With reference to certain statements made in a letter, dated February 25th, 1898, from His Excellency the Governor to the Right Honourable the Secretary of State for the Colonies :—

1. It is true that the supporters of the Government in the Legislature were not absolutely unanimous privately in their support of the purchase clause of the railway contract. One member of the Legislative Council supporting the Government—and one only—was opposed to it, though he did not vote against it. And one member of the Government party in the Assembly was privately opposed to the purchase clause, though he afterwards voted for the contract. Otherwise the accord of the supporters of the contract was unprecedentedly hearty, a heartiness and unanimity upon an important question greater than ever before witnessed by the most experienced of Ministers.

It is a further important fact that the support given to the measure by those who on general policy are political opponents of the Government, and especially the members of the Legislative Council, was hearty and unqualified, and the expression of a well-instructed and honest opinion upon the merits of the measure itself.

2. It is incorrect that the party supporting the Government were informed at a meeting that unless the contract were accepted the Colony could not meet its engagements on the 30th June next. Ministers desire to impress this fact, that with the exceptions just noted, the free, instructed, and conscientious opinion of the Government supporters in the Legislative Council and Assembly was from the outset in favour of the railway contract and all its details.

With reference to His Excellency's letter, dated 2nd March, 1898 :—

1. Ministers are not prepared to admit that greater weight should be given to the utterances of a "church paper" upon a matter of State than to expressions of ordinary newspapers, or to the opinion of a Bishop as to a railway contract, than to the opinions of men of business. A perusal of the article in the "church paper" referred to, and an examination of the contract, will show that its editor had not taken the precaution to read the contract ; and as to the Bishop's letter, the Governor has declined to permit Ministers to see it.

2. The imputation that Mr. Morris and others voted for the contract because the district of St. John's will be specially benefitted by it is unfounded and unjust. Of the six members for St. John's, three voted against the contract, and the vote given by Mr. Morris was quite in accord with the previous policy of the Government of which he was a member. Ministers cannot admit that it is justifiable, upon conjecture, to attribute to members of the Legislature, with reference to their conduct as such, motives less broad than they themselves profess.

With reference to His Excellency's second letter of date March 2nd, 1898 :—

1. It is incorrect that "of the five members of the Opposition who voted for the contract, three sit for St. John's West." One sat for St. John's East (Mr. Fox), one for Ferryland (Mr. Cashin), and one for Carbonear (Mr. Duff). The Opposition does not contain men of greater standing, ability or experience than the members of that party who voted for the contract.

With reference to the Memorial of certain members of the Opposition party in the Assembly :—

1. Denunciation of land concessions made to R. G. Reid in 1893, under the late Government, was *not* a large factor in the political campaign which terminated in the defeat of that Government. In one district only—namely, in Twillingate, was it made prominent, and in that district the late Government was supported. No deductions as to the feeling of the people on the subject can be drawn from the result of the General Elections in 1897.

2. It is not correct that "only after a strenuous effort the Opposition succeeded in having 48 hours granted to them in which to consult and decide upon the question." Delay was granted immediately upon request for it, and abundant opportunity for discussion was given both upon the resolution authorising a contract, and upon the second reading of the Bill to confirm it ; while upon the Committee stage of the Bill, the Opposition refrained from all discussion, to the surprise of the Government.

3. It is incorrect that the contract is "an absolute conveyance in fee simple of all the railways, the dock, telegraph lines, mineral, timber, and agricultural lands of the Colony." The recklessness or worse of such a statement should be sufficient proof as to the unreliability of the memorialists. The contract conveys about 1,500,000 acres of land, not one-tenth part probably of the mineral, timber, and agricultural lands of the Colony. Along the line of railway itself, the Colony will retain one-half of all the good land, and all the swamp or barren land. The dry dock and telegraph lines were amply