

NEWFOUNDLAND.

FURTHER CORRESPONDENCE

RELATIVE TO THE

CONTRACT FOR THE SALE OF THE GOVERNMENT
RAILWAY,

AND FOR OTHER PURPOSES.

(*In continuation of [C.—8867] May 1898.*)

Presented to both Houses of Parliament by Command of Her Majesty.
January 1899.



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1899.

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1899.

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(In continuation of [C—8867] May 1898.)

No. 1.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received August 30, 1898.)

[Answered by No. 2.]

Government House, St. John's,
August 19, 1898.

SIR,

I HAVE the honour to forward to you herewith two petitions addressed to Her Majesty the Queen in Council bearing on the respective subjects of:—

- (1.) My resignation of the Governorship being reconsidered.
- (2.) The disallowance of the Railway Act passed at the last session of the Legislature.

The petitions were formulated and signed at a public meeting held in St. John's on the 17th instant.

I have, &c.,
H. MURRAY,
Governor.

Enclosure 1 in No. 1.

St. John's, Newfoundland,
August 18th, 1898.

SIR,

I have the honour to enclose herewith a petition* from the citizens of St. John's, addressed to Her Majesty the Queen in Council, and relating to the appointment of a Governor of this Colony, and would request you to be good enough to forward the same to the Colonial Office at the first opportunity.

As the matter is a pressing one, it has been deemed advisable to forward the petition as soon as possible; but if more time were at our disposal there is no doubt that an immense number of signatures would be obtained.

I have, &c.,
A. le C. BERTEAU,
Secretary to meeting held British Hall, August 17th, 1898.

His Excellency
Sir H. H. Murray, K.C.B.,
Governor.

* Similar petitions from Pouch Cove and Pilley's Island were subsequently forwarded by the Governor.

TO HER MOST GRACIOUS MAJESTY THE QUEEN IN COUNCIL.

The Humble Petition of the undersigned citizens of Saint John's, Newfoundland,
Most respectfully sheweth,

That your petitioners are desirous of approaching Your Majesty upon a question which your petitioners regard as being of vital importance to the future of the ancient and loyal Colony of Newfoundland.

The recent announcement of the intended resignation by Sir Herbert Murray of the office of Governor of Newfoundland has caused widespread anxiety for the welfare of this Colony, which at the present moment has reached a critical point in its history.

An extraordinary and, your petitioners believe, dangerous experiment has recently been tried here. The whole railway system, docks, telegraphs, and steam service of the Colony, together with large areas of public lands, have been handed over by the Government to a private contractor. This transfer was accomplished without submitting the question to the electorate for approval or rejection. It was done almost without consideration in the Legislature, and was passed through that body with indecent haste. At that moment but one voice could effectually be raised against the proposed sacrifice—that of Sir Herbert Murray—and the firm stand which he took in the matter is already upon record. The result of that experiment is yet to be known, and your petitioners, in common with the vast majority of the people of this Colony, feel that while Sir Herbert Murray continues to hold the office of Governor all attempts to encroach upon the liberties and rights of the people of Newfoundland will meet with determined opposition from his Excellency.

Sir Herbert's great experience of administration previous to his arrival here enabled him to obtain, in a surprisingly short time, an intimate knowledge of our local conditions and requirements, and during the period of his stay amongst us the extent of that knowledge has been continually manifested to our advantage.

Recent events have shown that contingencies may arise in which the welfare of the Colony might largely depend upon the presence, at the head of affairs, of a strong capable administrator, whose integrity and honesty of purpose have won for him the respect of the whole community.

Your petitioners therefore humbly pray that his Excellency Sir Herbert Murray may be requested to reconsider his decision and to give the Colony the benefit of his services at least until the expiry of the usual term of a Colonial Governorship, and, if possible, for a longer period.

And as in duty bound your petitioners will ever pray, &c., &c., &c.

EDWARD M. ARCHIBALD,
DANIEL M. HOGAN,
&c., &c., &c.

August 17, 1898.

Enclosure 2 in No. 1.

St. John's, Newfoundland.

SIR,

August 18th, 1898.

At a public meeting held last evening in the British Hall, a petition* was adopted and largely signed, relating to the recent Railway Contract Act, and I have the honour, as Secretary of that meeting, to enclose the said petition, and to request that you will be good enough to forward it to the Secretary of State at the earliest opportunity.

Copies of the petition are being sent to the out ports, and we expect that they will be largely signed. When the copies are returned they will be forwarded at once.

I have, &c.,

A. LE C. BERTEAU,
Hon. Secretary.

His Excellency
Sir H. H. Murray, K.C.B.,
Governor.

* Similar petitions from Pouch Cove, Pilley's Island, Scilly Cove, Old Perlican, Western Bay, Portugal Cove, Ochre Pit Cove, Musgrave Harbour, Port de Grave, Torbay and District of Trinity were subsequently forwarded by the Governor.

TO HER MOST GRACIOUS MAJESTY THE QUEEN IN COUNCIL.

The Petition of the undersigned inhabitants of the Island of Newfoundland,
most respectfully sheweth,

That in the month of October Eighteen hundred and ninty-seven a general election took place in Newfoundland, which resulted in the return of the present Government Party, led by Sir James Winter. During the campaign preceding that election Sir James Winter's party relied chiefly for securing the support of the electorate upon denunciation of the land and other concessions made by the late Government in the year 1893 to Mr. R. G. Reid, a railway contractor. The return of Sir James Winter's party to power must be largely attributed to their attitude upon this question.

One of the first acts of the new Government was the introduction into the House of Assembly of a bill entitled "A Bill relating to the Operation of the Railway and other matters," whereby the railways, docks, telegraphs, and steam service of the entire Colony were transferred to the same Mr. R. G. Reid, accompanied by new and liberal grants of public land.

Notwithstanding the fact that under the contract made in 1893 between the Newfoundland Government and Mr. R. G. Reid, the latter was bound to operate the railway without further compensation, until the year 1903, this gigantic scheme was hastily introduced into the legislature and passed through the House of Assembly in all its stages in half an hour. No opportunity was given for adequate consideration or discussion of such an important measure.

The extraordinary haste with which the Bill was rushed through the Legislature prevented the constituencies from learning that such a sweeping transfer of the Colony's assets was even contemplated, much less accomplished, by the members of that very party who a few short months before had been so loud in denouncing the far milder concessions of their predecessors. Owing to the fact that the population of Newfoundland is scattered over an extensive sea-board, with comparatively few opportunities for communication with the capital, it is only at the present time that the outlying districts are becoming aware of what has been done in this matter by their representatives in the House.

In the light of that knowledge so recently acquired, your petitioners desire most respectfully to protest against the ratification of this improvident and extraordinary Bill.

And your petitioners humbly pray that Your Majesty may be graciously pleased to disallow the Bill "Relating to the Operation of the Railway and other matters," until its proposals shall have been submitted to the constituencies at a general election.

And as in duty bound your petitioners will ever pray &c., &c., &c.

EDWARD M. ARCHIBALD,
DANIEL M. HOGAN,
&c., &c., &c.

August 17, 1898.

No. 2.

MR. CHAMBERLAIN to GOVERNOR SIR H. H. MURRAY.

SIR, Downing Street, September 2, 1898.

I HAVE the honour to acknowledge the receipt of your despatch of the 19th ultimo,* covering two petitions to Her Majesty the Queen on the subject of your resignation of the Governorship of Newfoundland, and of the Railway Bill passed at the last session of the Legislature, both of which have been duly laid at the foot of the Throne.

With regard to the first of these petitions, I would refer you to my despatch of the 31st ultimo,† and as to the second, to my despatch of the 23rd March last,‡ to which I have nothing to add.

I have, &c.,
J. CHAMBERLAIN.

* No. 1.

† (Not printed) : The despatch eulogised the services of Sir H. H. Murray and regretted that the petition could not be granted, as other arrangements had been made.

‡ No. 26 in [C. 8867].

No. 3.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received September 12, 1898.)

[Answered by No. 4.]

Government House, St. John's,
August 30, 1898.

SIR,

WITH reference to my despatch of the 19th instant,* I have the honour to forward herewith to you two petitions, from Spaniard's Bay and Bay Roberts, in Conception Bay, on the subject of my remaining here, and in connection with the Railway Act passed at the last session of the Legislature.

I have, &c.,
H. MURRAY,
Governor.

Enclosure 1 in No. 3.

SIR,

St. John's, Newfoundland, August 29, 1898.

REFERRING to my previous letter of the 18th instant, I have the honour to enclose a copy of the petition† relating to the appointment of a Governor of this Colony, which has been largely signed in Bay Roberts and Spaniard's Bay, and to request that the signatures may be forwarded to the Colonial Office.

I have, &c.,
A. LE C. BERTEAU,
p.p. C. O'N. C.

His Excellency
Sir H. H. Murray, K.C.B.,
Governor.

Enclosure 2 in No. 3.

SIR,

St. John's, Newfoundland, August 29, 1898.

REFERRING to my previous letter of the 18th instant, I have the honour to enclose a copy of the petition‡ relating to the recent railway Contract Act, which has been largely signed in Spaniard's Bay and Bay Roberts, and to request that the signatures may be forwarded to the Colonial Office.

I have, &c.,
A. LE C. BERTEAU,
p.p. C. O'N. C.

His Excellency
Sir H. H. Murray, K.C.B.,
Governor.

[The petition is identic with that in Enclosure 2 in No. 1, except paragraph 4, which runs as follows] :—

“The extraordinary haste with which the Railway Bill was rushed through the Legislature prevented the constituencies from learning that such a sweeping transfer of the Colony's assets was even contemplated, much less accomplished, by the members of that very party who a few short months before had been so loud in denouncing the far milder concessions of their predecessors. And it is only since the publication of the correspondence relative to the Railway Contract that the people had an opportunity of understanding on what grounds and by what means the Contract received the temporary assent of His Excellency the Governor. And owing to the fact that the population of Newfoundland is scattered over an extensive sea-board with comparatively few opportunities for communication with the capital, it is only at the present time that the outlying districts are becoming aware of what has been done in this matter.”

* No. 1.

† Identic with that in Enclosure 1 in No. 1.

‡ Three similar petitions from Harbour Grace and neighbourhood were subsequently forwarded by the Governor.

No. 4.

MR. CHAMBERLAIN to GOVERNOR SIR H. H. MURRAY.

SIR,

Downing Street, September 16, 1898.

I HAVE the honour to acknowledge the receipt of your despatch of the 30th ultimo,* covering two petitions from Spaniard's Bay and Bay Roberts, regarding, respectively, your tenure of office and the Railway Act, both of which have been duly laid at the foot of the Throne.

I have, &c.,
J. CHAMBERLAIN.

No. 5.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received September 23, 1898.)

[Answered in terms similar to No. 4.]

SIR,

Government House, St. John's, September 14, 1898.

I HAVE the honour to transmit to you, in continuation of my despatch of the 6th instant,† petitions from Torbay,‡ St. Lawrence‡ and Upper Island Cove, against the Railway Contract, 1898, and with reference to my retention of the Governorship of the Colony, from Torbay§ and St. Lawrence.§

2. It will be observed that in the petition from Upper Island Cove, reconsideration of the Railway Contract Bill is urged on the ground that in the printed correspondence with the Secretary of State on the subject my Executive Council urged that as the ultimate power of the Crown of disallowing the Act protected all interests, their conduct of legislation should not be interrupted in its intermediate stages.

3. This view of the matter thus expressed by my Ministers will be found in Parliamentary Paper C-8867 of 1898, Page 3, No. 7, and at Page 20, Enclosure 2, in No. 21.

I have, &c.,
H. MURRAY,
Governor.

Enclosure in No. 5.

[The petition from Upper Island Cove respecting the Railway is identic with that in Enclosure 2 in No. 1, with the addition of the following paragraphs] :—

“Your petitioners have lately had an opportunity of perusing the correspondence between the Secretary of State for the Colonies and His Excellency the Governor, relative to the said Railway Bill, and observe that the Executive Council urged the Royal Assent being immediately given to the Bill on the grounds that the measure could be disallowed hereafter if found unjust or inexpedient.”

“Your petitioners respectfully beg to point out that nothing has occurred since the date of the Minute of Council asking for the Royal Assent to alter the relative position of the parties, and no expenditures have been undertaken by the Contractor not referable to pre existing contracts except to a very limited extent, and the amount of which is easily capable of exact ascertainment.”

* No. 3.

† Identic with that in Enclosure 2 in No. 1.

‡ Not printed: Despatch forwarding petitions.

§ Identic with that in Enclosure 1 in No. 1.

No. 6.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received September 30, 1898.)

[Answered in terms similar to No. 4.]

Government House, St. John's,
September 19, 1898.

SIR,

IN continuation of my despatch of the 14th instant,* I have the honour to forward herewith to you three petitions† against the Railway Contract, 1898, from :—

- (1.) Outer Cove and Middle Cove (St. John's East).
- (2.) Logy Bay (St. John's East).
- (3.) St. Mary's (Placentia and St. Mary's).

In forwarding these memorials I have to observe that the Colony now seems to be waking up to the impolicy of the Railway Act. Until the printed correspondence had been received at the out-ports, the question appears to have received but little consideration, and the lateness of the date, 19th July, to which the publication of your despatch, No. 18 of the 23rd March last, was postponed, has produced a feeling prejudicial to the Ministry. If an appeal was now made to the electors generally, it is, in my opinion, probable that most of those who voted for the Contract would lose their seats; in St. John's such would *certainly* be the case, popular as the men were who headed the poll in the East and West Districts at the last General Election.

I have, &c.,
H. MURRAY,
Governor.

Enclosure in No. 6.

SIR,

St. John's, Newfoundland, September 17, 1898.

I HAVE the honour to acknowledge your Excellency's communication of the 12th instant and the despatch of 2nd September enclosed therein, and to express to your Excellency the deep regret with which the petitioners learn that your Excellency's departure is inevitable.

With regard to the latter part of the despatch of 2nd September, the prior despatch of 23rd March, therein referred to, has lately been made public, and its tenour is known to the signatories of the petition relating to the Railway Contract Act, 1898.

In this connection I beg to enclose petitions† from Outer Cove, Middle Cove, and Logy Bay (St. John's East), and St. Mary's (Placentia and St. Mary's), and to request that they may be forwarded to the Colonial Office.

I have, &c.,
A. LE C. BERTEAU,
p.p. C. O'N. C.

His Excellency
Sir H. H. Murray, K.C.B.,
Governor.

