

then came forward with a proposal that the Government, whose sanction was essential, permit him to convert these personal holdings into a limited liability company, capitalized at \$25,000,000; one-fifth of that sum to be raised at once on mortgage bonds, for the carrying out of the several industries already initiated, notably a pulp-mill, designed to be one of the largest in the world. The Ministry then in power, headed by Hon. Robert Bond, with Hon. E. P. Morris and W. H. Harwood as his lieutenants, was not favourable to this proposition, fearing that it concealed an attempt by Mr. Reid to rid himself of his personal liability. He urged the contrary view: that he had secured English capital to assist him in turning to profit our wealth of forest and farm, and mine and stream, and that the colony's security for the carrying out of the contract obligations would be enhanced, instead of minimized. But the Bond Government insisted on his returning to the colony the telegraphs; on his amending his land grants so as to conserve the interests of settlers, and ensure reservation of tracts for various public purposes; on his giving guarantees as to the amount of money to be spent in the colony of the sum raised; and, if possible, on his relinquishing his proprietary right in the railway. He agreed to the second and third conditions, but rejected the others.

On this issue the recent general election was fought, Premier Bond being returned with a following of thirty-two, while Mr. Reid's friends carried only four seats, the leader of the Conservatives, Mr. A. B. Morine, who is also Mr. Reid's solicitor, being among the fortunate quartette. The election proved how apprehensive the people were of a monopoly, and how they resented the concessions already granted to the contractor, not to speak of affording him others. Nevertheless, it is recognized that the operation of the railroad by the Government would be impossible, and it is conceded that only by

the inauguration of diversified industries along the line can Mr. Reid make his venture a financial success. The sentiment of hostility afloat against him is due to the fear that he has got too much power through the influences he wields, and that he or the corporation which succeeds him, may become a formidable rival to the State. The adjustment of the difficulties between him and the Bond Government being a matter of current politics, is outside the scope of this paper.

An impartial study of the whole question warrants the conclusion that the building of a trans-insular railway was too great a task for the colony. The interior will not produce wheat as does the Northwest, there was nothing demonstrable as to the wealth of the region opened up by the road; and the roundabout course the track takes, due to the need of touching all the bays, so as to connect with the steamers, forbids the possibility of cheap and speedy carriage of freight. Therefore, having made this initial experiment, the colony should have, in handing over the operation of the line to a contractor, stipulated for a prolonged period with ample guarantees that development would be undertaken. The centering in the hands of one man, by his acquisition of such an all-embracing concession as that comprehended in the Reid "deal," the determining in a large measure of the financial and industrial status of the colony, is a proceeding that is powerful for good or evil, according as that individual uses or misuses the almost autocratic grip it gives him. But the most insoluble problem of all is that bound up with the livelihood of a corporation, or trading company, acquiring control of such an aggregation of commercial franchises, and thereby exerting such a direct and potent influence—baneful or beneficial—upon the people and prospects of a small colony like this. It promises to provide some new object-lessons in the history of British autonomous possessions.