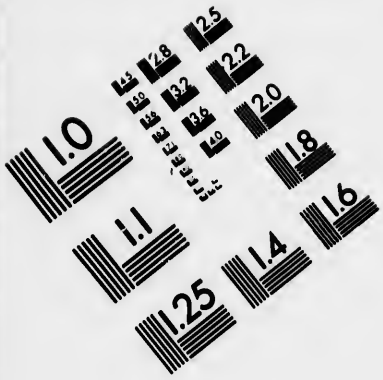

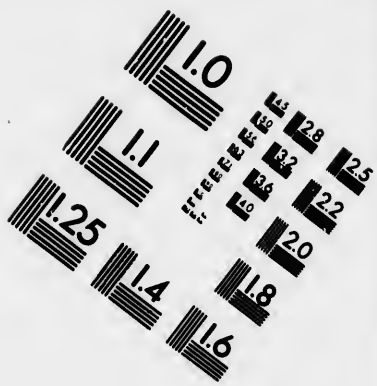

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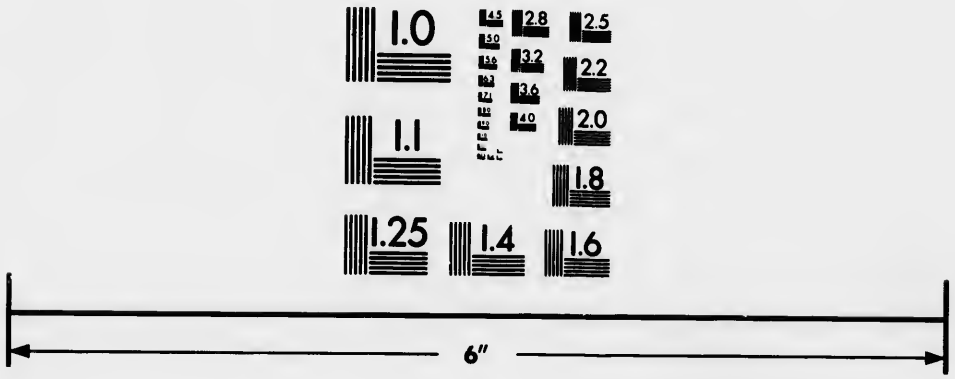

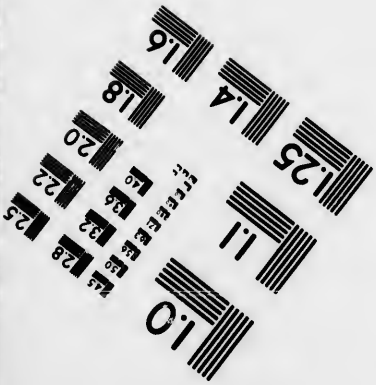

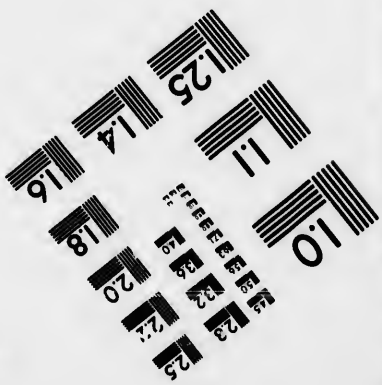

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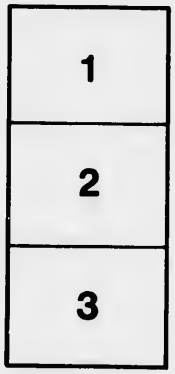

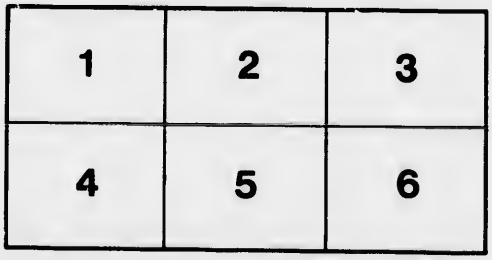

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THE NOVA SCOTIA COAL QUESTION.