No. 7.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received September 30, 1898.)

[Answered in terms similar to No. 4.]

SIR,

Government House, St. John's, September 20, 1898.

I HAVE the honour to forward to you herewith, at the request of Dr. Tait, 24 Petitions as set forth in the accompanying copy of that gentleman's letter of this date.

I have, &c.,
H. MURRAY,
Governor.

* No. 5.

† Identical with that in Enclosure 2 in No. 1.

Enclosure in No. 7.

TO HIS EXCELLENCY THE GOVERNOR.

St. John's, September 20, 1898.

May it please Your Excellency :—

I HAVE the honour to forward to you petitions from several places, as follows :—

10 petitions from people of Twillingate.

1 " " Burgeo and La Poile, asking for your retention
as Governor : also,

8 petitions from people of Twillingate.

4 " " Fogo.

1 " " St. John's East, against the Railway deal, all of
which I am instructed to ask you to be so kind as to transmit to the
Right Honourable the Secretary of State for the Colonies.

I have, &c.,

J. SINCLAIR TAIT.

Secretary of Committee of Members of the Liberal Party.

To the Right Honourable HER MAJESTY'S PRINCIPAL SECRETARY OF STATE FOR
THE COLONIES.

The Memorial* of the undersigned humbly sheweth,

That your memorialists, electors of the District of Twillingate, have heard with regret that His Excellency the Governor of this Colony, Sir Herbert Harley Murray, K.C.B., has tendered his resignation to Her Majesty's Government.

We assume that His Excellency has been moved to this course of action by reason of the views that he entertains and has deemed desirable to convey to Her Majesty's Government, respecting the transfer of the Railway and other assets of the Colony to one R. G. Reid, which views are not in accord with those entertained by his Executive.

We have recently had an opportunity to peruse the correspondence relative to the sale of the Railway and other assets and we are in perfect accord with the protests that have been made against the said sale.

We desire to declare our approval of the attitude taken by His Excellency the Governor in relation to the matter, being of opinion that the extraordinary nature of the transaction entirely justified His Excellency's despatches, and we regret exceedingly that the Bill covering the transfer aforesaid was not reserved for Her Majesty's approval until the people of this Colony were afforded an opportunity to express their views in relation thereto.

Your memorialists believe that the interests of the Colony will be best conserved by the continued presence of His Excellency Sir Herbert Murray at the head of the Executive Government, and they most respectfully pray that Her Majesty's Government will request the re-consideration by His Excellency of his resignation and urge His Excellency's retention of office for a further term.

And as in duty bound, your memorialists will ever pray.

GEORGE STEWART,
DUNCAN PARSONS,
&c., &c., &c.

[NOTE.—The other nine petitions were in identic terms.]

(From Burgeo and La Poile.)

To the Right Honourable JOSEPH CHAMBERLAIN, M.P., &c., &c.,

HER MAJESTY'S PRINCIPAL SECRETARY OF STATE FOR THE COLONIES.

The Petition† of the undersigned inhabitants of Newfoundland humbly sheweth,

That your petitioners have learned with profound regret of the approaching retirement of his Excellency Sir Herbert Murray from the office of Governor of this island.

* Similar petitions from Twillingate (North-West Arm) and Bay St. George were subsequently forwarded by the Governor.

† Four similar petitions from Harbour Grace and neighbourhood were subsequently forwarded by the Governor.

The present is a time of most critical anxiety in the Colony's history,—one which demands in the responsible position of Governor a man who is honest of purpose, independent of judgment, and trusted by all classes of the people.

His Excellency's intimate knowledge of every political, social, and commercial institution of the Colony, obtained by a close study of our local conditions since the date of his first arrival as Relief Commissioner in 1895, renders him peculiarly fitted for the office which he holds.

In the acquirement of this knowlenghe His Excellency must have been considerably aided by his experience in the Civil Service of the mother-country. This experience is in itself a sufficient guarantee of His Excellency's capacity to deal with questions at the present time arising in this Colony, for whose determination a strong and capable administrator is needed.

As the jealous guardian of constitutional rights, and the steadfast protector of public interests, His Excellency has won the most widespread confidence and the highest regard.

His courage, probity, and unswerving integrity have provoked the respect and admiration of every creed and party, and by their high example have unquestionably raised and strengthened the standard of public duty throughout the Colony.

Under such circumstances the retirement of His Excellency from the Governorship of this Colony seems but little short of a public calamity, and one which your petitioners feel bound to employ every means in their power to avert.

Your petitioners therefore respectfully pray that His Excellency may be asked to reconsider his decision, so that not only may his term of office extend to the usual limit of a Colonial Governorship, but that at the expiration of that period it may be renewed.

And, as in duty bound, your petitioners will ever pray, &c.

GEO. WINSLOW,
&c., &c., &c.

DISTRICT OF TWILLINGATE.

To the Right Honourable HER MAJESTY'S PRINCIPAL SECRETARY OF STATE FOR THE COLONIES.

The Petition* of the undersigned humbly sheweth,

That your petitioners are duly qualified electors of this Colony. That they desire respectfully to protest against the ratification by Her Majesty's Government of the Bill passed by the Legislature of this Colony disposing of the Government railway and other assets of the Colony.

That your petitioners have refrained from any action in the premises up to this time, believing that such extraordinary and unprecedented legislation would not receive the approval of Her Majesty's Government.

That your petitioners have only very recently been made aware of the attitude of Her Majesty's Government respecting the said Bill.

That although it appears by your despatch to His Excellency the Governor, bearing date the 23rd of March, that His Excellency's Ministers were requested by you to give publicity to the views of Her Majesty's Government in relation to the said Bill, the same was withheld from publication until the 19th day of July.

That your petitioners avail of the earliest opportunity, after due consideration of the whole of the correspondence relative to the transfer aforesaid, to protest against and condemn the conduct of which the Executive Government have been guilty, and to express their entire approval of the protests that have been forwarded to Her Majesty's Government against the measure.

That your petitioners concur in the view taken by Her Majesty's Government that by the transfer complained of "the Colony is divested for ever of any control over or power of influencing its own development, and of any direct interest in or direct benefit from that development," and they contemplate with alarm the possible ratification of the said sale or transfer by Her Majesty's Government.

That your petitioners were in no way informed by the Government of their intention to make the transfer complained of, but, on the contrary, from the pronouncement of the present Government party at the polls, they had reason to regard any concessions by them to R. G. Reid as impossible.

* Similar petitions from Jean de Bay (Burin), Killigrews (Harbour Main), &c., Twillingate District (2), Bay St. George, and Codroy Harbour were subsequently forwarded by the Governor.

That your petitioners have been deceived, and their dearest rights have been sacrificed by the political party at present in power in this Colony.

Your petitioners therefore pray that before the Bill complained of is finally approved and confirmed by Her Majesty in Council, the electors of this Colony may have an opportunity to pass upon the measure at the polls.

And as in duty bound your petitioners will ever pray, &c., &c.

JACOB MANUEL,
THOMAS CLARK,
&c., &c., &c.

[NOTE.—The petitions from Fogo and St. John's East were in identic terms.]

No. 8.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received 8.45 p.m., October 7, 1898.)

TELEGRAM.

Another large public meeting at St. John's 4th October, convened by other parties than those who convened first; petition sent home by mail yesterday. But petitioners request me to inform you what is purport of petitions by telegraph; petitioners denounce strongly terms of contract as ruinous to Colony and in contradiction of promises held out at last general election; strongly condemn mode in which Act rushed through Legislature. As it has been adopted without the knowledge of electors generally, and as its consequences to Colony so far reaching, they petition that Her Majesty the Queen in Council may either disallow Act or withhold final assent until people have voted on it. They petition me dissolve legislature for such purpose; deputation from petitioners informs me that similar petitions have been sent to out-ports and expected to receive 20,000 signatures in four weeks or five weeks, on return of fishing population; at last general election 36,000 votes polled; petitioners wish telegram sent because, while they do not recognize legal liability of Colony for expenditure of contractor previous to assent of Her Majesty to Act, they understand, that although little expenditure has as yet taken place which is not referable to pre-existing contract, heavy expenditure just now in contemplation under this railway contract.

No. 9.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received October 11, 1898.)

[*Answered in terms similar to No. 4.*]

Government House, St. John's,
September 29, 1898.

SIR,

I HAVE the honour to enclose herewith for your information a copy of certain resolutions passed at a public meeting at Twillingate, on the 26th instant, against the ratification by Her Majesty of the Railway Contract Act, 1898.

I have, &c.,
H. MURRAY,
Governor.

Enclosure in No. 9.

SIR,

Twillingate, September 27, 1898.

AT a public meeting convened yesterday at the citizens (permission was given to me by Francis Berteau, Esq., Stipendiary Magistrate, to call the same), the following Resolutions were moved by the Revs. Canon Temple, R.D., and T. H. James, Chairman of the Methodist District, and the same to be forwarded to your Excellency.

I may say the Town Hall was well filled with the electors, representing every denomination and political party. Resolutions passed unanimously, there being not one dissentient voice: good order prevailed throughout the whole meeting.

In conclusion we hope that the petitions and these meetings will have the desired effect, as the people seem unanimously opposed to said Bill.

I have, &c.,

CHARLES GEORGE D. MAYNE, J.P.

To His Excellency

Sir Herbert Harley Murray, K.C.B.,
&c., &c., &c.

COPY OF RESOLUTIONS of sympathy with the action at the meetings held at St. John's against Railway Bill and protest against the ratification of the same.

Resolution 1 of sympathy, &c. :

Moved by the Rev. Canon Temple, R.D., and seconded by Mr. Andrew Austey :—

Whereas :—We have heard that Public meetings have been held at St. John's and other large centres, thereby giving the Electors an opportunity of publicly protesting against the "Reid Railway Contract" and

Whereas :—We believe that it is the duty of the full electorate of the Colony to give expression of their views in regard to the matter in the strongest manner possible,

Be it therefore

Resolved :—That as electors of this District we wish to express ourselves as in perfect accord with the action taken and sentiments expressed at those meetings for that purpose.

Resolution 2 of Protest, &c. :

Moved by the Rev. J. H. James, Chairman of the Methodist District, seconded by F. J. R. Stafford, Esq., M.D. :

Whereas :—We the Electors of Twillingate in the District of Twillingate have heard with great surprise that His Excellency the Governor has been requested to send to the Queen in Council the "Reid Railway Contract" or "Bill" for final ratification ; and

Whereas :—We believe the said contract to be inimical and destructive to the best interests of the inhabitants of this Colony,

Be it therefore

Resolved :—That we the Electors here assembled strongly protest against the ratification of the aforesaid Railway Contract until the whole people shall have an opportunity of passing their votes upon it at the polls ; and it is further

Resolved :—That we do hereby pledge ourselves to support His Excellency in any legal action that he may think proper to adopt for the disallowance of such far-reaching, unparalleled and atrocious legislation ; and further that a copy of these resolutions be sent to His Excellency Sir H. H. Murray, Governor, &c.

I hereby certify that the foregoing resolutions were moved and seconded by the aforementioned gentlemen and carried unanimously at a public meeting held in the Town Hall at Twillingate, District of Twillingate, on Monday night the 26th September, A.D. 1898, there being upwards of 300 Electors present.

CHARLES GEO. D. MAYNE, J.P.

No. 10.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received October 20, 1898.)

[Answered by No. 23.]

Government House, St. John's,

October 6, 1898.

SIR,

WITH reference to my telegram of the 7th instant,* I have the honour to forward for your information, the resolutions against the Railway Contract, 1898, which were adopted at a public meeting held in St. John's on the 4th instant. The meeting was large for a small town like St. John's, about 1,300 or 1,400 being present.

2. With the petition I also forward copy of a memorandum, dated 5th October, which was left with me by a deputation who submitted the resolutions to me, and which was the cause of the telegram which I sent you on the 7th instant.*

3. The deputation wished me also to state that petitions of the same purport as that which I now enclose have been sent out to the out-ports, and that they expect that within the next five or six weeks, on the return home of the population engaged on the fisheries, fully 20,000 signatures will be appended to them. They state that 36,000 votes were recorded in the Colony at the last general election, and that they believe a large majority of the voters are opposed to the Contract against which the petitions are addressed.

4. As to the last paragraph of the memorandum, I would observe that Mr. Henry Reid left St. John's a few days ago for England, in order to arrange for the building of the vessels which, under the Contract, will be required for the coastal service (*see* Clause 45). His arrangements will doubtless involve very considerable outlay, as the vessels must be ready for service on the 1st April, 1900. It may be that such vessels will, under any circumstances, be required now that the Railway touches the Bays, and that the two vessels now in use would not be applicable to the service. I mention this as the memorandum is silent on the subject: I brought the point, however, to the attention of the deputation, but they held that as the vessels would probably be required, under the circumstances they did not attach much importance to it. On this point the Honourable A. W. Harvey, who was one of the deputation, is an authority, as he is one of the largest shareholders in the Company whose Contract expires on the 31st March, 1900.

5. I enclose a copy of a paper giving an account† of the meeting at which the petition was adopted.

I have, &c.,
H. MURRAY,
Governor.

"Evening
Telegram,"
5th inst.

Enclosure 1 in No. 10.

WHEREAS a Contract has been signed between the Government of this Colony and Robert Gillespie Reid, Esq., by which our whole railway system of nearly six hundred miles, which has just been completed at a cost to the Colony of some \$13,000,000, together with the dry dock, our entire telegraph system, our coal and other mineral deposits, as well as several millions of acres of agricultural and timber lands, all together comprising almost the entire valuable assets of the Colony, have been absolutely alienated from the proprietorship of the Colony and handed over to the Contractor:

And Whereas, at the general election which took place in 1897, not only was the subject of the said Contract *not* placed before the electorate for their approval, but, on the contrary, the much more moderate and essentially different concessions granted to Mr. Reid under a then existing Contract were loudly condemned, and promises made to the voters that these privileges should not be extended, and no further privileges of such a nature should be granted:

And Whereas no allusion was made to the said Contract in the Speech from the Throne at the opening of the Legislature, although the subject was one of far-reaching consequence to the future of the country such as had never before occurred in the history of the Colony, yet, shortly after the opening of the Session, without any reference having been made to the constituencies, and before the knowledge of the matter could have reached the voters, and in direct contradiction to the promises held out to them during the election campaign, the said Contract was, in a most hurried and unbecoming manner, pushed through both branches of the Legislature without due time being given for its consideration:

And Whereas the said Contract, while depriving the Colony of all its valuable assets, as before mentioned, makes no provision for the removal or appreciable reduction of the enormous debt of nearly \$20,000,000, with which the Colony is burdened, and which debt was principally incurred in the construction of the said railway, dock, and telegraphs, which are now handed over to the Contractor for the insignificant sum of about one million dollars:

And whereas the Act embodying the Contract does not provide any adequate security to the Colony for the performance of the Contract by the Contractor, and the said Contractor is entitled to an indefeasible right and title to the whole of his lands, with mineral and timber rights, notwithstanding that he may never fulfil his Contract:

* No. 8.

