

paid for, while it was the Colony's reversionary right in the railway, at the end of fifty years, which was sold, not the present fee simple.

4. It is incorrect that the land to be granted under the contract will be taken along the seaboard. Under the contract of 1893, Mr. Reid took blocks of land on both sides of the railway to a distance of 8 miles, but under the present contract he will take to a distance of 10 miles, so that he must receive a large portion of his land under the new contract in belts between 8 and 10 miles on either side of the railway. Large quantities of mineral land on the seaboard are already under lease to various parties, which leases will not be affected by the contract, and as to the remainder, if Mr. Reid discovers and works mines, the Colony can obtain from him that which it has never yet obtained from others, namely—a royalty upon all minerals mined.

5. It is untrue that “under the proposed conveyance, all ungranted lands are subject to be reserved to Mr. Reid for selection for the next three years.” Such palpable mis-statements require for their refutation merely a glance at the contract itself. A serious responsibility rests upon those who wilfully made so erroneous and damaging a statement.

6. It is incorrect that the contract includes “a monopoly for the next thirty years of the coastal carrying trade.” Ministers submit that such wilfully misleading statements disentitle the memorialists to any consideration. The contract does not purport even to affect the coastal carrying trade, which is as free to the whole world as it has always been in the history of this Colony. Coastal steamers have been employed for many years to carry mails and passengers for subsidies granted for a term of years; and by the new contract, a better and cheaper system of steam boat communication than the Colony has ever possessed has been arranged for, but this does not affect the coastal carrying trade, which is conducted chiefly in sailing vessels.

With reference to the letter of the Right Honourable the Secretary of State for the Colonies, dated March 23rd, 1898, and to various comments made therein:—

(a) It is incorrect, and very, very far from the actual fact, that “under this contract (1898) and the earlier one of 1893, for the construction of the railway, practically all the Crown lands of any value become, with full rights to all minerals, the freehold property of a single individual.” A glance at the contract of 1898 will show that one-half of all the land along the line of railway, and as much of the other half as the Contractor may reject as being marsh or barren, remains the property of the Colony, to be rendered more and more valuable by the enterprise of the Contractor or his successors on adjacent lands belonging to him or them. The total area of the Colony is 27,000,000 acres, of which 3,500,000 acres may be considered as lakes, ponds, &c., 500,000 acres as granted to various persons (not including land covered by timber licenses), leaving 23,000,000 acres from which to select the 3,500,000 acres to be granted to the Contractor under the two contracts 1893 and 1898. In addition, the area of Newfoundland Labrador, in which the Contractor may take some of his land, may be estimated at 70,000,000 acres.

(b) The contract of 1893 granted the contractor about 2,500,000 acres for operating the railway for seven years from its completion; not for “constructing” the railway. A glance will show that under that contract, the contractor would probably have procured all or almost all the good land along the line of railway for a depth of 8 miles on both sides. By a provision in the new contract, the contractor will obtain less of this land out of the larger total than he would have procured under the 1893 contract. Attention is especially called to the fact that in making the new contract, the then existing situation was the paramount consideration—not theoretical doctrines—and that the situation was this—that after seven years, with all the good land along the railway in the hands of the contractor, the total cost of operating the railway to develop those lands—a cost far greater than the revenue of the railway—would have fallen upon the Colony. It was necessary to provide, therefore, that the cost of operating the railway should fall upon the man who should own so much of the land. The Legislature had in 1898 to deal with things as they were—not as they might have been.

2. As to the telegraphs, it should be borne in mind that these were only, as it were, additions to the Anglo-American Company's system in this Colony, built by the Colony from time to time because the Company would not construct and operate them. They were never remunerative to the Colony, the expenditure upon their operation annually exceeding the income from them by 200 per cent. or more. A portion was already under the control of the contractor, under the contract of 1893. By the contract of 1898, the system of Government lines was consolidated, and a saving made by the Colony in the annual cost. It must be borne in mind that in this Colony—in North America, indeed—Governmental control of telegraphs is an anomaly, an accident, not part of a considered policy. All American or Canadian telegraphs are operated by companies, and nine-tenths