Premier Fielding replies to Dr. Weldon, M.P.

[The following letter from Hon. W. S. Fielding, Premier of Nova Scotia, was published in the Halifax journals, the *Morning Chronicle* and *Acadian Recorder*, on the 16th of March, 1893. The speech reviewed was made a few days earlier in the House of Commons of Canada by Dr. Weldon, member for Albert County, New Brunswick:]

SIR:

It is unfortunate for Dr. Weldon, M. P., that his appeal to the Governor-General on behalf of imaginary "Imperial interests" and the numerous rebuffs he has received from his own leader and friends at Ottawa, in connection with the Nova Scotia coal question, have so discounted his utterances on the subject that even if he had a good ground of objection to the scheme it could hardly receive the respect which would otherwise have been accorded to it. Nevertheless, as he attempted in his last speech to discuss the merits of the question, and the speech has been spread out in the pages of a friendly journal as the best possible exposition of the case against the Local Government's scheme, I propose to consider somewhat briefly his chief objections, and see how far they will stand the touchstone of fact.

I shall pass over his general denunciations of combines, which, considering the political record of the speaker, must have caused many hearers to smile; and his suggestions of possible corruption in Provincial legislative halls, which are most untimely as applied to the case of Nova Scotia. Nor shall I make more than a passing reference to his mysterious and "confidential" information of an imaginary conference at Boston last December between Mr. Whitney, Mr. Van Horne, a Mr. McLeod and Mr. Fielding, at which this coal business is supposed to have been settled. On that point I shall only suggest that if the member for Albert is to draw so freely on his somewhat unwholesome imagination he should at least use some skill in designing his plots. The introduction into his story of a mysterious December conference to bring about an agreement that had been signed, sealed and delivered more than six months before is, to say the least, a very clumsy kind of romance, and not calculated to establish the doctor's reputation as an artist in his line.

UNCALLED FOR CHAMPIONSHIP.

I cannot help remarking on the extraordinary fact that this intense zeal on behalf of the people of the Province is manifested by a gentle-

man who represents nobody in Nova Scotia. One would naturally suppose that if the interests of the coal consumers of our Province, or those of the people of Nova Scotia generally, needed a champion at Ottawa they would find him among the representatives of the Province. We have 21 members in the House of Commons, not to speak of the honorable members of the Senate. Is it not strange that not one of these gentlemen was ready to lead an agitation against the coal scheme? I can think of no other explanation than the fact that Dr. Weldon is not responsible to any body of electors in this Province. As a representative of another Province he feels at liberty to run amuck on this question, while representatives who can be held accountable to Nova Scotia constituencies have too much shrewdness to engage in warfare against a measure which is so generally recognized as fraught with great advantages to our Province.

THE GOOD OLD LAWS

Dr. Weldon has much to say in favor of the old mining laws of Nova Scotia, and it would appear from his remarks that any attempt to depart from these "wise old laws, good old laws," as he calls them, is to be regarded as sacrilege. In reply to this it will be enough to say that under these laws, wise and good as they have been in their time, our coal mining industry made but moderate and unsatisfactory progress. If Dr. Weldon is satisfied with the measure of growth that has been attained I venture to say that the people of Nova Scotia, and the people of Cape Breton particularly, are not so satisfied. They have felt the need of something to give an impetus to the coal trade of the country, and that is why they have hailed with satisfaction the move of the Local Government, even though it involves some departure from those old laws for which Dr. Weldon seems to have such superlative veneration.

BREACH OF FAITH.