† Not printed.

And whereas, by this unparalleled Contract the Colony is deprived of the means of influencing its future development, the functions of its autonomy are practically abandoned, and the highly valued privileges of responsible government, for which our forefathers so nobly fought, are basely sacrificed and the country is thrown back into a position of degradation and humiliation before the world at large,

Be it therefore resolved :—

(1) That we, a meeting of independent citizens of St. John's, of all shades of political and religious opinion, do hereby protest, with all the strength at our command, against this unjust and one-sided Contract, which, we feel confident, if allowed to be put in operation, will be the source of ruin and bankruptcy to the country, and we vehemently protest against legislation of such magnitude and far-reaching consequences being finally concluded without an appeal to the people.

[The above resolution was proposed by his Lordship the Bishop of St. John's, M. F. Howley, D.D., seconded by Jno. Browning, Esq.]

Be it also resolved :—

(2) That, for the reasons above set forth, and others which the Contract itself discloses, Her Majesty the Queen in Council be humbly prayed that she may be graciously pleased to exercise Her Royal Prerogative either by disallowing the said Act, or withholding Her allowance and final assent thereto, until the people have passed upon the question at the polls.

[The above resolution was proposed by A. W. Harvey, Esq., seconded by E. H. Jackman.]

And be it also resolved :—

(3) This meeting humbly petitions his Excellency the Governor to dissolve the Legislature in order that an expression of opinion may be had from the people of this Colony upon the measure known as the Railway Contract.

[The above resolution was proposed by J. D. Ryan, seconded by Robert Giles, Esq.]

And be it finally resolved :—

(4) That a deputation be appointed from this meeting to wait upon his Excellency the Governor and request him to communicate to the Right Honourable the Secretary of State for the Colonies, for presentation to Her Majesty in Council, the foregoing resolutions.

[The above resolution was proposed by Jno. Anderson, Esq., seconded by L. J. Geran, Esq.]

ROBERT THORBURN,
Chairman of Public Meeting.

Enclosure 2 in No. 10.

To His Excellency Sir HERBERT HARLEY MURRAY, K.C.B.

May it please Your Excellency :—

WE have the honour to submit to your Excellency the foregoing resolutions passed at a mass meeting of Citizens of St. John's, of all shades of religious and political opinion, held in the Total Abstinence Hall, on Tuesday evening, October 4th, under the chairmanship of Sir Robert Thorburn, K.C.M.G., and we beg to request that your Excellency will be pleased to forward same to Her Gracious Majesty the Queen in Council. This deputation would respectfully request that a summary of these resolutions may be cabled to the Secretary of State for the Colonies, for the reason that information has reached them that the Contractor contemplates expenditures under this Act. This deputation while not recognising any legal liability on behalf of the Colony for sums expended by the Contractor prior to the Act having been submitted to Her Majesty the Queen in Council for allowance, would beg to point out that with the exception of the cost of re-railing that portion of the line from St. John's to Whitbourne, and, perhaps, some smaller expenditures easily ascertained, the Contractor has not yet undertaken any works not referable to pre-existing Contracts.

We have, &c.,

E. M. JACKMAN, Secretary.
JAS. B. SLATER, Secretary.

Dated at St. John's this 5th day of
October 1898.

No. 11.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received October 24, 1898.)

[Answered by No. 23.]

Government House, St. John's,

October 13, 1898.

SIR, I HAVE the honour to forward to you petitions against the Railway Contract Act, 1898, as noted below.

I have, &c.,

H. MURRAY,

Governor.

By whom forwarded.	Locality from which Petition comes.
Mr. A. le C. Berteau	*Old Perlican and La Scie.
Dr. J. S. Tait	†St. John's.
"	†Robinson's Head.
"	†Clarenville.
"	†Fortune.
"	†Labrador.
Mr. A. le C. Berteau	†Gull Island.
"	*Northern Arm. } Bay de Verde District.
"	*Grates Cove. }

No. 12.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received November 5, 1898.)

[Answered by No. 23.]

Government House, St. John's,

October 27, 1898.

SIR, I HAVE the honour to forward to you petitions against the Railway Contract Act, 1898, as mentioned below.

I have, &c.,

H. MURRAY,

Governor.

P.S.—As regards the signing of petitions in St. John's, I was yesterday informed that a Committee of two gentlemen is always sitting in the town at the place where the petitions are signed for the express purpose of seeing that all who come to sign are 21 years of age, and thus voters.

I enclose a copy of the "*Evening Telegram*" of the 26th instant, in which will be found a letter signed "Veritas," § which bears closely on the subject of the Railway Contract, as also the heading "True Inwardness." §

By whom sent.	Locality from which Petitions come.
Mr. A. le C. Berteau	St. John's. (3. Petitions.)*
"	Bellevue & Chance Cove in Trinity Bay.†
Dr. Tait	Fermuse in District of Ferryland.*
"	1. Greenspond, Bonavista.†
"	1. Belle Isle, St. John's East.†
"	1. Brigus Port de Grave.*
"	1. Broad Cove, St. John's West.†
"	3. St. John's West.†
"	2. St. John's East.†
"	1. St. Anthony, St. Barbe.†
"	1. Lamaline, Burin.†

* Identic with that in Enclosure 2 in No. 1.

† Identic with that from the District of Twillingate (see p. 8).

‡ Identic with that in Enclosure 2 in No. 3. § Not printed.

No. 13.

GOVERNOR SIR H. H. MURRAY to Mr. CHAMBERLAIN.

(Received November 5, 1898.)

[Answered by No. 23.]

Government House, St. John's,
October 27, 1898.

SIR,

I ENCLOSE herewith for your information a copy of a letter from the Chairman and Secretaries of "A Citizens' Committee in St. John's," enclosing a Memorandum dealing with some of the legal points in the Railway Contract which are considered by them especially prejudicial to the interests of the Colony.

2. There is no question, on account of the nature of the country through which the Railway passes, and its proximity to the coast, but that under the 19th Section of the Contract, Sub-clause "H," the Contractor will have the right to select and have granted to him large tracts of land to make up the area to which he is entitled, and large selections are already being made under Sub-section "L" which have to be "reserved" in the interest of the Contractor under that Sub-section, subject, however, to any previous grant.

3. I was not aware until I received the enclosed Memorandum, for transmission to you, that the effect of the Contract is to give in the first place to the Contractor a legal right to the ownership of 5,000 acres for each mile of the lines which he operates, for it will be seen that under the 38th Section he is to "re-assign and transfer" to the Government half of the land so obtained and owned, and I conclude that it may be assumed that no "re-assignment or transfer" can take place without prior ownership.

4. It also would seem to be the fact that for every block selected, one mile in length and 10 miles in depth, under Clause 19—an area equal to 10 square miles, or 6,400 acres—the Contractor will be entitled to a "reserved" area elsewhere of 1,100 acres, viz., the difference between the 7,500 acres—the reduced extent of his rights after the purchase of the line—and the 6,400 acres, the area of each selected block.

5. As I understand that the Memorandum is the result of competent legal criticism, I do not venture to make any further remarks upon it.

I have, &c.,

H. MURRAY,
Governor.

Enclosure in No. 13.

SIR,

St. John's, October 26, 1898.

ENCLOSED we beg to hand you a Memorandum drawn up by the Citizens' Committee in St. John's setting forth their most salient objections to the Railway Contract lately entered into by the Colony with Mr. R. G. Reid. These objections are necessarily briefly stated, but, at the same time, sufficiently extended to convey the principal grounds upon which we rely in our opposition to the measure.

We will thank your Excellency to forward the enclosed to Her Majesty's Principal Secretary of State for the Colonies for his consideration in connection with the other papers which have been despatched to him on the subject of this Contract.

We have, &c.,

J. D. RYAN,

Chairman Citizens' Committee.

L. H. MILLER,

WM. R. HOWLEY,

Joint Secretaries.

To His Excellency

Sir Herbert Murray, K.C.B.,

&c., &c., &c.

MEMORANDUM.

That the Contract between the Government of Newfoundland and Robert Gillespie Reid is a ruinous bargain for the Colony of Newfoundland, in that it disposes of all the available assets of the Colony, including its railway and telegraph systems, the Colonial Dry Dock at St. John's, together with valuable freehold and waterside property

there, and also the coal reservations and the greater portion of the mineral and timber lands of the Colony, to Mr. Reid and his assigns in consideration of a payment by him of the very inadequate sum of one million three hundred and twenty-five thousand dollars, payable in instalments, from which payment has to be deducted the following sums, viz., one hundred thousand dollars for the ballasting of the railroad purchased by him; one hundred thousand dollars for the re-railing of a portion of the said railroad; one hundred thousand dollars for the construction of a branch line into the Graving Dock at St. John's, also the property of the said Mr. Reid; and one hundred and forty thousand dollars for the paving of Water Street, St. John's, for the purposes of an electric car railway to be built by him there, and that these several sums, amounting to four hundred and forty thousand dollars, are to be repaid to the said Robert G. Reid and reduce the amount of the consideration to be received by the Colony from him to the sum of eight hundred and eighty-five thousand dollars. To show how inadequate this consideration is it is only necessary to refer to the fact that the portion of the railway line from St. John's to Harbor Grace, purchased by the Government in 1897 from the Newfoundland Railway Company for three hundred and twenty-five thousand pounds sterling, or one million four hundred and eighty-eight thousand five hundred dollars, now forms part of the railway assigned to Mr. Reid, not to speak of the dock, the lands, and the other subject matters of the Contract.

That, besides the transfer of the railways, telegraphs, and dock, the only assets which the Colony has to represent its funded debt, and the granting of increased land concessions to Mr. Reid, the present Contract confers upon him the whole of the subsidised carrying trade and mail services of the Colony and imposes annual charges upon the Colony amounting to one hundred and seventy thousand dollars.

That the contracts for local sea communication are entered into for the period of thirty years, and that the Contract for the carriage of mails by train is for the term of fifty years.

That no tenders were asked for nor was time given for competition from others before the Legislature concluded the said Contracts with the said Robert G. Reid.

That by a perusal of the said Contract it will be seen that the terms of the Contracts for local sea communication are undefined and left to the subsequent determination of the Executive.

That the Legislature was not furnished with any report from the Government Engineer or other officials as to the sums required to perform the works for which the said Robert G. Reid is to be paid under the said Contract, and that no means were taken to ascertain whether the said works and services could be performed for lower sums than those fixed by the Contract.

That the said sum of one hundred and forty thousand dollars for the paving of Water Street, St. John's, is to be a charge upon the city of St. John's, which was at the time of the said Contract under the control of a Municipal Council, and that the said Council was not consulted upon the matter. That by the terms of the said Contract the Government undertake with the contractor to procure the imposition of a fixed duty upon coal imported into the Colony, and so restrict the action of future legislatures. That under the Contract made between the Colony and the said Robert G. Reid in 1893 for the operation of the railway from Whitbourne to Port-aux-Basque, the said Robert G. Reid became entitled to five thousand acres per mile of railway, or, in all, two millions four hundred and fifty-five thousand acres, and that the land had to be taken in alternate blocks of five thousand acres along the said line of railway, except where land was not obtainable there, in which case the said Robert G. Reid was permitted to take up elsewhere lands to the extent of the deficiency.

That under the Contract of 1898 the said Robert G. Reid is given, in addition to the lands to which he is entitled under the 1893 Contract, a further grant of 5,000 acres per mile, not only along the said line of railway from Whitbourne to Port-aux-Basque, but along the entire line of railway from St. John's to Port-aux-Basque, including the branch lines, subject to his right to return a certain portion of the said lands as hereinafter referred to.

That no public inconvenience arose from the concessions made to Robert G. Reid of lands along the line from Whitbourne to Port-aux-Basque, as the said lands were in the interior of the island and unoccupied, and not within the settled districts of the Colony.

That this statement does not apply to the lands adjoining the portions of the line between St. John's and Whitbourne and Whitbourne and Carbonear, as these lands lie in the most thickly populated portions of the country.

That the lands of the interior are for the most part inaccessible except by means of the railroad, which this Contract contemplates making the private property of Mr. Reid, and their value is necessarily greater to Mr. Reid than to the Colony or to any private landowner.

That the Government under this Contract proposes to retain more land along the said line of railroad than it was heretofore entitled to, and to so enable Mr. Reid to take further concessions elsewhere : by reason of the new method of selection on the part of the Government and the fact that the line of railroad runs, in many places, through marsh-lands and by the margin of lakes and rivers, and in other places along the sea-shore, where land is not obtainable, and because along the line of the St. John's and Carbonear railroads the greater part of the land is owned by private individuals, it is evident that a very large portion of the lands to which Mr. Reid will be entitled will be taken by him in other parts of the Colony.

Further, that the present Contract is purposely designed so that Mr. Reid may not be restricted in the selection of his areas to the lands along the line, in that, while it declares him to be entitled to ten thousand acres gross or seven thousand five hundred acres net per mile, it stipulates that the lands along the line of railway are to be divided into blocks or sections of one mile in length and ten miles in depth upon each side of the railway, so that upon each mile, even where land is available, Mr. Reid is entitled, in addition to the block taken, to acquire eleven hundred acres in some other part of the country.

Further, it is competent for Mr. Reid to re-transfer to the Government the one million five hundred and sixty-five thousand acres which the Contract provides that he shall re-transfer, from out of the interior lands granted to him, and so leave himself with a comparatively small proportion of his lands in the interior and to have the greater portion of them in eligible places along the seaboard, and along the shores of the bays and navigable rivers.

