that time they had the right to demand. But even if in 1885 this Legislature committed itself to a course of action which savored of unfairness or oppression, it does not follow that it would be justified in resorting again to a similar course now, but, if I am right, the Act under discussion undertakes, by force of legislative power, to affect the beneficial ownership of all these proprietors to a serious extent, and involves a breach of public obligation; it involves the apprehension, by people who have invested large amounts of money, that contract rights are not to be respected in the Province of Nova Scotia. Parties may go to their friends and say that they hold leases of property on certain terms, and may induce them on the faith of such assurances, to put in large sums of money, and then they may find themselves called upon to pay a different rent, and the enterprise, instead of being a fairly promising one, may become disastrous, and all on account of a breach of faith on the part of the people of the Province, represented by the Legislature. If the Act of 1884 gave these people what I say it did, this supposition is not improbable or extravagant. If it did not, there is no argument for me to make. I challenge the promoters of the bill to show that from 1873 down to 1885, these people did not enjoy the rights I say they did. Of course our main contention is that this amounts to a legislative breach of contract, and a deprivation of citizens and foreigners of actual existing rights by the instrumentality of an Act of Parliament.

THE CHAIRMAN—Your argument would involve the idea that no change could ever be made.

MR. HENRY—If a clear contract is made, it does not make any difference how long a period it covers. The exigencies upon which it is proposed to break it, must be great indeed. But let it be understood that while I, for one, am ready to admit that in the Local Parliament resides the power to cut down or impair or destroy private rights, it follows as an incident to the existence of that power, that Parliament must, by reason of the possession of such a power, be careful to see that it does not break faith with people lightly, and bring the country into disrepute. I understand that the Government in promoting this bill disavow any intention of breaking contract rights, so we need not discuss the propriety of their doing that as a matter of legislative possibility.

MR. B. G. GRAY—The Chairman spoke about making a contract for all time. That is not the case here, as we have express limits in point of time. The contract is not for all time, but must terminate at a definite time. There is first a period of 20 years, and this may be extended by renewal to 40 years, but it comes to an end absolutely at the end of 60 years.

MR. HENRY—Section 105 of Chapter 7 R. S. (5th series), reads as follows :—

"The General Mining Association, 'limited,' and other lessees of mines other than gold or gold and silver mines, in this province, their executors, administrators, and assigns, shall upon giving notice in writing to the Commissioner of Mines at least six months previous to the expiration of their leases, respectively, of their intention to renew such leases, respectively, for a further period of twenty years from the expiration thereof, be entitled to a renewal thereof for such extended term upon the same terms, conditions and covenants as contained in the original lease, or as prescribed by this chapter, or by any Act that may be passed by the Legislature of this Province, and in like manner upon giving a like notice before the expiration of such renewal term, to a second renewal and extension of term of twenty years, from and after the expiration of such renewal term, and in like manner, upon giving like notice, before the expiration of such second renewal term, to a third renewal and extension of twenty years from and after the expiration of such second renewal term, provided that at the time of giving such notices, and the expiration of such terms respectively, the said lessees, their executors, administrators, and assigns, are and shall continue to be bona fide working the areas comprised within their respective leases, and complying with the terms, covenants, and stipulations in their respective leases contained, within the true intent and meaning of Section 107 of this chapter; and provided that in no case shall such renewal or renewals extend, or be construed to extend, to a period beyond eighty years from the date of the original lease, but the renewed lease shall not include, in respect of each mine worked, a larger area than five square miles."

It is in this section probably that we are to look for the first attempt in any way to provide for a right on the part of the Legislature to change the terms of tenure of leases of coal mines as contained in the leases. Subsection (*e*) of the same section reads :—

"In the case of leases that are eligible for renewal in which the conditions of renewal embodied therein are different from those prescribed by this chapter, and the lessees thereof are unwilling to have such conditions altered, the Commissioner shall have power to renew said leases on the terms contained therein, and as prescribed by Chapter 9, Revised Statutes, Fourth Series, and no other."

