

MR. LITHGOW ON THE COAL ROYALTY QUESTION.

SIR.—1. Between the years 1858 and 1866 coal leases were issued by the province of Nova Scotia for periods terminating on the 25th day of August, 1886. The rent or royalty payable to the province was fixed at sixpence, Halifax currency, per ton of coal, except slack, which was exempt from royalty.

2. In 1866 the legislature enacted that the holders of leases issued since 1858, on giving at least months' notice prior to their expiration in August, 1886, would be entitled to renewals for twenty years upon the same terms, conditions and covenants, as were contained in the original leases; and in like manner upon giving a like notice to a second renewal, and in like manner to a third renewal; making in all sixty years from 25th August, 1886; provided that the legislature might revise and alter the royalty in or after 1886.

3. The legislation of 1866 with reference to renewals of coal leases was re-enacted in 1883, with the exception of the revise and alter clause which was left out; so that the holders of leases issued since 1858 became in 1873 entitled to renewals in 1886 upon the terms, etc., of the original lease.

4. Thus holders of coal leases issued since 1858 were legally assured by the legislation of 1873—see chapter 9, section 102, of the revised statutes of Nova Scotia, fourth series, of their right to renewals at the same rate of rent or royalty as mentioned in their original leases, provided they give notice of their intention to renew at least six months previous to August 25th, 1886.

5. The royalty named in all the original leases issued up to 1886, being sixpence or ten cents per ton, no higher rate than that could be inserted in the renewals issued in 1886, without a legislative breach of faith. The rent might be lowered, or it might be altered, provided the altered rate did not increase the rental. The lessors in this matter are bound to keep faith with the lessees the same as are individual lessors and lessees.

6. In 1883 the legislature revised and altered the royalty, so that lessees might either pay the old rate, 10 cents per ton on screened coal, with free slack, or pay 7½ cents per ton on both, or on what is called "run of mine."

7. When the above revision and change of the royalty was being discussed in the House of Assembly in 1883, it was repeatedly declared by members of the Government that there was no intention to increase the royalty. All they wanted was a rate on run of mine coal, which would be the equivalent of the old rate and yield an equal amount of revenue. The Honorable Commissioner of Mines was most emphatic in his statements to that effect. See official report of debates page 412, he said: "The object the department had was simply to get a uniform rate that would give the same revenue we are now receiving." See also page 427.

8. To guard against any mistake as to whether or not 7½ cents on run of mine would prove to be the equivalent of the original rate, the Hon. Provincial Secretary suggested [see page 437], "that the bill might be passed with the provision that all leases issued should contain a stipulation that the royalties might be increased or diminished, which would leave the house free to make a change next year. Unless some such provision was made parties taking leases might complain."

Such a clause was added to the royalty bill and was inserted in some of the renewals which were issued in 1886.

9. Now if the intention of that clause is to be determined by what was said by members of the Government when it was passed, its intention was not to either diminish or increase the coal royalty specified in the original leases, but on the contrary the avowed intention of it was to obtain an equivalent to the existing rate. If 7½ cents on run of mine yielded less or more, the Legislature could increase or diminish it. Nothing more than that was intended by it; hence in that view of it its enactment was not inconsistent with the legislation of 1873.

10. In 1886 a number of renewals were issued, in which the royalty was fixed at the altered rate of 7½ cents per ton of run of mine coal, and containing the provision suggested by the Provincial Secretary, that the Legislature might increase or diminish, or otherwise change the royalty.

11. Up to the present year no change was made, and the legitimate inference is that 7½ cents on run of mine was found to yield as much revenue as the old rate would have yielded. Yet, at the last session the Legislature enacted that the royalty should be raised to 10 cents per ton on run of mine—an increase of 33½ per cent., to take effect from 23rd February, last.

Now the question—the coal royalty question is—do the people of Nova Scotia approve of such a manifest breach of faith? If rights conferred upon coal lessees by the Legislature in 1873 be over-ridden by the Legislature in 1892, what dependence can be placed upon anything the Legislature of Nova Scotia may enact? Should such unjust legislation be sanctioned?

J. R. LITHGOW.

Treasurer and Manager Glace Bay Mining Co. Ltd.—Herald.

William Penn Hussey of Massachusetts, a gentleman taking a deep interest in our coal mines, and who has lately returned from London in connection with an important coal mining deal, is now in the city.