The effect of Mr. Reid being permitted to acquire millions of acres of the mineral bearing lands in whatever he may select of the limited mineral belt of this Colony, and to make his selection of these lands, as this Contract enables him to do, in areas of any size from one mile by ten to one hundred square miles, is to place in his hands a virtual monopoly of the mineral lands of this country. As his grants, unlike all other grants issued by the Government, do not require him to operate or develop the lands granted to him, it is possible that the mineral development of the Colony may be seriously retarded if its coast lands are also given into his possession. If he operate the railway he will practically control the development of the lands through which it runs without the necessity of acquiring any title to them, or even though he has re-assigned them to the Government under Section 40 of the Contract. If, in the event of the railroad proving unremunerative, Mr. Reid should cease to operate the railway, he would have four millions seven hundred and ninety-five thousand acres, mainly upon the coast, and where they were accessible without the use of the railway, and as his title to them and the minerals and timber which they contain is indefeasible and not subject to conditions of any kind, the non-operation of the railway would not affect his property in them, nor would his failure to operate the railway prejudice his title to the dock and other properties conveyed to him, nor, it is submitted, his right to the steamship subsidies. That there is, therefore, no guarantee that the line of railway will be continuously operated, although the Colony may, for this purpose, have parted with what may prove to be all its ungranted mineral and timber lands.

By this Contract the Colony unconditionally disposes of its most valuable lands, and places its subsidised carrying trade, mail and telegraph services, into the hands of a private individual, thus creating a huge monopoly which may hereafter seriously interfere with trade and industrial enterprises ; it materially increases its already large annual interest charge ; it parts with all its available assets and its power of influencing its future development, and in return has no adequate security for the faithful performance by the contractor of his part of the Contract. That the people of this Colony were altogether unaware of any intention upon the part of the Government or the Legislature to enter into any further contract with Mr. Reid during the currency of the contract made with him in 1893 for the operation of the railroad for a term of ten years. The matter was never submitted to the people during the election of last autumn, and the leaders of the present Government party at that time declared themselves as opposed to the land concessions made to Mr. Reid. No reference was made to any such legislation in the speech from the Throne at the opening of the last session of the Legislature, and when the Contract was introduced the resolutions confirming it were passed through the

Legislature without due time being afforded for their consideration. The majority of the electors outside of St. John's did not know that any legislation upon the subject was under consideration until after the Bill had passed through its several stages, and it was not until the correspondence of the Colonial Office was published that people generally became aware of the significance of the measure.

That the people as a whole are opposed to the Contract.

That the said Robert G. Reid has not undertaken any work in this Colony that is not referable to previous contracts, except some work in a small way upon the coal reservations and the necessary work of re-railing the line from St. John's to Whitbourne, and that any expenditures made by him are capable of exact ascertainment. That any work undertaken by him has been done with the knowledge that this Contract has not been allowed by Her Majesty's Government, and that the assent of the Governor was obtained upon the assurance of the Executive, by its despatch of March 2nd, 1898, "that the measure could be disallowed hereafter if found unjust or inexpedient."

All of which is respectfully submitted.

J. D. RYAN,
Chairman Citizens' Committee.
L. H. MILLER, } Joint
W. M. R. HOWLEY, } Secs.

No. 14.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received November 7, 1898.)

TELEGRAM.

[*Acknowledged by No. 24.*]

IN consequence of receipt of public letter which I had to answer, I enquired in writing of Morine his position as regards contractor at the time of contract and subsequently; not satisfied his reply, I required his resignation of all public offices.* He has complied.

Correspondence by next mail.

No. 15.

SIR F. EVANS, M.P., to COLONIAL OFFICE.

(Received November 8, 1898.)

[*Answered by No. 25.*]

43, Threadneedle Street, London, E.C.

SIR, November 7, 1898.

I HAVE been requested by the Citizens' Committee of St. John's, comprised of a great number of the leading people of Newfoundland, to urge upon you the great damage which will be done to the interests of that Colony if the Contract made by the Colonial Government with Mr. R. G. Reid receives the Royal Assent.

I do not approach you solely as the representative of the Citizens' Committee, but also on behalf of the holders in this Country of Newfoundland Government Bonds, the capital and interest of which are dependent solely upon the assets of that Colony. The amount of Bonds issued on this market by the Newfoundland Government totals up to about £2,700,000, and of this, in the month of August last year, I received for distribution and in payment for the Railway, of which I was the Receiver, the sum of £325,000.

* See Enclosures in No. 17.

The Government in their proposed Contract with Mr. Reid have virtually assigned practically all their Assets and they have not only done this but the Act provides for duties, which are now a source of Revenue, being raised to a point practically to prohibit the importation of those Goods and so still more seriously affect the Revenues of Newfoundland.

I beg to annex hereto a Memorandum* of objections to the Contract receiving the Royal Assent endorsed by a public meeting in St. John's. Petitions signed by 10,000 Electors of Newfoundland have already been presented to the Governor against the Royal Assent being given to the Contract, and I am assured that before the end of this month those petitions will be increased by the signatures of more than half the entire Electorate of the Colony.

I do not want to use hard language unnecessarily, but I venture to say that no Government of any Colony has ever attempted to pass a measure so fraught with evil to its people. How the Government of Newfoundland could so far forget the interests of the Colony as to pass a measure of this kind passes my comprehension. To a great extent, the duties of that Government will be abrogated if it is carried into effect, for Mr. Reid may abandon the operation of the Northern Railway and yet retain his hold for many years to come on the cash assets of the Colony to meet the subsidies assigned to him thereunder, while the valuable timber and mineral rights, building and agricultural lands which he would acquire under the Contract would deprive the Government of any other available assets.

The loss of these assets would inevitably lead to grave financial embarrassment—they form the basis upon which the loans have been made in London by the Colony, and they will be alienated by the Reid Contract.

What has Mr. Reid to pay to the Colony for all the great benefits that are to accrue to him under the Contract? He has to pay in instalments 875,000 dollars (say £175,000), scarcely one-half of the amount paid to me in August last year by the Government of Newfoundland for 90 miles of the railway which is to be made over to Mr. Reid.

I am quite aware that it is a grave matter for Her Majesty's Ministers to interfere where measures have been passed by the elected representatives of the people, but I submit that the evidence which has been sent forward to the Colonial Office by the Governor of Newfoundland and the statements in the Memorandum, which I annex hereto, are proof that this grave measure, involving, as I maintain, such calamitous results to Newfoundland, has never been before the Electorate of the Colony. That, on the contrary, the people of Newfoundland understood that the present Government were opposed even to the Contract with Mr. Reid made in 1893, which involved the giving of certain lands, &c., and the people remained in profound ignorance, until recently informed by the publication of the correspondence with the Colonial Office, that any such Contract as that now sought to be imposed upon the Colony was contemplated by the Government.

Immediately on this knowledge coming to them they have taken the only steps in their power to prevent its consummation, and that is by public petition to Her Majesty's Government.

It is not to be overlooked in considering this matter that the Solicitor to the Contractor was, until last Saturday, the Finance Minister of the Government who passed this Contract, and that he has resigned on the demand of Sir H. H. Murray, the Governor.

I trust, therefore, that this petition of the people of Newfoundland will be favourably received, and that they may be saved from the calamity which the passing of this Act would entail on the Colony.

I have, &c.,
FRANCIS EVANS.

* Memorandum in Enclosure in No. 13.

No. 16.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received November 8, 1898.)

[Answered by No. 23.]

Government House, St. John's,
October 29, 1898.

SIR, I HAVE the honour to forward to you petitions against the Railway Contract Act, 1898, as mentioned below.

I have, &c.,
H. MURRAY,
Governor.

By whom sent.	Locality Petition comes from.
Mr. A. le C. Berteau	Great Harbour, Fortune Bay.*
Dr. Tait	1 from Pool's Island, Bonavista Bay.*
"	1 " Fair Island. " *
"	1 " St. Brendan's, " *
"	1 " Wesleyville, " †
"	1 " Ramea, District of Burgeo and La Poile.*
John Kennedy, Harbour Main	Resolutions passed at a Public Meeting against ratification of Railway Contract, 1898.‡

No. 17.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received November 21, 1898.)

[Answered by No. 24.]

(Extract.)

Government House, St. John's Newfoundland,
November 9, 1898.

WITH reference to my telegram of the 7th instant, § I enclose for your information a copy of the "Daily News"—a paper now the organ of Mr. Morine—which contains the correspondence respecting the resignation by Mr. Morine of the offices held by him under the Crown.

The line taken by Mr. Morine in his reply to my letter of November 3 brought the question to a point whether I could, while representing the Crown, become openly a party to an arrangement under which a public servant on the Executive Council should serve and be paid by two masters, viz., the public and the Contractor, whose interests in the far-reaching railway Contract of the present year are so divergent. I came to the conclusion that if I did so I should become, while representing the Crown, a *particeps criminis* as against the manifest interest of the Colony. I felt unable to admit that the position which any former Minister may have held as the legal adviser of the Contractor had any bearing on the present case. At all events, I neither had nor have any *official* knowledge on the subject, though I *believe* that Mr. Emerson was the Contractor's legal adviser while he was a member of the Council.

But the Contract of 1893 was settled on behalf of the Contractor by Sir James Winter, who was not at the time in the Government; it was, in comparison with the present Contract, of but little importance, and with the exception of his claim to the minerals on the lands he was to receive, I do not recollect any legal claim having arisen out of it. But the present Contract is far otherwise; it affects the future of the Colony for many a long year to come, and important legal questions are sure to frequently arise out of it. In these questions, the interests of the Colony and the enormous interests of the Contractor will assuredly clash, and, whatever a man's intentions may be, it would be

* Identic with that from the District of Twillingate (see p. 8).

† Identic with that in Enclosure 2 in No. 1. ‡ Identic with Enclosure 1 in No. 10. § No. 14.

impossible for him to avoid being biased in favour of a Contractor whose permanent retainer he held, whether he was in or out of office.

That Contract was drawn at a time when Mr. Morine admits "that he was the Contractor's legal adviser on all matters submitted to him by the Contractor, but not on such questions, if any, arising between him and the Colony." Yet, as a Minister of the Crown and a servant of the public, he took the most leading part in forcing the Contract through the Legislature. Thus his action in the matter showed the impossible nature of the dual position which he held at the time, and which he appears still to think that he could hold with credit to himself and benefit to the Colony. If I had accepted his assurance as to the future, I felt that such an assurance would be of no value in the face of such a fact in the past. For the same reason I decided that it was not advisable to give him the choice as to which master he would serve in the future.

Enclosure 1 in No. 17.

Extract from "Daily News" of November 7, 1898.

CORRESPONDENCE between His Excellency the GOVERNOR and Hon. A. B. MORINE, Q.C., relating to the latter's resignation.

Government House, St. John's, Newfoundland,

SIR,

November 3, 1898.

I AM directed by His Excellency the Governor to transmit, for your information, the accompanying copy of a letter received from Mr. A. le C. Berneau, Honorary Secretary of the Newfoundland Liberal Association, and with regard to the same I am to state, that His Excellency desires to be informed whether it is not the fact that you were at the period when the Railway Contract, 1898, was negotiated and made, and still are, holding a "retainer" as legal adviser to Mr. R. G. Reid.

I have, &c.,

J. H. W. SOUTHEY, Capt.

A.D.C. and Private Secretary.

The Hon. A. B. Morine, Q.C.,
Minister of Finance and Customs.

The Newfoundland Liberal Association,

SIR,

St. John's, October 31, 1898.

At the meeting of the Newfoundland Liberal Association held last evening, I was directed to communicate to Your Excellency the following resolution :

Resolved that the Secretary asks His Excellency if he is aware that the Minister of Finance and Customs, a member of the Executive, is, in his private capacity, solicitor to Mr. R. G. Reid, a large Contractor to the Government.

I have, &c.,

A. LE C. BERNEAU,

Hon. Secretary Newfoundland Association.

His Excellency Sir H. H. Murray, K.C.B.,
Governor.

YOUR EXCELLENCY,

November 4, 1898.

IN reply to your question of this date, I have the honour to say :

I was before and at the time of the making of the Railway Contract, 1898, and I am now, the professional adviser of R. G. Reid, on legal questions and matters submitted to me by him, but not on such questions, if any, arising between him and the Colony, and I have not, and would not, while I am a member of the Executive Council, advise him on any matter in which there is any conflict of interest between him and the Colony.

I have, &c.,

ALFRED B. MORINE.

His Excellency the Governor.

Government House, St. John's, Newfoundland,

SIR,

November 5, 1898.

I AM commanded by His Excellency the Governor to inform you that he has received your letter of the 4th instant, respecting your present position in the Government in connection with the Railway Contract.

His Excellency is unable to accept, either as regards the past or the future, the propriety of the position you have taken up in that letter, or the assurance which you have proposed to send him, as to your future conduct.

His Excellency is therefore unable, as a representative of the Crown in the Colony, to agree to your continuing as one of its ministers. He must therefore call upon you to resign to-day all the offices which you hold under the Crown, except that of Queen's Counsel.

The correspondence on the subject will have to be published and a copy of it sent to the Colonial Office.

I have, &c.,
J. W. SOUTHEY, Captain,
A.D.C. and Private Secretary.

The Hon. A. B. Morine, Q.C.,
Minister of Finance and Customs.

St. John's, Newfoundland,
November 7, 1898.

YOUR EXCELLENCY,

I HAVE the honour to acknowledge the receipt of your commands of Saturday's date. In reply I beg to say:—Inasmuch as the Royal Instructions direct you to consult your Council upon all matters of public business, and I am aware that you have neither asked nor received advice except from persons other than your Councillors, and as I hold my offices, except that of Councillor, not from you, but from the Governor-in-Council, you have no right to demand my resignation, certainly not of those offices I hold from the Governor-in-Council, in the manner adopted by you and I would therefore be justified in refusing to accede to your commands. But as I do not wish even to appear as desirous of retaining a position requiring mutual confidence and good faith, with the knowledge that my presence in the Council was distasteful to you, and do not care to be the cause of embarrassment or difficulty to the Government, I waive my right to object to the irregularity of your course, and hereby tender this my resignation of all offices and emoluments I hold under the Crown, except the office of Queen's Counsel.

Because of the high office which you hold, and the esteem and respect with which I should prefer to regard its occupant, I regret that your reasons for demanding my resignation, and the manner of doing so, are not such as convince me of your impartiality and courteous consideration.

You desire me to resign, ostensibly, because I am the solicitor and counsel for a contractor with the Government, but you kept Sir W. V. Whiteway, as Attorney-General, the Hon. Geo. H. Emerson, now a judge, and the Hon. E. P. Morris, Q.C. (all three solicitors and counsel for the same contractor), in your Executive Council for several years, during which time three large contracts with the Government were being carried out, and by this conduct you justified me in concluding that I was at liberty to accept from Mr. Reid a position similar to theirs. While the gentlemen referred to were in your Council, they, or some of them, frequently appeared in the Courts in actions against the Government. It has not been unusual here for Councillors themselves to be contractors with the Government of which they formed a part, notably Hon. A. W. Harvey, who is still, I believe, your friend and confidant.