What happened in 1886, in connection with the renewals of the leases was this: Renewals were prepared which contained an express provision in the terms of the Act of 1885, with regard to the power of the Legislature to alter, increase or diminish the royalties, and these leases were accepted in a good many cases by companies, who either did not observe the peculiar wording of the leases, or who did not realize that it constituted a change from the preceding form, which is entirely different. It will be necessary, in order to prevent confusion, to point out the substantial nature of the difference between these two forms, but at present I will content myself with saying that with regard to the language used in Section 105, Chapter 9, of the Statutes of 1884, the most that can be said of it is that it purports by a general term to give powers to change the terms of the leases, so as to give the Legislature power to increase the royalty. It may be said that the language is broad enough to include so extraordinary and improbable an intention, but even if it does so, it only gives power to the Legislature to do a wrong, and it is still for the Legislature to say whether in using language which might involve a matter connected with the general administration of the mines, it was meant that the Legislature hereafter should understand by the language used in 1884 that it was to have a right to exercise a power that would be otherwise a wrong. It is for the Legislature, and this committee to say whether under the power to change the terms of leases, they are to abstain from all question whether it is wrong to break a lease and to heap burdens upon these people, or to do a thing that is obnoxious to all notions of legislative policy. It does not advance the argument a particle to show that in 1884 there was a general power given to change the terms of leases. It may be that there is good reason to interfere by changing the terms. The terms may be inconsistent with the general management of the mines, and it may be desirable on that account to change them, but there can be no cogent reason except impecuniosity, which is no reason at all, for giving authority to raise the rent. We know that the subject of mines is one of public and general interest, and it may be that there is something in the terms of the leases which constitutes an obstruction to the exercise of the general policy, but no such reason can exist for raising the rental because it is necessary for the province to raise money from some source or another. This, I think is a conclusive answer to the suggestion as to the meaning of the words in the Act to which our attention was called. With regard to the impropriety of making a man pay more for property upon which he has expended large sums of capital, a humble illustration will suffice. Suppose that a man rents a farm upon which he grows potatoes only, and suppose that instead of paying so much an acre for the land, he agrees to pay three cents a bushel for every bushel of potatoes that he raises, and that an agreement is entered into by which he is given the land on these terms for a period of 20 or 30 years. Suppose that on the faith of this agreement he goes into possession and erects houses, and barns, and so on. After he has been working for ten years or so, his landlord comes to the Legislature, and says: "I am a little hard up. I agreed with so and so to let him have my place for a term of 20 or 30 years to grow potatoes, for which he was to pay me a royalty of three cents a bushel. He has been doing pretty well, and I think that now he ought to pay me six cents, or give up the enterprise." Will any lawyer, or farmer, or business man or miner, say that there is any difference between changing the terms upon which people have invested in the heavy works involved in mining, by raising the rates of royalty, and the injury that would be involved to the man who undertook to raise potatoes, by violating the terms of his contract? I say that there is no contract to permit of such a change unless the reception in 1886 of renewals which contained language that they were not obliged to be bound by, and their failure to realize that the language did them an injustice, is to be regarded as the making of a new contract. I say that these people stand before the Legislature to-day as they might have done in 1886, and say that they will accept no document which contains an assertion of a right on the part of the Legislature to change the rent that they are to pay for mining coal in the areas leased. Possibly some of these corporations did receive leases in 1886 which contained words, which, if it is said that they are bound because they did not discover the meaning, would bind them as a matter of acquiescence and consent, but I do not think it can be seriously argued that the circumstances under which the renewals were given amounted to anything that, on a fair view of it, would be regarded as a conscious acquiescence in the use of this language to change the terms with regard to the rent. Then I must point out why the companies did receive the leases. If some companies are not to be bound by the fact that they received the leases into their possession, other companies refused to receive them, and took leases which are in the terms of the Act passed in 1886, to which I have