

From the figures in the table it would seem that whereas in the more thickly populated districts set out in Part 2, the number of the petitioners, taken up to date as sent to me, represent nearly half the normal number of voters; in the more thinly populated districts, set out in Part 2, they at present represent less than one-third.

I omit from this calculation the Petition forwarded in my despatch of the 19th August last,* as I have no record of the number of signatures attached to it, which I am told were nearly 800.

10. A consideration of the figures represented by the number of the signatures has led me to the opinion that it is advisable, if possible, that before the "final" stage is reached by Her Majesty's assent to the Act, the electorate should be given an opportunity of expressing their approval or disapproval of the Contract. I am aware of the expense to which the Colony would be put by a dissolution so soon after the General Election of last autumn: but that to my mind is not the most important factor in the case. I think that the far-reaching and at the same time very varied and complicated nature of the Contract is in itself a reason why it should be submitted to the deliberate consideration of the Colony.

The mode in which it was passed through a Legislature new to its work, the more than dubious position occupied by the Minister who had the chief hand in so rushing the Act, the doubtful accuracy of some statements made by him in order to influence the Legislature, will long be well remembered; and I cannot but think that the political future of a Colony in which party government prevails will, in its early and late condition, be dangerously embittered if it can be said, as it undoubtedly will be said, in the absence of any dissolution, that all the valuable assets of the Colony were sold to a contractor by the government of the day, not only without any authority from the electorate, but in opposition to the strongest opinions publicly expressed in hostility even to the former Contract of 1893 by the man who was foremost in rushing the new one. Nor will it be forgotten, if the Act is sanctioned without an appeal to the electorate, that the Legislature of the day sold, without notice to the electors, almost all the assets of the Colony, but left most of the debt out of the proceeds of which those assets had been created a permanent weight round the neck of the Colony.

11. It seems to me sufficient for the moment to view the question from the standpoint of a self-dependent Colony, but if it is viewed with relation to confederation with the Dominion of Canada, it has to be borne in mind that in consideration of the value of the railway—the mines and lands which are to such a large extent alienated under the Contract—Canada was prepared in 1893 to grant in perpetuity \$150,000 a year in aid of the local administration of Newfoundland as one of its provinces.

12. In arriving at this conclusion—though personally thinking that the Contract is most mischievous,—I by no means express, or am able to form, any opinion whether the Electorate, if consulted, will approve or disapprove of the Contract. Many influences will be at work, and in a colony such as this I should venture on no opinion, except that I think the educated minds of the Colony are mostly opposed to it. I am, however, fortified in the conclusion at which I have arrived by the fact that my Ministers, in the Minute of Council dated 2nd of March last (see printed correspondence, C—8867, page 20), urged upon you that "as the power of disallowance protected all interests, their conduct of legislation should not be interrupted in *intermediate stages*," thus anticipating, as it were, the possibility of, at least, the suspension of the Royal Assent until some kind of action had taken place.

13. It may be that there is no precedent for the course which I have submitted as advisable, but the circumstances attending the making of the Contract and its passage through the Legislature were so exceptional, and, in some respects, so peculiar, that it appears to me to be a case in which unusual action would be justified even at the risk of creating a precedent.

I have, &c.,

H. MURRAY,

Governor.