You have known, too, for many months, that I occupied the position you now object to, for I have been openly in the Courts in that capacity, not seeking to conceal or cover up my position, and during all that time you have not uttered to me one word of disapproval or reproof. A remark in your letter about "an assurance which I have proposed to send as to my future conduct," might be construed by the misinformed to mean that I had offered you a partial and unsatisfactory assurance, which you declined to receive because of its partial character, whereas the truth is, that I have not been offered the opportunity of any personal discussion with you about this matter, and to a mutual friend with whom you discussed the subject, you refused, as I understand, to receive any assurance or explanation of any kind whatever, and immediately after sent me the unconditional demand I am now replying to, without so much as acquainting the Premier of your intention so to do. Whether, therefore, I have regard to the contrast of your treatment of others under similar circumstances, or to your neglect to afford me the ordinary courtesy of a personal interview, or to the unrelenting and abrupt manner of your recent conduct towards me, I am unable to conclude that your demand for my resignation is animated by that kindly and considerate spirit which was due from you to one of your Councillors, who had been an efficient and hard-working Minister, and whose position, to which you objected, was almost altogether due to your own conduct toward

his predecessors. I am now aware that you have for some time contemplated this action, and that you have discussed its propriety with persons not in your Council, and I claim that it was your duty to speak to me about the matter, to enquire of me as to all the circumstances, and to give me ample opportunity to re-assure you, if possible, of the propriety of my past and future conduct.

My private affairs have suffered by my devotion to public business, and, therefore, my resignation causes me no personal regret. I do regret, however, most keenly the inconvenience my resignation will cause my colleagues and the public, at this critical juncture, when the Anglo-American Conference is about to resume its work at Washington, and the French Treaties Question is in course of discussion, and I fear that your action in removing me from the Council at a time when the knowledge I had obtained with the Royal Commission would have been of advantage to the Government is not fraught with promise of good to the Colony, and will not aid in the settlement of that vexed question.

I have no objection whatever to your publication of this correspondence, and shall, myself, cause it to be published, now that you impliedly permit it, for your action will be attributed to many causes, and I shall be glad to have the truth known. I have done my whole duty in office, and have aided in the working out of reforms in the public service whose good effect will be felt for many a day. The people to whom I look for vindication, and whose support is the best defence of public men against oppression, will understand my position and will not fail to do justice to your Excellency's motives, or misunderstand the real reasons which will have for a period removed me from public office.

I have, &c.,

ALFRED B. MORINE.

His Excellency
Sir H. Murray, K.C.B.

November 6, 1898.

YOUR EXCELLENCY,

As you say "the correspondence on the subject (of my resignation) will have to be published," and, as I find that false reports are already being circulated, I propose to publish the whole correspondence in to-morrow's "News."

I have, &c.,

ALFRED B. MORINE.

Enclosure 2 in No. 17.

SIR HERBERT MURRAY to MR. A. B. MORINE, Q.C.

Government House, St. John's, Newfoundland,

SIR,

November 7, 1898.

I HAVE received your letter of this day's date, tendering the resignation of the Offices which you hold under the Crown, except that of Queen's Counsel. I accept your resignation accordingly.

Yours faithfully,

H. MURRAY,

Governor.

Alfred B. Morine, Esq., Q.C., M.H.A.

No. 18.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received November 21, 1898.)

[Acknowledged December 5, 1898.]

Government House, St. John's, Newfoundland,

SIR,

November 9, 1898.

I HAVE the honour to transmit, as requested, for your information, a letter which I have this day received from the Secretary of the Newfoundland Liberal Association, covering Resolutions passed by the Association, respecting the position held by Mr. Morine as Mr. Reid's Solicitor at the time the Railway Contract was passed by the Legislature.

I have, &c.,

H. MURRAY,

Governor.

Enclosure in No. 18.

Newfoundland Liberal Association, St. John's,

November 9, 1898.

SIR,

At a meeting of the Newfoundland Liberal Association, held last evening, I was directed to forward to Your Excellency the following resolution:—

Whereas the reply of Mr. A. B. Morine, a member of the Executive Council, to the inquiry addressed to him on the 3rd day of November 1898, by His Excellency the Governor reveals the fact that immediately before and at the time of the hasty passing of the Railway Act, 1898, he, the warmest and most active advocate of that measure, and the man of all others who was responsible for rushing it through the Legislature, was acting as solicitor for R. G. Reid, the Contractor,

Be it therefore resolved:—That in view of the dual and improper position so occupied by Mr. Morine this Association is unanimously of the opinion that the passage of the Railway Act through the Legislature under such circumstances was a gross fraud upon the people of the Colony; and

Be it further resolved: That His Excellency the Governor be requested to transmit to the Secretary of State for the Colonies a copy of this Resolution together with a copy of the Constitution* of this Association.

I have, &c.,

A. LE C. BERTEAU,

Hon. Secretary,

Newfoundland Liberal Association.

To His Excellency

Sir H. H. Murray, K.C.B.,
Governor.

No. 19.

GOVERNOR SIR H. H. MURRAY TO MR. CHAMBERLAIN.

(Received November 21, 1898.)

[Answered by No. 23.]

Government House, St. John's,

November 10, 1898.

SIR,

I HAVE the honour to forward to you Petitions and Resolutions from Public Meetings against the Railway Contract Act, 1898, as noted below.

I have, &c.,

H. MURRAY.

Governor.

By whom sent.	Locality from which sent.
Mr. J. Casey	Harbour Grace (Resolutions Public Meeting).
Mr. A. le C. Berteau	Salvage, Bonavista Bay (Petition).†
”	Rencontre, Fortune Bay ” †
”	Lawn, District of Burin ” †
Dr. J. S. Tait	St. John's East (2 Petitions).†
”	” West (2 ” †
”	” Kilbride (Petition).†
”	Twillingate (Petition).†
”	Flat island, Burin District (Petition).†
”	Trinity (Petition).†
”	Fermeuse, District of Ferryland.†
”	Cape Ray, Burgeo and La Poile District.†
”	Conception Harbour, District of Harbour Main.†
”	Holyrood ” ” ” †
”	Harbour Main ” ” ” †
”	Salmon Cove ” ” ” †
”	Hearts Delight, District of Trinity.†

* Not printed.

† Identic with that from the District of Twillingate (see p. 8).

‡ Identic with that in enclosure 2 in No. 1.

Enclosure in No. 19.

SIR,

Harbor Grace, November 3, 1898.

I HAVE the honour to forward to Your Excellency the enclosed copy of Resolutions unanimously passed at a public meeting of the citizens of the District of Harbor Grace, held at Harbor Grace, on Thursday evening, 27th ult., for the purpose of protesting against the Reid Railway Contract ("The Harbor Grace Standard," containing report of meeting, enclosed), respectfully requesting on behalf of said Citizens' Meeting that Your Excellency will be pleased to forward said Resolutions to the Right Honorable the Secretary for the Colonies for presentation to Her Majesty the Queen in Council.

His Excellency
Sir Herbert Murray, K.C.B.,
Governor, &c., &c., Newfoundland.

I have, &c.,
JOHN CASEY,
Secretary Citizens' Meeting.

THE FOLLOWING RESOLUTIONS were unanimously passed at a meeting of electors of Harbor Grace District, on Thursday, October 27th, 1898.

Whereas, a Contract has been signed between the Government of this Colony and R. G. Reid, Esq., whereby the principal assets of the Colony, comprising 600 miles of railway, our entire telegraph system, dry dock and adjacent property, have been sold to the said R. G. Reid for about one-twelfth of their cost:

And whereas, by the said Contract, the above assets, together with large additional areas of mineral, timber, and agricultural lands, have been alienated for ever from the proprietorship of the Colony:

And whereas, the said Contract had been entered into without having had any previous consideration from the people, and was carried hurriedly through both branches of the Legislature before the voters had due time to signify their approval or disapproval:

And whereas, a Contract had already been in existence by which the said Contractor was bound to operate our railway for six years longer free of cost to the Colony, and which rendered the present Contract wholly unnecessary at this juncture:

And whereas, if the said Contract be allowed to continue, the industrial progress of the Colony will be at the mercy of one man:

Be it therefore resolved, that it is the unanimous opinion of this representative meeting of inhabitants of the District of Harbor Grace, that a measure of such far-reaching results as the Contract with R. G. Reid should not receive the assent of Her Majesty the Queen in Council until the sentiment of the people of the Colony shall have been obtained thereon.

And be it also resolved, that Her Majesty the Queen in Council be humbly prayed to disallow the Act confirming the Reid Contract until the people shall have determined the question at the polls.

And be it further resolved, that the foregoing Resolutions be forwarded to His Excellency the Governor with the request that he transmit them to the Right Honorable the Secretary for the Colonies for presentation to Her Majesty the Queen in Council.

No. 20.

SIR F. EVANS, M.P., to COLONIAL OFFICE.

(Received November 23, 1898.)

[Answered by No. 25.]

43, Threadneedle Street, London, E.C.,

November 23, 1898.

DEAR SIR,

REFERRING to my interview with you yesterday evening, I have since had an opportunity of again reading my letter to Mr. Chamberlain of the 7th inst.,* in reference to Mr. Reid's Contract with the Government of Newfoundland, and although that letter does not set out all the objections that could be raised to the Contract, I do not think it necessary to trouble Mr. Chamberlain with a further letter on the subject, especially as I find from my conversation with you that you are aware of the fact that publication in the "Gazette" of Newfoundland was delayed, so preventing early knowledge of the Act

reaching the people of Newfoundland, and, further, that while the Premier introduced the Bill the explanation was given by Mr. Morine, the Finance Minister—the then paid advocate of Mr. Reid—and that he stated from his place in the Legislature that no alterations of any kind would be entertained.

I cannot believe that Mr. Chamberlain will hesitate to disallow the Act, seeing that it has been passed by a Government whose chief officer was in the secret pay of Mr. Reid, and that every effort was made to keep both the Legislature and the people of Newfoundland in ignorance of the wide-reaching conditions of the Contract so gravely affecting the future of the Colony. These circumstances are evidence of a conspiracy led by the Finance Minister of the Colony to deliberately deceive the people.

I should be much obliged, in the interests of those whom I represent here and in Newfoundland, if you would show this letter to Mr. Chamberlain and advise me as early as you can of the decision at which he arrives.

I am, &c.,

FRANCIS EVANS.

Edward Wingfield, Esq., C.B.
&c. &c. &c.

No. 21.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received November 24, 1898.)

[Answered by No. 23.]

Government House, St. John's, Newfoundland,

November 12, 1898.

SIR,

I HAVE the honour to forward you herewith, as noted below, Petitions* against the Railway Contract Act of 1898.

I have, &c.,

H. MURRAY,

Governor.

By whom sent.	Locality from which sent.
Mr. A. le C. Berteau	Head of Fortune Bay, District of Fortune Bay.
Mr. W. H. Horwood, Q.C.	Hermitage Cove Upper Island Cove and Bishop's Cove, District of Harbour Grace.

No. 22.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received December 1, 1898.)

[Answered by No. 23.]

Government House, St. John's, Newfoundland,

November 17, 1898.

SIR,

I HAVE the honour to forward to you herewith, a Petition,† as mentioned below, against the Railway Contract Act of 1898.

I have, &c.,

H. MURRAY,

Governor.

By whom sent.	Locality from which sent.
Mr. A. le C. Berteau	Hearts Delight, District of Trinity.

* Identic with that from the District of Twillingate (see p. 8.)

† Identic with that in Enclosure 2 in No. 1.

No. 23.

MR. CHAMBERLAIN to GOVERNOR SIR H. H. MURRAY.

SIR,

Downing Street, December 5, 1898.

I HAVE the honour to acknowledge the receipt of your despatch of the 6th October,* forwarding copies of the resolutions passed at a public meeting of the inhabitants of St. John's on the 4th of October, urging that Her Majesty should be advised, either to disallow the Act passed in the recent Session of the Legislature of Newfoundland to give effect to the contract with Mr. Reid, or that, in any case, I should defer tendering advice to Her Majesty in regard to the Act, until the people of the Colony have had an opportunity of expressing their views on the question at a general election.

2. I have also received your despatches† of the dates noted in the margin, covering further petitions and resolutions to the same effect from different parts of the Colony, as well as a memorandum by the "Citizens' Committee" of St. John's criticising the terms of the contract from a legal point of view.

3. Sir Francis Evans also, as representative in this country of the Citizens' Committee of St. John's, and on behalf of the holders in this country of Newfoundland Government Bonds, has addressed to me two letters‡ on the subject of the contract, copies of which and of my reply‡ are enclosed.

4. I have not yet, as you are aware, been furnished with an authenticated copy of the Act, and am not, therefore, in a position to advise Her Majesty in regard to it, and as I have not been furnished with the report of your Ministers on the statements and charges contained in the Petitions and other documents forwarded to me, it would be more in accordance with the usual practice for me to defer dealing with the Petition until they have had an opportunity of replying to the allegations of the opponents of the Act.

5. As, however, most of the points raised have been fully discussed in the minute of Council of the 30th of April last,§ and as the main facts are already before me, it does not appear to me desirable, in the present position of affairs in the Colony, to delay my reply to the memorial.

6. The step, which I am urged to take, is one for which there is no precedent in the history of colonial administration. The measure the disallowance of which is sought is not only one of purely local concern, but one the provisions of which are almost exclusively of a financial and administrative character.

7. The right to complete and unfettered control over financial policy and arrangements is essential to self-government, and has been invariably acknowledged and respected by Her Majesty's Government and jealously guarded by the Colonies. The Colonial Government and Legislature are solely responsible for the management of its finances to the people of the Colony, and unless Imperial interests of grave importance were imperilled, the intervention of Her Majesty's Government in such matters would be an unwarrantable intrusion and a breach of the Charter of the Colony.

8. It is nowhere alleged that the interests of any other part of the Empire are involved, or that the Act is in any way repugnant to Imperial legislation. It is asserted, indeed, that the Contract disposes of assets of the Colony over which its creditors in this country have an equitable, if not a legal, claim, but, apart from the fact that the assets in question are mainly potential, and that the security for the Colonial debt is its general revenue, not any particular property or assets, I cannot admit that the creditors of the Colony have any right to claim the interference of Her Majesty's Government in this matter. It is on the faith of the Colonial Government and Legislature that they have advanced their money, and it is to them that they must appeal if they consider themselves damnified.