The doctor had a good deal to say about the Government of Nova Scotia having committed a breach of faith with the lessees of coal mines by increasing the royalty from 7½ to 10 cents in the session of 1892. If it were necessary one could easily show that there was no breach of faith. But this is beside the question. Dr. Weldon was careful to say that he was not expressing any opinion of his own, but was merely repeating what others had said. The man who stands at the street corner and slanders his neighbor, winding up with the remark that he does not express any opinion of his own, but merely tells what he has heard, does not escape responsibility for his attack. The way in which Dr. Weldon dragged in and dwelt upon the question of breach of faith between the Government and the lessees clearly indicates that it afforded him no small gratification. I do not blame the lessees for making the best fight they could against the increase of royalty. Increased taxation is always objectionable to those who are called upon to pay it, and allowance must always be made for any complaint they may make. But every patriotic Nova Scotian will blame Dr. Weldon for dragging this question into the debate in the House of Commons and circulating the charge of a breach of faith against the Legislature of Nova Scotia.

THE PERMANENCY CLAUSE.

The member for Albert dwelt on a clause in the new lease which states that any future legislation of the Province at variance with its provisions should not be held to modify or diminish the privileges granted. Such a provision, he said, could have no legal effect. In this he was quite right. No principle of British parliamentary law is clearer than that one Parliament cannot legally bind another. But if this constitutional rule were too literally interpreted it would mean that no rights could be granted to anybody for more than four years. It would mean that lands or mines granted under authority of one Parliament might be confiscated by enactment of its successor.

While our constitution asserts the liberty of every Parliament to act for itself the spirit of that constitution declares that rights, privileges and concessions may be granted and pledged upon the public faith of the country, which guarantees that the contract so made will be fulfilled. The clause which Dr. Weldon finds so much fault with has no legal value, but it is a broad and emphatic declaration to the people who invest their money on the faith of the contract that their lease is not granted for a single Parliamentary term, to be annulled or modified by another Parliament, but that so long as the company shall honorably fulfill its part of the bargain the lease shall be held to be binding. The clause does not in the least diminish the legal power of Parliament to pass hostile legislation, but it gives to the investors a solemn pledge that no legislation at variance with the contract will be passed while the company performs its part. That is the only value of the clause, and that is all that the company understands it to mean.

THE EXEMPTION FROM TAXATION.

In the old lease, the learned doctor tell us, there was no clause respecting exemption from Provincial taxation. That is quite true. But it is also true that the lessees paid no Provincial taxation other than their royalty or rental. The absence of such taxation was one of the arguments by which Mr. Whitney was induced to take hold of the enterprise, and the Government simply guaranteed to him, in that respect, a condition of affairs which has always existed in Nova Scotia and which all sensible persons believe will continue to exist.

While on this branch of the subject permit me to say a few words concerning Dr. Weldon's puff of his friend in the Nova Scotia Legislature, in which, unhappily, he was as inaccurate as in other things. The point is not of any importance, but as Dr. Weldon thought it worthy of special notice in his speech he might have taken the trouble to be correct. That the exemption did not extend to municipal taxation was, he said, due to the leader of the Opposition. "The credit," he says, "of that invalu-"able amendment, I must say in com-"mon fairness, was due to the leader "of the Opposition, who took that "point and forced the Government "to reconsider the matter and go "back to council; and he carried his "point and secured this great pro-"tection for the County of Cape "Breton—the power to tax the pro-"perty of the new syndicate." Now Dr. Weldon's friend, the leader of the Opposition, had no more to do with the amendment referred to than the man in the moon. In the course of the discussion another Opposition member, Mr. Webster, of Kings, suggested in a single sentence that perhaps the words "provincial taxation" in the exemption might be held to cover municipal taxation. The position of the Government was that if there was any doubt as to the effect of the words used it would be removed, because the purpose of the agreement as understood both by the Government and Mr. Whitney was that the power of municipal taxation remained untouched. Subsequently I stated that although we were legally advised that the British North America Act clearly distinguished between "provincial" and "municipal" affairs, and therefore that the clause as it read was probably sufficient for the purpose, in deference to the suggestion and to remove the possibility of doubt I proposed a declaratory clause. The Opposition moved no amendment on the subject, and the Opposition leader was not the member who raised the point. If credit is due to anybody for raising the question it is due to Mr. Webster, and not to the gentleman who is so highly complimented by Dr. Weldon.