UNIACKE DISTRICT.—The C. P. F. Gold Mining Association, H. B. Prince manager, which has purchased from the English company the large property at Uniacke District, have begun pumping out the mine preparatory to extensive mining operations. The McCa lumb leads dip into this property and are still worked.

PIPE SMOKERS.

You may be satisfied with the brands of tobaccos you have been using for years. Grant it; that you are satisfied. As there is always room for improvement, we ask you to try our OLD CHUM PLUG, or cut smoking tobacco, and we believe you will be BETTER satisfied. In any case a trial won't hurt you. Don't delay upon the order of buying, but buy at once.

THE CRAWFORD MILL.—The following certificate from the Secretary of the Salisbury Gold Mining Company speaks for itself, and fully confirms our contention of the good work done by this mill as far as tested in Nova Scotia.

THE SALISBURY GOLD MINING COMPANY, LIMITED,
MONTAGUE, N. S.

WINDSOR, NOVA SCOTIA, 15th September, 1892.

DEAR SIR,—This Company had four tons and four cwt. of ore from their property at the Montague Gold District crushed in the Crawford Mill, which yielded four ounces and seven pennyweights (4 oz. 7 dwts) of gold.

A sample of the tailings which ran through during the crushing, yielded by assay of Messrs Davenport & Williams of Boston, the equivalent of 0.033 oz. of gold to the ton. This evidence of the capability of the Crawford Mill to extract all but a trace of the gold which the ore may contain, must be considered of importance by all who are interested in the question of improved methods of winning gold from the ore.

The crushing alluded to was effected under the supervision of the Company through trustworthy agents.

I am, dear Sir,
truly yours,

WM. D. SUTHERLAND,
Secretary.

Geo. Macduff, Esq., Waverley, N. S.

CHEZZETWORK.—W. B. Reynolds, who has been superintending a party prospecting for gold near the head of the harbor, is reported to have struck rich drift.

PRESTON ROAD.—On Tuesday J. C. Oland and others took up in the mine office a block of 63 gold mining areas on John Brooke's farm on the Preston Road about 10½ miles from Dartmouth. The location is about 2½ miles from the previous find in this section.

The 10 inch lead reported as discovered by John Vaughn elsewhere, is on Preston Road and not in the Montague District. The lead on the north dip of that district discovered by him is smaller.

MINERAL PAINTS AT DIGBY.—Balfour Brown, assayer, has left Digby for Boston, there to inquire into the market for mineral paint, large areas of which he had discovered at Port Gilbert, Digby county; and also to endeavor to secure the assistance of American capitalists in erecting mills and working deposits. Speaking of these deposits, he says they date from the post-glacial period, and were formed in course of ages after the water subsided and the rocks were pounded to pieces, when the rocky parts accumulated. Some of these beds are very large, while in other places they occur in veins about a foot wide. The extent of deposits has not been ascertained, but thousands of tons are clearly observable. The colors vary from almost black to bright yellow, and the deposits being saturated with petroleum make a beautiful stain, taking on a high polish. They entirely differ, he says, from ocre, and are scarce and valuable.

THE TESTIMONIALS

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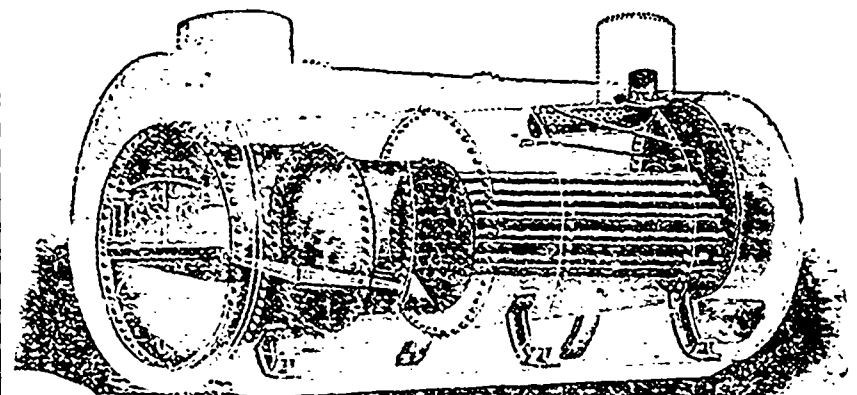
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Loss Heavy, but Health and Pluck left yet.

ESTABLISHED 1848.

AMHERST, N. S.

Send along your Orders and Remittances and thus help us out and up.