9. No doubt, if it was seriously alleged that the Act involved a breach of faith or a confiscation of the rights of absent persons, Her Majesty's Government would have to examine it carefully, and consider whether the discredit which such action on the part of a Colony would entail on the rest of the Empire, rendered it necessary for them to intervene. But no such charge is made, and if Her Majesty's Government were to intervene whenever the domestic legislation of a Colony was alleged to affect the rights of non-residents, the right of self-government would be restricted to very narrow limits, and complications and confusion from the division of authority must arise.

* No. 10.

‡ Nos. 15, 20 and 25.

† Nos. 11, 12, 13, 16, 19, 21 and 22.

§ Enclosure in No. 31 in [C-8867].

13 Oct.
27 Oct.
27 Oct.
29 Oct.
10 Nov.
12 Nov.
17 Nov.

10. In so far as the demand for disallowance is based on criticism of the policy and details of the Act, I have already indicated that where no Imperial interests are involved, or unless the measure was so radically vicious as to reflect discredit on the Empire of which Newfoundland forms a part, it would be improper for Her Majesty's Government to intervene in what is essentially a matter of local finance, the policy of which is a matter for the Government and Legislature of the Colony.

11. But it is alleged, as a further reason for intervention, that though the subject was one of far-reaching consequence to the future of the Colony, no allusion to the contract was made in the speech from the Throne at the opening of the Session of the Legislature, and that when it was brought before that Body shortly after the beginning of the Session, it was pushed hurriedly through both Houses before knowledge of the matter could have reached the voters, and without allowing due time for its consideration.

12. These charges have been dealt with by your Ministers in the Minute of Council already referred to. They are questions affecting the conduct of Ministers in the administration of business for which they are responsible to the Legislature, and if the members of the Legislature have failed to protect the interests and discharge the duties of their position they will have to answer for their failure to their constituents. The fact that the constituencies were not consulted on a measure of such importance might have furnished a reason for its rejection by the Upper Chamber, but would scarcely justify the Secretary of State in advising its disallowance, even if it were admitted as a general principle of constitutional government in Newfoundland that the Legislature has no right to entertain any measure of first importance without an immediate mandate from the electors.

13. Nor is the fact that I have been urged to advise the disallowance of the Act by petitions alleged to be signed by more than half of the registered electors of the Colony one which can be properly considered by Her Majesty's Government in this connection. The Act was passed by the Assembly, elected so recently as November, 1897, by an enormous majority, only five members out of a house of 36 voting against it, and in the Legislative Council, as I gather from the last paragraph of your despatch of 30th April,* it was received with practical unanimity, only one member having spoken against it, and even he did not carry his opposition so far as to record his vote against the measure.

14. It is not the duty of Her Majesty's Government to attempt the task of deciding whether the action of the Legislature has been in accord with the opinion of the electorate. Even a Governor, who is to some extent in touch with local opinion, would be taking a serious step if, in response to petitions such as have been addressed to me, and against the advice of his Ministers, he refused to assent to a measure of local concern which had been duly passed by the Legislature; and if he failed to find other Ministers prepared to assume responsibility for his action, and able to secure the support of the Legislature, his position would become untenable. Any such step on the part of a Governor would have to be taken entirely on his own motion. It is essential that for every act of the Governor in local matters full responsibility should attach to a Ministry amenable to the Colonial Legislature.

15. In advising Her Majesty as to the exercise of her prerogative of disallowance, the Secretary of State has to consider the legislation submitted from a still more restricted point of view than the Governor.

16. That prerogative is a safeguard for the protection of those interests for which the Secretary of State is responsible to Her Majesty and to the Imperial Parliament. To advise its exercise in cases where only local interests are concerned would involve the Imperial Government in liability for matters of the control of which it has divested itself, and for which the Colony has accepted full responsibility.

17. In the present circumstances of Newfoundland there are special reasons of the greatest importance which preclude Her Majesty's Government from taking such a departure from recognized constitutional principles and usage as the memorialists desire.

18. You have stated in your despatch of the 30th of April last*, that the language used by the responsible Finance Minister of the Colony, in the speech in support of the Contract which he delivered from his place in the Assembly, implied clearly that if the measure was rejected the Colony would be unable to meet its immediate financial obligations.

19. Neither in your despatches nor in the memorials is this assertion challenged, and it is obvious that if Her Majesty's Government were to annul a measure seriously declared

* No. 31 in [C—8867].

by the person who is in the best position to know to be essential to the continued solvency of the Colony, the creditors of Newfoundland would not fail to fasten on Her Majesty's Government responsibility for the consequences of their action.

20. As I have already said, the debts of the Colony have been incurred solely on the credit of the Colony, and any step which would transfer responsibility for them in the slightest degree to the Imperial Government would entail consequences which would not be confined to Newfoundland, and which Her Majesty's Government would not under any circumstances be justified in contemplating.

21. The considerations which preclude me from advising Her Majesty to disallow the Act apply equally to the alternative request, that I should defer tendering advice to Her Majesty in regard to it until the people of the Colony have had an opportunity of expressing their views upon the measure.

22. The Act is already in force, and the Contract to which it gives effect has been in part already performed, and the continuing obligation of the Contractor would not be suspended until Her Majesty's pleasure was finally declared. It remains in full force till the Act is disallowed or repealed. It would be unjust therefore to the Contractor, and would only add to the already heavy liabilities of the Colony, to accede to the prayers of the petitions.

23. The question of the propriety of a dissolution is not one upon which I can advise; it is entirely a matter for the Governor and his advisers.

24. While I am unable to advise Her Majesty to grant the prayer of the petitions, this decision must not be understood as an expression of opinion on the merits of the Contract, or on the action of the Government and the Legislature in connection with it. My opinion on these points has already been made known to the inhabitants of Newfoundland by the publication of my despatch of the 23rd March,* in which I commented on the extraordinary and unparalleled character of the Contract, and the serious consequences which may result from it.

25. My action has throughout been governed solely by constitutional principles, on which I am bound to act, and I think it desirable that it should be made quite clear that, in accepting the privilege of self-government, the Colony has accepted the full responsibilities inseparable from that privilege, and that if the machinery it has provided for the work of legislation and administration has proved defective, or the persons to whom it has entrusted its destinies have failed to discharge their trust, they cannot look to Her Majesty's Government to supplement or remedy these defects, or to judge between them and their duly chosen representatives.

26. I have to request that you will publish this despatch for the information of those who have signed the petitions.

I have, &c.,
J. CHAMBERLAIN.

No. 24.

MR. CHAMBERLAIN to GOVERNOR SIR H. H. MURRAY.

SIR,

Downing Street, December 5, 1898.

I HAVE the honour to acknowledge the receipt of your telegram of the 7th ult., and of your confidential despatch of the 9th ult.,† reporting the circumstances in which you called upon Mr. Morine to resign all the offices held by him under the Crown, except that of Queen's Counsel.

I have, &c.,
J. CHAMBERLAIN.

No. 25.

COLONIAL OFFICE to SIR F. EVANS.

SIR,

Downing Street, December 5, 1898.

I AM directed by Mr. Secretary Chamberlain to acknowledge the receipt of your letters of the 7th and 23rd ultimo,‡ forwarding a memorandum from the Citizen's Committee of St. John's, Newfoundland, which you endorse, with observations of your own, on the subject of the Act passed by the Legislature of Newfoundland to give effect to the Contract made by the Government of the Colony with Mr. Reid for the sale of the railway system, and other matters.

* No. 26 in [C-8867].

† Nos. 14 and 17.

‡ Nos. 15 and 20.

2. I am to state in reply that Mr. Chamberlain has given careful consideration to the whole question, but in a matter where the Ministers of a self-governing Colony have stated that the financial stability of the Colony depends on the Contract for which they are responsible, Her Majesty's Government could not intervene without entailing on the Imperial Government responsibility for any financial difficulties into which the Colony might fall in consequence, and you will readily understand that this is a liability which Her Majesty's Government could not undertake.

3. The bondholders whom you represent have advanced their money solely on the credit of the Colony, and it is to those responsible for the management of its finances that they must look for the protection of their interests.

4. For this reason and others which have been set forth in a despatch* which Mr. Chamberlain has addressed to the Governor in reply to the petitions from the Colony, he is unable to advise Her Majesty to interfere with the operation of the Act.

I am, &c.,

H. BERTRAM COX.

No. 26.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received December 6, 1898.)

[Answered by No. 30.]

Government House, St. John's,

November 24, 1898.

SIR,

I have the honour to forward to you Petitions against the Railway Contract Act, 1898, as stated below.

I have, &c.,

H. MURRAY,

Governor.

By whom sent.	Locality from which sent.
Mr. A. le C. Berteau	St. Barbe District.†
"	St. John's East.†
"	Herring Neck, District of Twillingate.‡
Mr. P. F. James	Spaniard's Bay, District of Harbour Grace.‡
Dr. Tait	St. John's East.‡
"	Great Burin.‡
"	Burgeo.‡
"	Petites.‡
"	Channell.‡
"	Caplin Bay.‡
"	Tilt Cove Mine.‡
"	English Harbour.‡
"	Bay Bulls.‡
"	Witless Bay.‡
"	Ferryland.‡
"	Greenspond.‡
"	Placentia Bay.‡
"	Ladle Cove.‡
"	Hants Harbour.‡
"	St. Barbe.†
"	Freshwater, Redlands and Black Head.†
"	Harbour Grace.†
"	Topsail.‡
"	New Perlican.‡
"	St. John's West.‡
"	St. John's East.‡
Mr. E. M. Jackman	Maddock's Cove.‡
"	Petty Harbour.‡

* No. 23.

† Identic with that in Enclosure 2 in No. 1.

‡ Identic with that from the District of Twillingate (see p. 8).

No. 27.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received December 6, 1898.)

[Answered by No. 30.]

Government House, St. John's,
November 24, 1898.

SIR,

I have the honour to transmit herewith, for your information, a letter, marked "A," from the Citizens' Committee of St. John's on the subject of the position held by Mr. Morine—lately Receiver General of the Colony—as the legal adviser of Mr. Reid, the Contractor, at the time that he took such a leading part in procuring in the late Session of Parliament the adoption by the Legislature of the Railway, &c., Contract.

2. I also transmit a letter of the same date, marked "B," from the same Committee pointing out that the petitions which have been forwarded by me to you have been largely signed by the Clergy and the leading business men at the several out-ports, irrespective of party politics, and that farther petitions against the Contract, which they believe will be also largely and influentially signed, will be sent to me for transmission to you by the next mail.

I have, &c.,
H. MURRAY,
Governor.

Enclosure 1 in No. 27.

A.

St. John's, Newfoundland,
November 24, 1898.

SIR,

On behalf of the Citizens' Committee of St. John's, we beg leave to direct your attention to the following facts affecting the Bill known as the Newfoundland Railway Act, in addition to those contained in the memorandum of legal objections recently submitted by us, viz:—

That the principal advocate of the Railway Bill in the House of Assembly and the only member upon the Government side who spoke in its favour, with the exception of the introducer of the measure, was the then Minister of Finance, who at the time held, without the knowledge of the Legislature, the position of general legal adviser to Mr. R. G. Reid, and that the said Minister was mainly instrumental in procuring the adoption of the measure by the House.

That the practice of any member of the Legislature, especially a Minister holding office under the Crown, bringing forward, promoting or advocating and voting for any measure or proceeding in Parliament in the interest of those with whom he has professional relations is contrary to parliamentary usage and public policy and we respectfully submit that the fact that this measure was procured by such means is an additional reason why it should be disallowed.

That this measure was introduced wholly in the interest of Mr. Reid.

That he was at the time under a Contract which compelled him to operate the railway system, with the exception of the line from St. John's to Harbour Grace and some small uncompleted branch lines, for a further period of seven years, and that he had, a short time previous to the introduction of the Bill, made an offer to the Government to undertake the operation of the line from St. John's to Harbour Grace and to pay therefor an annual rental of \$15,000.

That the security which the Colony had for his faithful performance of the operating contract made by him with the Government lay in the fact that the consideration to be received by him under the Contract was land concessions to be taken along the line of railway, and that these lands could, for the most part, only be availed of or utilised by him by means of the railway.

That the present Contract, as pointed out in the memorandum previously submitted by us, provides Mr. Reid with the means of divesting himself of the ownership of the lands adjacent to the railway and enables him to take his land concessions in localities accessible without the aid of the railway, and so deprives the Colony of the only security it previously had for the operation of the railway system by Mr. Reid or his assigns.

That in order to secure the adoption of the measure by the Legislature the then Minister of Finance availed of his official position as Finance Minister to make a financial statement to the House in the course of his argument in support of the Bill and previous to the introduction of his budget, to the effect that the money consideration to be received from Mr. Reid under the Contract was immediately necessary to pay off certain debentures which had become payable, whereas in fact payment of the said debentures could have been provided without difficulty under the Act of the Legislature passed for that purpose.

For the foregoing reasons, and for the reasons set forth in the memorandum forwarded by us, we humbly pray that the Bill entitled the Newfoundland Railway Act be disallowed or be referred to the electorate in order to obtain a pronouncement thereon with a view to the subsequent disallowance of the Bill by Her Majesty's Government.

J. D. RYAN,
Chairman.
L. H. MILLER,
Secretary.

To the Right Honourable
Her Majesty's Secretary of State for the Colonies.

Enclosure 2 in No. 27.

B,

St. John's, Newfoundland,
November 24, 1898.

YOUR EXCELLENCY,

ON behalf of the Citizens' Committee of St. John's, we beg to request that you will transmit to the Right Honourable the Secretary of State for the Colonies the enclosed communication from the Committee relative to the advocacy of the Railway Bill in the Legislature by Mr. Reid's solicitor, and setting forth further reasons, in addition to those contained in the memorandum of legal objections previously forwarded, against the allowance of the Railway Bill.

We would take this occasion to point out to Your Excellency that the Petitions already sent in against the ratification of the Railway Bill, containing signatures to the number of about seventeen thousand, are from the principal towns in the colony as well as from the outport constituencies and have been largely signed by the clergy and other professional men as well as by the planters and persons engaged in the trade and fisheries of the country, irrespective of party politics. The Committee expect, before the next fortnightly mail leaves for England, to have the honour of forwarding to Your Excellency Petitions from extern districts, having three thousand signatures attached to them. Besides the Petitions referred to by us, we beg to acquaint Your Excellency that others are at present being signed in various parts of the country.

