

LEGISLATIVE AUTHORITY.

There appears to be an impression in some quarters that the arrangement with Mr. Whitney was made in Boston within the last few weeks. That is a serious mistake. The matter has engaged the attention of the Government for nearly a year. To enable us to deal with it we introduced into the Consolidated Mines Act, passed last year, the following clause :—

"Notwithstanding anything contained in the 117th, 118th or 120th section, or in any other part of this chapter, whenever it shall appear to the satisfaction of the governor-in-council that any company or person working, or proposing to work, any coal mine or mines, is willing to pay to the province a greater royalty per ton than that fixed by the said 117th section, or is prepared to prosecute coal mining operations on such an extensive scale as would, without a higher rate of royalty, largely increase the provincial revenue derivable from royalties, the governor-in-council may authorize the commissioner of public works and mines to accept the surrender of any coal lease or leases held by such company or person under the law now existing, or any lease or leases that may be issued under the provisions of the 155th section of this chapter, and may issue in lieu thereof a new lease or leases, containing such terms and conditions as may be deemed expedient as respects the area of any such lease, the period for which the lease shall run, the rate of royalty to be imposed during the whole or any part of such period, and the taxation that may be levied on the property of such company or person. Provided, however that in no case shall any such new lease fix the rate of royalty lower than that fixed by the 117th section of this chapter."

With the authority obtained in that way from this Parliament the Government felt that they were in a better position than ever before to deal with an enterprise of this character. We had various negotiations with Mr. Whitney and his associates in Halifax and Boston. These negotiations have been carried on for the most part by personal intercourse between members of the Government and Mr. Whitney and his associates. The correspondence, which I shall have the pleasure of laying on the table of the House, will be found to be brief, because a very little part of the negotiations was conducted by correspondence.

CORRESPONDENCE WITH MR. WHITNEY.

The first letter which I have to read in the matter bears date the 13th of May, 1892, being shortly after the close of the last session. It is as follows :—

Boston. May 13, 1892.

DEAR SIR :

Referring to the several interviews I have had with you in Halifax and in Boston, with reference to my taking an interest in the coal properties of Cape Breton, I desire to say that if upon investigation the