THE RIGHT OF TRANSFER.

It was provided in the old lease that the lessee should not assign or transfer his lease without the consent of the Government. In this way, Dr. Weldon argues, "there was

" the right of control in the Govern-
" ment, a very valuable one indeed,
" to be held in reserve, and indi-
" cating the care with which the in-
" denture was drawn." And this proviso is not in the new lease. If Dr. Weldon had been better informed he would have known that this safeguard provided by the wise old laws referred to never amounted to anything, that the consent of the Government to a transfer from one party to another never was refused, and that if it had been refused the safeguard could have been evaded without the slightest difficulty. Almost all the coal mining operations of the Province have been carried on by joint stock companies. A party desiring to acquire control of a mine had only to purchase the stock in the company. The title remained unchanged; no consent of the Government was required, but the control was entirely changed. Thus it will be seen that Dr. Weldon's "valuable safeguard" was no safeguard at all, and that in yielding it up and agreeing to approve of the transfer of the various leases within the County of Cape Breton to Mr. Whitney's company the Government were practically yielding up nothing.

THE COVENANT TO WORK.

The Whitney company, Dr. Weldon admits, covenant to work and properly manage the mines, but he says there are no means of enforcing this covenant. He argues that the company is perfectly free to abuse the powers given it in the lease. I must be permitted to differ from him on this point. The lease is a contract between the Legislature and the company. So long as the company fulfils its covenants the Legislature guarantees to it protection. But if the company should abuse its powers in the way described by Dr. Weldon it would forfeit all claim to the protection of the Legislature, and the Legislature would then be justified in taking any steps that might be deemed necessary to protect the public interest.

THE LEASE AND THE CHARTER.

The agreement between the Government and Mr. Whitney provided that a new form of lease should be granted to Mr. Whitney and his associates, but it was distinctly declared that the privileges of this new lease should be limited to such mines as the company might acquire in the county of Cape Breton. Dr. Weldon seemed anxious to make his audience believe that this limitation did not exist, and to serve his purpose he mixed up the Government's agreement and the company's charter in a way well calculated to confuse his hearers. It is necessary to observe the distinction between the agreement and the charter. They are different documents, originating at different times. The Government agreed to grant to Mr. Whitney and his associates, when organized as a company under the laws of Nova Scotia, certain privileges within the one county named. But the Government did not agree to give any particular form of charter. Mr. Whitney evidently assumed—as he had a right to assume—that if he wished a new charter for his company he would obtain it on the same terms and conditions as were granted to other people who desired to do business in Nova Scotia. The Government's agreement with Mr. Whitney was confined strictly to the county of Cape Breton. Any statement or suggestion that the privileges of the agreement go beyond that county is absolutely unfounded. When the time to organize arrived Mr. Whitney applied to the Legislature for an Act of incorporation. When it was proposed by the leader of the Opposition that his mining operations under the charter should be confined to the county of Cape Breton objection was very properly taken. While the privileges granted by the special lease were confined to one county there was no good reason why Mr. Whitney and his associates should not have the same rights to buy and sell and do business throughout Nova Scotia that a score of other companies possessed. If he wishes to develop an

iron mine in Annapolis county or a gold mine in Queens county who in the world would desire to prevent his doing so? But if he wishes to carry on mining operations in any other county than Cape Breton he cannot take with him the privileges of the new lease. He must do his business under those wise old laws which Dr. Weldon seems to regard as such a perfect security. Why, then, should the doctor complain?

