

That letter refers to the following Order-in-Council which was passed on the 23rd of May, 1892 :—

*Copy of an order of the Executive Council of Nova Scotia, approved by His Honor the Lieutenant-Governor, on the twenty-third day of May, 1892.*

No. 1,720. On a report from the Provincial Secretary, dated May 21st, 1892, in relation to certain proposed coal mining operations :

The Provincial Secretary reports that certain negotiations have been carried on by him with Mr. Henry M. Whitney, of Boston, with a view to the investment of capital by Mr. Whitney and his associates in the prosecution of coal mining in Nova Scotia on an extensive scale, as contemplated by the 156th section of the Mines and Minerals Act of 1892. As a result of these negotiations, the Provincial Secretary states that a form of lease has been prepared, which he believes will adequately protect the interests of the Province and meet to a reasonable extent the desires of Mr. Whitney, which form of lease is submitted for approval. He therefore makes the following recommendations :

1. That Mr. Whitney be informed that upon his organizing a company under the laws of Nova Scotia, and such company acquiring any outstanding lease of a coal mine in the county of Cape Breton, the Governor-in-Council will ratify the transfer of such lease to such company, and, under the provisions of section 156 of the Mines and Minerals Act of 1892, will authorize the Commissioner of Public Works and Mines to accept the surrender of such lease, and to issue in lieu thereof a new lease on the terms and conditions set forth in the form of lease hereto annexed:

2. That Mr. Whitney be further informed that if his company accepts the terms thus offered, and receives from the Commissioner of Public Works and Mines any lease or leases as herein proposed, the Government will at the next session of the Legislature introduce into the Legislature and support a bill to ratify and confirm such lease or leases, and give it or them in all respects the full force of law.

The Council, being satisfied that Mr. Whitney is willing to comply with the conditions of the said 156th section of the Mines and Minerals Act of 1892, concur in the report of the Provincial Secretary, and respectfully recommend the same for the approval of His Honor the Lieutenant-Governor.

Attached to that Order-in-Council was a form of lease, in which is involved the whole arrangement made with Mr. Whitney. It subsequently transpired that there was a clerical error in copying the Order-in-Council and in consequence of that error a further Order-in-Council was passed on the 24th of October, 1892.

I have stated that from the 26th of May down to the 8th of December we had no communication with Mr. Whitney on the subject. During the greater part of that time I was myself in England, and though Mr. Whitney was during part of the time in Nova Scotia, he had no correspondence with the Government. But on the