

No. 27.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received December 6, 1898.)

[Answered by No. 30.]

Government House, St. John's,

November 24, 1898.

SIR,

I have the honour to transmit herewith, for your information, a letter, marked "A," from the Citizens' Committee of St. John's on the subject of the position held by Mr. Morine—lately Receiver General of the Colony—as the legal adviser of Mr. Reid, the Contractor, at the time that he took such a leading part in procuring in the late Session of Parliament the adoption by the Legislature of the Railway, &c., Contract.

2. I also transmit a letter of the same date, marked "B," from the same Committee pointing out that the petitions which have been forwarded by me to you have been largely signed by the Clergy and the leading business men at the several out-ports, irrespective of party politics, and that farther petitions against the Contract, which they believe will be also largely and influentially signed, will be sent to me for transmission to you by the next mail.

I have, &c.,

H. MURRAY,

Governor.

Enclosure 1 in No. 27.

A.

St. John's, Newfoundland,

November 24, 1898.

SIR,

On behalf of the Citizens' Committee of St. John's, we beg leave to direct your attention to the following facts affecting the Bill known as the Newfoundland Railway Act, in addition to those contained in the memorandum of legal objections recently submitted by us, viz :—

That the principal advocate of the Railway Bill in the House of Assembly and the only member upon the Government side who spoke in its favour, with the exception of the introducer of the measure, was the then Minister of Finance, who at the time held, without the knowledge of the Legislature, the position of general legal adviser to Mr. R. G. Reid, and that the said Minister was mainly instrumental in procuring the adoption of the measure by the House.

That the practice of any member of the Legislature, especially a Minister holding office under the Crown, bringing forward, promoting or advocating and voting for any measure or proceeding in Parliament in the interest of those with whom he has professional relations is contrary to parliamentary usage and public policy and we respectfully submit that the fact that this measure was procured by such means is an additional reason why it should be disallowed.

That this measure was introduced wholly in the interest of Mr. Reid.

That he was at the time under a Contract which compelled him to operate the railway system, with the exception of the line from St. John's to Harbour Grace and some small uncompleted branch lines, for a further period of seven years, and that he had, a short time previous to the introduction of the Bill, made an offer to the Government to undertake the operation of the line from St. John's to Harbour Grace and to pay therefor an annual rental of \$15,000.

That the security which the Colony had for his faithful performance of the operating contract made by him with the Government lay in the fact that the consideration to be received by him under the Contract was land concessions to be taken along the line of railway, and that these lands could, for the most part, only be availed of or utilised by him by means of the railway.

That the present Contract, as pointed out in the memorandum previously submitted by us, provides Mr. Reid with the means of divesting himself of the ownership of the lands adjacent to the railway and enables him to take his land concessions in localities accessible without the aid of the railway, and so deprives the Colony of the only security it previously had for the operation of the railway system by Mr. Reid or his assigns.