

the Duke of York. However, the lease of the Sydney tract was on the point of expiration, and was secured by them January 1st, 1827. In the following year they purchased the Pictou leases already referred to, and became the sole lessees of all the mines and minerals in the province except these previously granted with the Crown lands.

Some years later it was pointed out that it was originally intended by the Crown to grant only the minerals in Nova Scotia proper, and that in the wording of the patent in 1826, Cape Breton having been annexed to Nova Scotia in 1820, the intention of the extended grant was not expressed. Following the custom of interpreting the grants in favour of the Crown, it was decided that the contention was well founded, and that the company held only the Sydney mines under the grant from the Government of Nova Scotia, which in its turn became liable to a consideration of being ill-advised. However, this point was rectified by express declaration.

The company did not take advantage of the neglect of many of the Crown land grantees to settle their lots, or to pay their rent, as their attention was practically confined to coal.

When the new company obtained control of all the coal, the Government of Nova Scotia having issued a new lease of the Sydney mines and of the leases purchased in Pictou county, concurrent with that obtained from the Duke of York, it was agreed between the three parties interested that upon the payment of a fixed rent of three thousand pounds a year, they should be allowed to sell 20,000 chaldrons (Newcastle), and that a royalty of 1s. 7d. sterling should be paid on every chaldron sold over that amount.

In addition to this the company had an agreement with the Duke of York by which they were to pay him one-fourth of the net profits.

On June 4th, 1827, Mr. Richard Smith informed the Lieutenant-Governor that he had arrived with a number of miners, mechanics, etc., and a large amount of tools and machines preparatory to opening the Pictou coal seams on an extensive scale, and suggested that the initiation of the enterprise should be publicly marked. On June 11th, an order-in-council was issued certifying that Mr. Smith was the agent of the General Mining Association, and calling upon all government officers, magistrates, and proprietors of land to afford every reasonable facility for the execution of the designs of the company.

The proclamation did not have much effect upon the proprietors of land, as Mr. Smith complained of the exorbitant prices demanded, and of the determined hostility shown by many parties, especially by those connected with the former leases. Finally these land troubles were settled by an expenditure of £10,110 which secured for them ample space.

A judicious site was chosen on the west side of the East River on the outcrop of the main seam, about half a mile from the head of tide water,