So far as I can learn Mr. Whitney's charter contains no material powers that are not to be found in numerous other charters granted both at Ottawa and Halifax. Just why other companies should have the right to do business throughout the Province of Nova Scotia, subject to the general laws of the Province, and the same right be denied to Mr. Whitney's company, is one of those things which nobody can understand. Evidently the leader of the Opposition did not himself see any good reason for such a denial, for although in committee he proposed an amendment to confine Mr. Whitney's mining operations to Cape Breton county he thought so little of it that he never divided the House on it, and so far as the journals of the Assembly show, this much abused charter passed without opposition.

FORFEITURE FOR NON-WORKING.

On the important question of forfeiture, Dr. Weldon makes a most misleading statement. He says that in the old leases there was a clause providing for forfeiture of areas in event of non-working, and that this has been abandoned in the new lease. This is true, but it is a very long way from the whole truth. Why did Dr. Weldon suppress the very important fact that several years ago, before the Whitney project was heard of, the Legislature of Nova Scotia unanimously abandoned forfeiture for non-working as respects all leases of coal areas? Practically the forfeiture clause had always been a dead letter. If it had been enforced, the Mines Department would have been kept busy with forfeiture proceedings. Only a moment's reflection is needed to enable one to see that the extent to which the coal areas of the Province could be worked depended on the question of a market. The available market would not take the full output of the mines already in operation. Yet the law, the wise old law, and the old leases which Dr. Weldon quoted so often, declared that every holder of a coal lease must work his mine and raise coal when there was nobody to buy it. The condition was so unreasonable that it never was enforced. No lease has been forfeited for non-working within the memory of any official in the department. In 1889 the Legislature came to the conclusion that the question of working must be left to the law of demand and supply. An Act was passed imposing a rental on the unworked areas, and declaring that so long as the lessees paid royalty or rental their areas should not be liable to forfeiture. This Act, as I have said, was carried unanimously, and that at a time when the Conservative Opposition was led by a gentleman who represented the coal mining county of Cape Breton and gave particular attention to all questions relating to the coal mining industry. From this it will be seen that the exemption from forfeiture for non-working, which Dr. Weldon would have the public believe to be an exclusive privilege of the Whitney company, was enjoyed by every holder of a coal area in Nova Scotia long before Mr. Whitney's company was heard of.

THE 99 YEARS' LEASE.

The period of the lease is one of the things to which the member for Albert takes exception. He spoke of the old lease as one of 20 years, with a "qualified right of renewal," as against 99 years in the lease of Mr. Whitney and his associates. The attempt of Mr. Weldon to make it appear that the old lease was practically one for 20 years is entirely unwarranted. It is true that leases were issued in 20 year terms, but it is also true that the leases carried with them the rights of renewal extending to 80 years. They did not carry any

qualification of the renewal which lessened the period. If the lessee fulfilled his part he was entitled to his renewal. Every lessee in Nova Scotia knew this and in all projects for raising capital for development of the mines the period of the lease was clearly understood to be 80 years. Thus it appears that these "wise old laws, good old laws," allowed the Government to grant what was practically a lease for 80 years. The lease of the Whitney company is for 99 years. The 19 years' difference, in the opinion of Mr. Weldon, is of such vast importance that it is calculated to sap the foundation of the Empire, imperil the interests of the present people of Nova Scotia, and work boundless injury to generations yet unborn. Coal in Nova Scotia, it would appear, is regarded by the member for Albert as a precious heritage which should be preserved in glass cases, and kept sacred from unholy hands, especially American hands. The coal in other provinces does not seem to be viewed by Dr. Weldon in the same light. His friends at Ottawa dispose of the coal lands of the Northwest, not for 20 years, not for 80 years, not for 90 years, but FOREVER. And I have never heard that the member for Albert has raised his voice against that policy. Evidently he regards the addition of 19 years to a lease period in Nova Scotia as a crime, and the giving away of the coal lands of the Northwest forever as a piece of statesmanship.

THE AREA OF LEASES.

