

out going into the construction of larger steamers, and confining ourselves to the early stages of the enterprise, I believe that the statement that it will call for an investment of \$7,000,000 is not an exaggerated one. Probably \$6,500,000 of that will be fixed capital invested in the purchase of existing leases, the construction and equipment of the railway to Louisburg, and the supplying of terminal facilities in various places. It is proposed, in order to raise the sum required, to issue securities at rates bearing from 6 to 8 per cent. interest. There will be several classes of stock. I am informed that it is proposed to issue securities in preferred stock and bonds, the bonds bearing interest at the rate of 6 per cent. and the preferred stock at the rate of 8 per cent.

Mr. Cahan—Can you give the amount of preferred stock and bonds?

Hon. Mr. Fielding—They will issue \$3,000,000 of preferred stock and \$3,000,000 of bonds. The balance will be obtained from the common stock of the company. I do not guarantee this in detail; I give the figures as I have obtained them, and I understand that the operations at no remote day will involve the providing of a larger capital. \$6,500,000, as I have said, will be fixed capital invested in things that cannot be converted to any other use. Now let us assume that \$6,500,000 are invested here, bearing interest at the rate of 6 per cent. The interest on that amount for one year will be \$390,000. If the company close the mines they have to lose that amount. Now, add to that interest on capital invested the sum of \$122,799 royalty, which they will have to pay the Government of Nova Scotia in any event, and we find that for the privilege of closing up the mines of one county in Nova Scotia this company would have to sacrifice \$512,000 a year. That is to be the penalty for closing the mines, if such a thing were attempted. I do not think that any company would be willing to pay for such a privilege, even the sum which this company would be compelled to pay to the Government of Nova Scotia, but when we find that in addition to that the company would have to allow capital to go to waste, the interest upon which would bring the penalty up to \$512,000, I do not think it reasonable to believe that these people will ever attempt to close up the mines in the county of Cape Breton.

I think when it is seen that Mr. Whitney was willing to come into this Province and submit to all these guards and checks, some of