We have, &c.,
J. D. RYAN,
Chairman.
L. H. MILLER,
Secretary.

His Excellency Sir H. H. Murray, K.C.B.

No. 28.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received December 6, 1898.)

[Answered by No. 30.]

Government House, St. John's,
November 25, 1898.

SIR,

I HAVE forwarded in my despatch of the 24th instant,* for your information, further Petitions from Electoral Districts in this Colony, praying that Her Majesty will suspend her approval of the Act which embodies the Railroad, &c., Contract of the present year.

* No. 27.

2. I have not hitherto expressed any opinion on the subject when forwarding the Petitions, as I all along considered that their value must depend on the number of signatures which they might collectively contain in relation to the number of the Electorate.

3. The number of signatures has, however, now reached a point at which you may expect from me some expression of opinion on the merits of the case.

4. The signatures to the Petitions which I have forwarded since the end of August, without including those which resulted from the first public meeting held in St. John's on the subject (*vide* enclosure to my despatch of 19th August 1898*), amount now to 16,280, and I am informed that further Petitions from the out-ports are still in course of signature. The wide apart and straggling nature of the settlements on the Coast will account for the delay in sending forward the Petitions, as well as the fact that several thousands of the Electors have only just returned from the fishery in Labrador. I think it would be a safe estimate that out of the 18,000 persons who on an average go up annually to Labrador—if women and men under 21 years of age are deducted—that at least 13,000 would be voters who have only lately returned to their homes.

5. Doubtless, the large number of "marks" in place of signatures has not escaped observation—an unsatisfactory sign of the illiterate condition of a large proportion of the population in a Colony in which such large sums have now for some 25 years been spent on the education of the people—but that fact bears no stronger on the question now at issue than it does on the general capacity at present of the population for the advantages of Representative Government, and I have no ground for stating that the signatures and marks are other than genuine.

6. The facts therefore remain to be considered, that out of an electorate of 49,000 registered voters, 16,280 have, up to this date, signed the Petitions against the Contract, and that of the 49,000 voters, only 36,490 recorded their votes at the General Election of 1897.

7. The purport of the Petitions is practically the same—though the form may vary. It is that a Contract which so deeply affects, immediately and in perpetuity, the future of the Colony, may not be finally sanctioned until it has been submitted for the consideration of the Electorate.

8. The number and value of the signatures to the Petitions may perhaps be best appraised if the population of the Colony is divided into two parts:—

Part 1, containing the electoral divisions covering the coast from Cape Race to Port-au-Basque and thence along the Treaty Shore to Cape St. John.

Part 2, containing the electoral divisions from Cape Race northward to Cape St. John.

The result is as follows:—

—	Population Census, 1891.	No. of Electors, 1897-98.	No. who voted at General Election, 97.	No. of signatures up to present date.
Part 1 ...	55,177	14,417	10,488	3,284
Part 2 ...	142,757	34,497	26,002	12,675

Add Labrador Petition 321

16,280

In Part 1 there are 11 seats. In Part 2 there are 25 seats.

The enclosed table gives in detail the information here stated generally.

9. The only remark I have to make on that table, which is an analysis of the Petitions up to date, is this: The proportion of the electors who exercised the franchise in the last General Election, viz., $\frac{3}{4}$ ths, is probably the normal number in General Elections both here and elsewhere, and considering the scattered nature of the population in this Colony, it seems to me rather a high average.

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.

Enclosure in No. 28.

Part I.—Containing the Electoral Divisions along the southern shore from Cape Race westwards and the Treaty Shore to Cape St. John.

Seats.	District.	Population.	No. of Voters.	No. voted in 1897.	No. of Signatures to date.
3	Placentia	12,801	3,515	2,753	1,067
2	Burin	9,059	2,329	1,688	248
1	Fortune	7,671	1,953	1,254	159
1	St. Barbe	6,690	1,654	966	195
1	St. George's	6,632	1,844	1,375	277
1	Burgeo	6,471	1,537	1,075	648
2	Ferryland	5,853	1,585	1,377	690
11		55,177	14,417	10,488	3,284

Part II.—Containing the Electoral Divisions from Cape Race northwards to Cape St. John.

Seats.	District.	Population.	No. of Voters.	No. voted in 1897.	No. of Signatures to date.
3	St. John's East	20,776	4,611	3,633	3,137
3	St. John's West	15,251	3,871	3,174	2,395
3	Trinity Bay	18,872	4,733	3,734	1,142
3	Bonavista	17,849	4,809	3,345	527
3	Twillingate	16,780	4,336	3,423	1,858
3	Harbour Grace	13,881	2,946	2,239	1,256
2	Bay de Verde	9,708	1,763	1,183	675
2	Harbour Main	9,189	2,345	1,754	1,042
1	Port de Grave	7,986	1,872	1,295	356
1	Fogo	6,700	1,763	1,183	287
1	Carbonear	5,765	1,448	1,039	—
25		142,757	34,497	26,002	12,675

NOTE.—To the above totals must be added 321, the number of signatures attached to a petition, already forwarded, from a few of the fishermen of the Colony when on Labrador last summer.

No. 29.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received 7.15 p.m., December 7, 1898.)

TELEGRAM.

[Answered by No. 30.]

AM requested by Committee of Citizens to advise you by telegraph that petitions signed by over 1,800 electors against Railway Contract went by mail of yesterday; that other petitions signed already make total amount of signatures exceed 20,000, and that petitions from out-harbours are still being signed.

No. 30.

MR. CHAMBERLAIN to GOVERNOR SIR H. H. MURRAY.

SIR, Downing Street, December 16, 1898.

I HAVE the honour to acknowledge the receipt of your despatches* as noted in the margin, relating to the Railway Contract Act, and the petitions for its disallowance.

24 Nov.
24 Nov.
25 Nov.
Telegram,
7 Dec.

* Nos. 26, 27, 28 and 29.

2. I can only refer you to my despatch of the 5th instant,* which fully explained my views on this subject. Those views are not modified by the considerations which are set forth in your despatch of the 25th ultimo.†

I have, &c.,
J. CHAMBERLAIN.

No. 31.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received December 19, 1898.)

[Acknowledged December 21, 1898.]

Government House, St. John's,
December 6, 1898.

SIR,

I HAVE the honour to forward herewith to you petitions against the Railway Contract Act, 1898, as noted below.

I have, &c.,
H. MURRAY,
Governor.

By whom sent.				From what locality.			
Mr. A. le C. Berteau	...	...	...	Herring Neck, Twillingate District.	†		
"	...	...	...	Belloram, Fortune Bay District.	§		
Dr. J. S. Tait	...	...	...	North River, Port-de-Grave District.	§		
"	...	...	...	King's Cove, Bonavista Bay.	||		
"	...	...	...	Knight's Cove and Stock Cove, Bonavista Bay.	§		
"	...	...	...	Moreton's Harbour, Twillingate.	†		
"	...	...	...	Petty Harbour, St. John's West.	†		
"	...	...	...	Alexander Bay, Bonavista Bay.	†		
"	...	...	...	Portugal Cove and Biscay Bay, Placentia.	†		
"	...	...	...	Spaniard's Bay, Harbour Grace.	†		
"	...	...	...	Seal Cove, Trinity Bay.	†		
"	...	...	...	Burin and Mortier Bay, Burin.	§		
"	...	...	...	Lord's Cove, Burin.	†		
"	...	...	...	St. John's West.	†		
"	...	...	...	Push Through, Fortune Bay.	†		
"	...	...	...	St. John's East.	†		
"	...	...	...	St. John's West.	†		
"	...	...	...	St. John's East.	†		
"	...	...	...	St. John's East.	†		
Total—Mr. Berteau				...	...	...	246
Dr. Tait				...	...	...	1,593
							<u>1,839</u>
Numbers to date by Despatch of 25th November, 1898¶				...	...	...	16,280
British Hall Petition, said to be 800, but no record here				...	...	...	800
Total signatures to date				...	...	...	<u>18,919</u>

* No. 23. † No. 28. ‡ Identic with that from the District of Twillingate (see p. 8).
§ Identic with that in Enclosure 2 in No. 1. || Identic with Enclosure in No. 5. ¶ No. 28.

No. 32.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received December 23, 1898.)

[Acknowledged, December 29, 1898.]

SIR,

Government House, St. John's, December 10, 1898.

I HAVE the honour to herewith enclose, for your information, an extract from the "Evening Telegram" of the 5th instant, in which will be found a copy of a letter written by Mr. E. M. Jackman to Mr. Reid, setting forth the objections the former has to the Railway Contract of 1898.

2. The facts as stated are, in my opinion, with one or two exceptions, correct.

The cost of the Harbour Grace Railway is put at \$2,000,000.

The direct line was purchased for - - - - \$1,625,000

And the cost of making the branch to Placentia was - 525,000

Total - - - - - \$2,150,000

3. I enclose a copy of the offer made in 1896 to the Whiteway Government by the Contractor. He did, as stated, offer to lease the Harbour Grace line for \$15,000 a year, but he was to receive for mail service on it \$7,200 a year; the net rental was therefore \$7,800.

4. His land grants for working this line without paying any rent will be 275,000, and not 250,000 acres as stated.

5. I consider that the statement is erroneous where it is said that the Contractor will be paid in annual subsidy over one-tenth of the present revenue; the amount is about one-twelfth.

6. The cost of the stations and the terminal wharf was estimated by Mr. Bond at the Ottawa Conference in 1895 to exceed \$500,000, though it is true that they will be built on a line which the contract of 1898 has practically sold to Mr. Reid; the obligation to build them exists under the 35th Section of the Operating Contract of 1893.

7. Subject to these observations, the letter seems to me to state concisely some of the leading objections to the contract of 1898.

I have, &c.,

H. MURRAY,

Governor.

Enclosure 1 in No. 32.

"EVENING TELEGRAM," December 5, 1898.

SECOND OPEN LETTER.

FROM MR. E. M. JACKMAN TO MR. R. G. REID.

"GOLD GLITTERS MOST WHERE HONOUR CEASES TO SHINE."

SIR,—The sixth objection to the Contract is based on the shameful sacrifice of the Harbor Grace Railway. This Railway was a paying concern, an asset complete in itself; its earnings for the past four years averaged \$73,000 per annum. It was purchased from Sir Francis Evans for one million six hundred and twenty five thousand dollars. The Government paid you over three hundred thousand dollars for building its branch lines. The Harbor Grace Railway cost the taxpayers of the Colony two million dollars. Under the Contract of '93 you had to operate the Railway from Whitbourne to Port aux Basques for ten years free of charge to the Colony. You wanted to secure the Harbour Grace Railway for

THE PURPOSE OF CONTROLLING,

and managing, the whole Railway System. You made an offer in writing to the late Government before they went out of office to lease the Harbor Grace Railway and pay a rental of fifteen thousand dollars per annum. Under the Contract, or "sacrifice," of '98 you were made a present of this valuable paying railway for ever and for nothing; and, as the Act says, the branch of the said railway now in course of construction from

Brigus Junction to Clarke's Beach; thence to or near Tilton; also, the extension of said Railway now in course of construction from Harbor Grace to Carbonear. In connection with this magnificent gift presented to you by the Legislature of last session for nothing, we see your desire to drive an unscrupulous bargain, as the following proposals will prove. After this valuable road becomes your private property for ever, you say to the Government,

I WANT TO IMPROVE

my Railway by building a branch line into St. John's West. They vote you one hundred thousand dollars for that purpose. Then you say the road needs to be re-railed from Whitbourne to Topsail. They vote you another one hundred thousand dollars to re-rail your own line. Is that all? Oh, no! They deliberately vote you over 250,000 acres of land for operating a dividend-paying Railroad,—a Railroad that you previously offered to operate, without any land subsidy, and pay a rental of

FIFTEEN THOUSAND DOLLARS

per annum. Besides these concessions, they vote you the Municipal Basin and Marine Promenade for ever and for nothing. You wanted Water Street paved with granite to suit your Electric Railway. They vote you one hundred and forty thousand dollars for that purpose, without competition, or the consent, or approval of the Municipal Council, or the taxpayers of this city. Is that all? No, sir! The most barefaced public scandal has to be exposed in connection with

THIS "UNPARALLELED SACRIFICE,"

and I wish to direct the attention of the public to it. It has now leaked out that the Colony has to build all the railroad stations along the line. It was thought that you had to build these stations, because in common decency, honesty, and honor the people should not be called upon to build stations for your private Railroad. But we know now that outside the stations in St. John's the Government is to build all the stations, and pay for them out of the public funds of the Colony. At present the Government is building for you the following stations—Brigus, Brigus Junction, Carbonear, Clarenceville, and Bishop's Falls. After you submitted

PLANS AND ESTIMATES

for these stations, some members of the Executive said they were astonished at this "preposterous claim." These absurd concessions were forced through the Legislature on the plea of necessity. "Necessity is the argument of tyrants, it is the creed of slaves." The marked characteristics of your Contract are monopoly, tyranny, sacrifice, and slavery. It is monopoly, because, as Mr. Chamberlain says:—"The Contract will not even have the guarantee for efficiency and improvement afforded by competition," and because you own and control the most valued franchises of the people, and also because the exemption from all obligations on

YOUR LAND CONCESSIONS

give you a decided advantage over your competitors. For instance, if any other citizen had mineral claims extending 10 square miles, he would have to spend \$60,000 on the property before he could get a complete title. You may have the next claim the same size, and have an indefeasible title without spending a single dollar to improve the property. It is tyranny because your standing solicitor, Mr. Morine, used his position as Finance Minister, before the budget was tabled, to tyrannize and intimidate the Legislature by stating that the Colony could not meet its obligations on the 30th June. The Governor, in his despatch to Mr. Chamberlain, says:—"I have little doubt that it was the knowledge of

THIS STATE OF AFFAIRS

which enabled the Contractor to press upon the Government terms so much harder on the Colony." It is now admitted by men of all shades of political opinion that your solicitor's statement was a huge bluff to intimidate the Legislature. It is a sacrifice because the Colony has sold its assets, its lands, its franchises, for less than the value of a first-class passenger steamer. If the Colony was in difficulties to-morrow we would stand before the financial world with a huge public debt of nearly twenty million

dollars, without any "substantial" assets. When we were in difficulties in 1895 we had our railroad, dock, telegraphs, &c.; these assets fairly represented our public debt, and on these assets the Dominion of Canada

OFFERED TO ASSUME \$10,350,000

of our debt, besides offering an annual subsidy which capitalized would give \$3,750,000 for our Crown Land Fees. These lands would be held in trust by the Government for the people. Now we have made a present of these assets and lands to you for less than one million dollars, we stand before the world beggared and humiliated. And in the words of Mr. Chamberlain's telegram, March 2nd, "deprived of all assets." The "Daily News" valued your claim at \$15,000,000. In other words, the organ of the Government admit that they gave you \$15,000,000 for less than \$1,000,000. Your advertisements furnish us with further proof of this sacrifice. If you can get \$2,000,000 subscribed for the pulp areas of Grand Lake and \$1,500,000 for a couple of pyrites claims, what must be the value of the whole contract, including the control and ownership of the telegraphs, and the subsidized monopoly of the carrying trade of the Colony, by sea and land? You are paid in annual subsidies over one-tenth of the present revenue, and the taxpayers will have to support your gigantic monopoly at the rate of three thousand dollars per week for the next thirty years. On the second of March Mr. Chamberlain telegraphed the danger to the Executive in the following words:—"The additional annual charge of \$170,000, besides deprivation of all assets, is a very serious thing for a Colony so heavily burdened." It was no use. "The die was cast," and the "business principles of Tupperism" triumphed over those who were "too green to burn." It is slavery because it binds future generations to pay a tribute or tax of not less than one dollar per ton on coal for ever. This tax on children unborn is not British fair play. There is not in English history such a degrading parallel. It means that our children must wear this badge of slavery because their fathers were foolish enough to discover a coal mine and then make a present of it to R. G. Reid. The slaves of the Southern States, or even the children of the convicts of Siberia were never asked to submit to such an indignity. No.