Dr. Weldon lays great stress upon the alleged fact that under those wise old laws no one person or company could obtain a large area. "As to area," he says, "the old law was that one man "or one corporation should not have "more than one square mile. Subse- "quently that was enlarged so that one "man or one corporation could hold "two square miles, and in some extra- "ordinary and special cases five square "miles." And this safeguard, he says, has been abandoned. Perhaps this is the strongest point made by Dr. Weldon. But he was only able to make it by a gross misstatement of the wise old laws of which he professed to know so much. If the "days and weeks of study" which he says he has given to this coal question had been devoted to learning the truth instead of to finding material for a partizan attack he would not have made such foolish statements. If no company could have acquired more than the area described by Dr. Weldon the development of the mines would have been slow enough to have satisfied even him. But there was no such law, and the best proof of this is to be found in a reference to the area actually possessed by the larger companies. The following are the holdings of some of the companies, either in leases or in licenses which can be converted into leases at any moment, under the wise and good old laws so highly extolled :

The International company has held 6 miles of coal lands in Cape Breton.

The Sydney Colliery in Cape Breton comprises 10 miles.

The Canada Coals and Railway company has 12 miles in Cumberland.

The Acadia Coal company—a combine, by the way, with its head office in New York—has 13 miles in Pictou.

The Sydney and Louisburg company has 16 miles in Cape Breton.

The General Mining Association has 21 miles in Cape Breton.

The Low Point company—which is practically the General Mining Association under an other name—has 28 miles in Cape Breton.

The Cumberland Coal and Railway company has no less than 52 miles in Cumberland and Cape Breton, and in the name of its principal stock holders it has 20 miles more.

Yet Dr. Weldon, after "days and even weeks of study," and work, after having, as he claims, mastered the question, tells the House of Commons and Lord Stanley and Lord Roseberry, and the Lord only knows who else, that those wise old laws were particularly wise and good because they did not allow any person or company to obtain control of more than one, two, or at the very most, five square miles of coal. And on this foundation of sand he has been rearing the whole edifice of his attack, which now tumbles like a house of cards.

THE QUESTION OF PRICE.

The burden of Dr. Weldon's complaint, after all, is that the price of coal may be increased, and that the Legislature of Nova Scotia should have taken pains to guard against this. Now, I am not so sure that I wish to keep the price of coal down to a low figure. I do not happen to represent particularly a coal mining county. But, as the first minister of Nova Scotia, I represent a coal mining Province. More than two-

thirds of the coal raised in Nova Scotia is exported from the Province. We export coal, fish, lumber, fruit, etc. Should we desire these things to bring good prices? I think we should. If without artificial methods, in free and open competition with the world, we can devise means to get a better price for those products which our people have to sell, should we not be glad to adopt such means? Good prices for coal will mean good wages for the working men. Trust the men for that. I want to see the Whitney company, and all the other companies, operating the coal mines of Nova Scotia getting a fair price for their output. If they attempt to charge to our own people prices that are exorbitant it is quite possible to deal with them—not, however, in the Legislature of Nova Scotia. In fairness to Dr. Weldon I should say in this connection that he is not a practical lawyer; he is a college professor, and can hardly be expected to understand these practical questions. If he understood the situation he would know that the regulation of the price of any article of commerce is not a matter in which the Legislature of Nova Scotia can act. He would be aware that under the British North America Act questions of trade and commerce are assigned to the parliament of Canada, and therefore if the necessity for legislation to restrict prices in coal or in anything else should ever arise it is to the Parliament of Canada and not to the Legislalature of Nova Scotia that the application must be made. It may be that such necessity will arise, and that the oppressed consumers of the country will have to apply to Parliament for relief. If they do, however, they are not likely to look for aid or comfort to the member for Albert, for the policy under which combines have been created and made flourishing at the expense of the consumers of the country has found no more steadfast supporter, defender and apologist than Dr. Weldon.

Yours faithfully,

W. S. FIELDING.

Halifax, March 14, 1893.