

ton on screened coal, an Act was passed enabling all companies to pay their royalty on the basis of $7\frac{1}{2}$ cents for all coal raised, instead of $9\frac{7}{10}$ cents for screened coal at their option. Meantime from 1886 the coal industry of Nova Scotia was steadily improving, until in 1890 and 1891 handsome dividends were declared by most of the mines where dividends had not been declared before. As a consequence, the Government thought that the period had arrived when the trade could very legitimately contribute a trifle more to the Provincial revenues, since the necessities of the public expenditure seemed to warrant an increase in the revenue. Therefore early in the year 1892 notice was given to all the coal-owners that in the session of 1892 a Bill would be submitted to the Legislature providing for an increase of the royalty to ten cents per ton on all coal raised. This, of course, provoked strenuous opposition on the part of the coal-owners, and charges of bad faith, etc., were freely made. It was represented to the Government that the imposition of an increase would have an alarming effect upon capital. The Government, to meet this, offered again to provide for a fixed maximum rate of royalty which should not be exceeded during the period of the lease, and this was again rejected by the mine-owners. The royalty has been collected during the present year, therefore, upon the basis of 10 cents per ton.

Such was the position of the coal-mining industry of Nova Scotia when Mr. Henry M. Whitney, a wealthy and exceedingly enterprising capitalist of Boston, became interested in the subject of coal-mining in Nova Scotia. His attention probably was first directed to this question by the fact that the great manufacturing industries of the New England States in which he was more or less interested were dependent to an unsatisfactory degree upon the coal magnates of Pennsylvania and West Virginia, and

it would evidently be a matter of enormous advantage to manufacturing industries in New England if a means could be found to get coal at cheaper rates than were possible under the existing arrangement. At all events, interested he became, and was able to enlist in support of his enterprise Messrs. Kidder, Peabody & Co., one of the most reliable and conservative banking houses in the country.

Mr. Whitney, if he had so desired it, need not have approached the Government or Legislature of Nova Scotia in the matter at all. Every mine of any consequence in Cape Breton is owned and worked by a joint stock company. It was only necessary for him to purchase the stock of these different companies, and thereby get control of all the mines in the Island, and work them under the present leases, which will last 54 years longer, and pay a royalty of 10 cents a ton. This now can be done by any capitalist, English, French or American, who has the money and inclination to do it. Mr. Whitney, however, desired two or three changes in the terms of the lease, and these terms were agreed to by the Government of Nova Scotia, and submitted to the Legislature at the recent special session and passed by an overwhelming majority in the lower branch, and without division in the upper branch of the Legislature.

These changes are not of a very grave character. The term of the lease is extended to ninety-nine (99) years. Under the existing law a lease can be obtained for 80 years. The difference is too unimportant to merit much discussion. The other change is that during the term of the lease the maximum royalty shall be $12\frac{1}{2}$ cents per ton. This is a condition which the Government of Nova Scotia would have been delighted to have conceded to all the lessees that were actually working in 1886 or in 1892. Providing the output is large, $12\frac{1}{2}$ cents per ton royalty will always furnish a revenue to the Province of