NOT EVEN FOR THE CZAR OF RUSSIA.

They took good care to tax coal in the interest of your mines, but did they stipulate that the miner was to get not less than a dollar per day for his labor? No, this Contract was forced down the throats of the members of both branches of our Legislature, like a horse doctor would give medicine to a sick beast. You drove a hard and humiliating bargain with the Government. It was said of a fellow-countryman of yours that he kept the Sabbath, and everything else he could lay hands on. You kept everything you had under the Contract of '93, and you took everything you could lay hands on under the Contract of '98. I am opposing the Contract,

NOT THE CONTRACTOR INDIVIDUALLY.

This Contract (outside of its blemishes) is an evidence of your faith in the country and its future. The faith you have in the energy, enterprise, and industry of your sons, is a proof of your intention to link your fortunes with our people. It is a pity that a contract involving such large interests should have been forced through the Legislature without the consent of the people. If you had a fair, honest, and equitable contract—"broad based upon the people's will"—you would receive the moral support of the people in your gigantic enterprise. The people feel that your contract was carried in the same disgraceful manner that Confederation was carried in Nova Scotia. The Anglo-Saxon and Celtic races always resent the purchase and sale of

THEIR RIGHTS AND PRIVILEGES.

A blow was struck against popular freedom on the floors of the Assembly when your solicitor domineered, and voted, in favor of a Contract specially drawn in your interest. It would take the pen of a Dickens to fittingly describe the scene, when your solicitor rose, with tears in his eyes, and uplifted hand, said: "I speak reverently to night when I say that there are homes in this city without a crust of bread, and if this Contract does not go through the young men must go to the Crow's Nest Pass to die of Black Diphtheria." I can imagine you mentally congratulating your solicitor when he says in his speech, "We do business in a business-like way." When you read the peroration where he dictated his now famous epitaph for his grave-stone you must have smiled and

said he has enough without begging a eulogy from a deceived people. If any apology is necessary for this open letter, I plead the importance of the issue. The figures and quotations used in this letter are taken from the correspondence on the Contract, published by command of Her Gracious Majesty Queen Victoria, and also from the report of our delegates upon the subject of Confederation with Canada. I have opposed the Contract, not because R. G. Reid was the contractor, but because I believe it is ruinous to the best interests of my native land.

Respectfully yours,
E. M. JACKMAN.

St. John's, December 3, 1898.

Enclosure 2 in No. 32.

DEAR SIR,

St. John's, October 12, 1896.

I HEREBY offer to operate the road from St. John's to Harbour Grace—providing the Government supply new rails of the same pattern as those used on the N. N. and W. Railway—until August 1st, 1923, paying the Government therefor fifteen thousand dollars per annum, from the date of the commencement of actual operations, the Government to pay to the contractor the same mail subsidy as at present paid to the Newfoundland Railway Company, and to grant to him all the rights and privileges that is now enjoyed by the said Newfoundland Railway Company, and I will furthermore agree to the extension of the operating contract on the N. N. and W. Railway and its branches, to the same date as above, the Government to put six inches of extra ballast on said road and its branches, and providing further that the Government grant me in fee simple five thousand acres of land for each mile of railway operated—including the road from St. John's to Harbour Grace—the contractor taking over any lands that may have been already granted to the Newfoundland Railway Company.

Yours truly,
R. G. REID.

Honourable Robert Bond,
Colonial Secretary.

No. 33.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received December 23, 1898.)

[Acknowledged January 4, 1899.]

Government House, St. John's,
December 13, 1898.

SIR,

I ENCLOSE, for your information, an advertisement dated the 6th instant, under which my Ministers are trying to raise a small loan in the Colony under the Act of last session, cap. 10.

2. A large amount of debentures issued to Mr. Reid for building the railway have, I believe, been taken up by the Bank of Montreal, and while the Syndicate in London is gradually placing these debentures on the market, it is probably not thought prudent to attempt to float a new loan, however small, on that market.

3. I think it not unlikely that a small portion of these new debentures may be taken up in the Colony, as they carry 4 per cent. interest.

4. The necessity of raising money under the Act in question will be apparent from the following statement:—

The expenditure within the financial year ending 30th June, 1898, has, up to the present date, been as follows:—

On Governor's Warrant...	...	...	...	...	\$1,660,495
Interest on Debt	...	...	...	...	646,225
Paying off 5% and 4½% Debentures	...	...	...	...	157,000
Total	...	...	...	...	<u>\$2,463,720</u>

It will be seen on reference to section 1 of the Public Service Act, cap. 7, of last session, that \$77,023 of the above expenditure is chargeable to the year 1896-97, but it has to be met out of the receipts—from revenue or otherwise—of the year 1897-98, and, as the accounts of neither of these years will be subject to audit, the amount charged to the respective years is not very material.

5. The *bonâ fide* revenue of the year 1897-98 will not exceed \$1,570,000.

On this estimate the deficiency on "Ways and Means" for the year would be \$893,720.

But of this amount there are three large items which will be chargeable to loans, viz. :—

\$180,000 for advances made for some of the purposes mentioned in the Act to which the enclosed advertisement refers.

\$157,000 for advances made for the redemption of the 5 per cent and 4½ per cent debentures.

There are two Acts dealing with the redemption of these debentures—

(A.) The redemption of Debentures Act of 1896, which authorises the issue of fresh debentures to the amount of \$948,953 at 4 per cent to pay off the debentures bearing the higher rate.

(B.) The Appropriation Act of last Session, cap. 10, section 1, which authorises their redemption out of the railway sale made under the 38th section of the contract of 1898.

The first-named Act has not been put in force, and the \$157,000 advanced out of the Treasury by the former and the present Government for the purpose in question has been repaid by the present Government out of the first instalment paid by Mr. Reid under the contract.

\$100,000 which has been paid for right of way on the railway and for other railroad purposes, and which will be eventually met by debentures issuable from the railway loans.

The total of these three sums is \$437,000, and if that amount is deducted from the \$893,720, the amount of the disbursements made in excess of the *bonâ fide* revenue, a deficiency is left amounting to \$456,720. In aid of it the \$360,000, the balance of the bond loan, which was on deposit in the Bank of Montreal, has been taken, which reduces the deficiency to \$96,000.

I think that this will be found to represent approximately the real condition of affairs.

6. The fact is, that every expenditure which could be charged upon the accounts of the year 1897-98 has been so charged, without much regard to the date at which the expenditure was authorised; but such a course is attended with some advantages :—

- (1.) The Audit Act of last session did not come into operation until the 1st of July. For the 10 previous years there has been no audit of the accounts of the Colony. As to the new Act, it is an improvement on "none at all," but it is radically wrong in an important respect.
- (2.) It can, and possibly will, be argued that the estimates for the year 1897-98 were framed by the preceding Ministry.
- (3.) It was important to be able to show, in defence of the railway contract, that Mr. Morine, the late Receiver-General, was to some extent correct in his statement that the Colony could not meet its financial engagements on the 30th June last without the aid obtainable by the contract.
- (4.) By throwing every charge which could be so thrown on to the account of the previous year it will, it is hoped, be able to be shewn that the revenue receipts of the first six months of the current financial year will be sufficient to meet the expenditure incurred in it, including the interest on the debt due on the 31st December.

If this can be shown it may be that assistance may be obtained from the Bank of Montreal in floating the further debentures which must be put somehow on the market, and in meeting the deficiency of \$96,000 to which I have referred.

I have, &c.,

H. MURRAY,
Governor.

Enclosure in No. 33.

"ROYAL GAZETTE"—6th December, 1898.

CONSOLIDATED STOCK.

THE Minister of Finance gives notice that under the provisions of an Act passed in the last session of the Legislature, entitled "An Act to provide for the appropriation of certain sums of money, and for other purposes," he is authorized to raise by loan the sum of Three hundred and forty-nine thousand eight hundred and fifty-seven dollars and thirty-two cents, upon debentures chargeable upon and payable out of the public funds of this Colony, bearing interest at the rate of 4 per cent. per annum, payable half-yearly on the first day of January and the first day of July in each year. Provided that it shall be optional with the Government to pay off same after the expiration of twenty-five years upon giving twelve months notice of such intention.

Tenders for above amount will be received at this Office until the 31st day of December, 1898.

The Tenders must express how many dollars will be given for every One hundred dollars Stock.

W. J. S. DONNELLY,
Acting Minister of Finance.

Minister of Finance Office,
St. John's, Newfoundland,
6th December, 1898.

No. 34.

GOVERNOR SIR H. H. MURRAY to MR. CHAMBERLAIN.

(Received December 23, 1898.)

[Acknowledged December 29, 1898.]

SIR,

Government House, St. John's, December 14, 1898.

I have the honour to forward to you petitions against the Railway Contract Act as noted below.

I have, &c.,
H. MURRAY,
Governor.

By whom sent.	Locality from which sent.
Mr. A. le C. Berteau ...	Heart's Content, Trinity District.*
do. ...	Turk's Cove, do.†
do. ...	Musgrave Harbour, Fogo District.†
Mr. E. M. Jackman ...	Francois, Burgeo and La Poile District.†
do. ...	Cul de Sac, do.†
do. ...	Lower Island and Caplin Coves, Bay de Verde District.†
do. ...	Harbour Grace.†
do. ...	Whitbourne, Trinity District.†
do. ...	Black Head, Bay de Verde District.†
do. ...	Burnt Islands, Burin District.†
do. ...	Trepassey, Placentia and St. Mary's District.†
do. ...	Catalina, Trinity District.†

* Identic with that in enclosure 2 in No. 1.

† Identic with that from the District of Twillingate (see p. 8).

Enclosure in No. 34.

MEMORANDUM.

Total number of signatures to petitions forwarded up to date
by despatch of the 6th December, 1898* 18,919
Total number now forwarded... .. 1,178

Total to 14th December 20,097

A further table of the number of signatures by districts is enclosed. It practically brings the one accompanying despatch of the 25th November† up to the date of this despatch.

PART I.—CONTAINING THE ELECTORAL DIVISIONS ALONG THE SOUTHERN SHORE FROM CAPE RACE WESTWARDS AND THE TREATY SHORE TO CAPE JOHN.

Seats.	District.	Population.	No. of Voters.	No. voted in 1897.	No. of Signatures to date.
3	Placentia	12,801	3,515	2,753	1,183
2	Burin	9,059	2,329	1,688	494
1	Fortune	7,677	1,953	1,254	270
1	†St. Barbe	6,690	1,654	966	195
1	†St. George's	6,632	1,844	1,375	277
1	Burgeo	6,471	1,537	1,075	710
2	†Ferryland	5,853	1,585	1,377	690
11		55,177	14,417	10,488	3,819

PART 2.—CONTAINING THE ELECTORAL DIVISIONS FROM CAPE RACE NORTHWARDS TO CAPE JOHN.

Seats.	District.	Population.	No. of Voters.	No. voted in 1897.	No. of Signatures to date.
3	St. John's East	20,776	4,611	3,633	3,338
3	St. John's West	15,251	3,871	3,174	2,708
3	Trinity Bay	18,872	4,733	3,734	1,746
3	Bonavista	17,849	4,809	3,345	885
3	Twillingate	16,780	4,336	3,423	2,030
3	Harbour Grace	13,881	2,946	2,239	1,604
2	Bay de Verde	9,708	1,763	1,183	957
2	†Harbour Main... ..	9,189	2,345	1,754	1,042
1	Port de Grave	7,986	1,872	1,295	461
1	Fogo	6,700	1,763	1,183	385
1	†Carbonear	5,765	1,448	1,039	—
25		142,757	34,497	26,002	15,156

NOTE.—To the above totals must be added 321, the number of signatures attached to a petition already forwarded, from a few of the fishermen of the Colony when on Labrador last summer and with 800, taken as the number on the petition from a public meeting at St. John's, the total is now 20,096.

* No. 31.

† No. 28.

‡ Districts marked thus have not sent in any further signatures since last return, *vide* despatch of 25th November, 1898. §

§ No. 28.

Challenger, H.M.S. A Report on the Scientific Results of the voyage of, during the years 1873-1876, under the command of Captain George S. Nares, R.N., F.R.S., and Captain Frank Turle Thomson, R.N. Prepared under the superintendence of the late Sir C. Wyville Thomson, Knt., F.R.S.; and now of Sir John Murray, K.C.B. Complete in Fifty Volumes. Price 101l. 15s.

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NEWFOUNDLAND.

FURTHER CORRESPONDENCE

RELATIVE TO THE

CONTRACT FOR THE SALE OF THE GOVERNMENT RAILWAY,

AND FOR OTHER PURPOSES.

(In continuation of [C.--8867] May 1898.)

Presented to both Houses of Parliament by Command of Her Majesty.
January 1899.



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HODGES, FIGGIS, & Co., LIMITED, 104, GRAFTON STREET, DUBLIN.

1899.