

and develop the mineral, agricultural and timber lands included in his holdings. He did initiate works of this character, but not on a large scale, because the seven-year period was inadequate to justify him in more ambitious projects, seeing that the road might then pass into the hands of parties hostile to him and his ventures. In 1897 he proposed to the Government to extend his operating contract to thirty years, but in the general election which then took place the Liberal

the reversion of the ownership on the property at the end of that period for a present payment of \$1,000,000.

THE DRY DOCK.—The colony had built a graving dock at St. John's some years previously. It would make an excellent deep-water terminal for his railway, and he purchased it for \$325,000; it cost \$560,000.

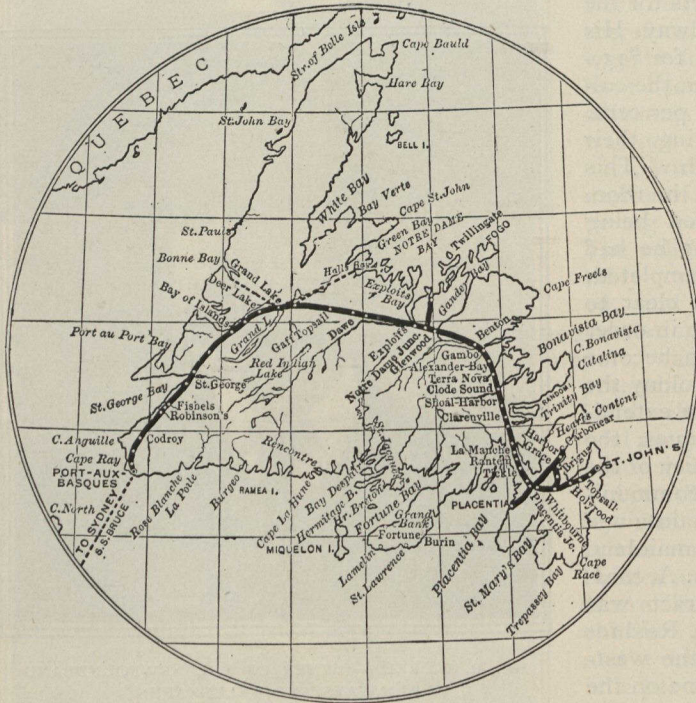
THE TELEGRAPHS.—To properly operate his trains and steamers Mr. Reid purchased the colonial telegraph system, 1,000 miles in length, for \$125,000, the rates to be reduced one-half at the expiration of the Anglo-American monopoly in 1904.

THE MAIL STEAMERS.—Instead of casual steamers around the coast, Mr. Reid procured a franchise for eight modern high-class boats, for thirty years, at subsidies aggregating \$92,300, with a subsidy of \$42,000 for the carriage of mails by train, or \$135,300 per annum, in all.

THE LANDS.—The total of the land grants amounted to over 4,000,000 acres.

Provision for the development of these was made, and they were regarded as being the foundation of the possibilities of the whole extraordinary undertaking.

Dealing with these properties in detail, the situation was: The colony was somewhat embarrassed, and the Winter Ministry held that the sale to Mr. Reid would provide enough ready money to meet current obligations and redeem debentures then awaiting can-



NEWFOUNDLAND AND ITS RAILWAY

Ministry was defeated, and the Conservatives, led by Sir James Winter, assumed power. The Winter Ministry concluded with Mr. Reid the remarkable contract which has since become famous as the "Reid deal." Its provisions are as follows:

THE RAILWAY.—Mr. Reid undertook to operate the entire railway system of the colony, 638 miles, for fifty years for a further land grant of 2,500 acres to each mile of track; and he purchased