

# PROCEEDINGS

*of the*

## HOUSE OF ASSEMBLY

During the First Session of  
the Twenty-Fifth General  
Assembly of Newfoundland

1923



UNION PUBLISHING COMPANY, LTD.

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PRINTED BY THE GOVERNMENT OF NEWFOUNDLAND

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### SESSION 1923

WEDNESDAY, June 6 1923.

Begun and holden at St. John's in the said Island on Wednesday, the sixth day of June, Anno Domini, Nineteen Hundred and Twenty three, being in the Thirteenth year of the reign of His Majesty our Sovereign Lord, George V, by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the seas, King, Defender of the Faith, Emperor of India.

His Excellency, William Lamond Allardyce, Esquire, Knight Commander of the Most Distinguished Order of St. Michael and St. George, Governor and Commander-in-Chief in and over the Island of Newfoundland and its Dependencies, by His Proclamation bearing date the 16th day of February last, having dissolved the late General Assembly, and by His Proclamation bearing date the 26th day of May last called a new one, and by His Proclamation dated the 26th day of May last, having appointed Wednesday, the 6th day of June instant, for the meeting of the said General Assembly for the despatch of business, the following are the names of the Members returned by the Returning Officers of the several Electoral Districts to represent the said Districts in the General Assembly:—

CHARLES E. HUNT, ESQ.,

SIR MICHAEL P. CASHIN, K.B.E.

HON. SIR RICHARD A. SQUIRES  
K. C. M. G., K. C., L.L. B.,  
St. John's (Western Division)

WILLIAM J. HIGGINS, ESQ.,  
CYRIL J. FOX, ESQ.,  
NICHOLAS J. VINICOMBE, ESQ.,  
St. John's (Eastern Division.)

MAJOR PETER J. CASHIN,  
PHILIP F. MOORE, ESQ.,  
Ferryland.

LT.-COL. MICL. S. SULLIVAN,  
WILLIAM J. WALSH, ESQ.,  
EDWARD J. SINNOTT, ESQ.,  
Placentia and St. Mary's.

GEORGE HARRIS, ESQ.,  
HON. SAMUEL J. FOOTE,  
Burin.

HON. WILLIAM R. WARREN,  
Fortune Bay.

HARVEY H. SMALL, ESQ.,  
Burgeo and La Poile.

JOSEPH F. DOWNEY, ESQ.,  
St. George.

KENNETH BROWN, ESQ.,  
HON. ARTHUR BARNES,  
GEORGE JONES, ESQ.,  
Twillingate.

GEORGE F. GRIMES, ESQ.,  
Fogo.

HON. SIR WILLIAM F. COAKER,  
K. B. E.

ROBERT G. WINSOR, ESQ.,  
JOHN ABBOTT, ESQ.,  
Bonavista.

HON. WILLIAM W. HALFYARD,  
RICHARD HIBBS, ESQ.,  
ISAAC R. RANDELL, ESQ.,  
Trinity.

WILLIAM H. CAVE, ESQ.,  
RICHARD CRAMM, ESQ.,  
Bay de Verde.

JAMES MOORE, ESQ.,  
Carbonear.

ARCHIBALD W. PICCOTT, ESQ.,  
ERNEST SIMMONS, ESQ.,  
AUGUSTUS M. CALPIN, ESQ.,  
Harbor Grace.

HENRY A. WINTER, ESQ.,  
Port de Grave.

MATTHEW E. HAWCO, ESQ.,  
WILLIAM WOODFORD, ESQ.,  
Harbor Main.

By virtue of a Commission under the Great Seal to the Honourable James D. Ryan, President of the Legislative Council, the Honourable R. K. Bishop, and the Honourable Sir M. G. Winter, Members of the said Council, which is as follows:—

George the Fifth by  
the Grace of God,  
W. L. Allardyce, of the United King-  
L.S. dom or Great  
Britain and Ireland,  
and of the British  
Dominions beyond  
the Seas, King,  
Defender of the  
Faith, Emperor of  
India.

To all to whom these presents shall come, Greeting:—

Know ye, that We have appointed the Honourable James D. Ryan, President of the Legislative Council of our Island of Newfoundland, the Honourable R. K. Bishop and the Honourable Sir M. G. Winter, Members of our Legislative Council, to be Commissioners, they or either of them, to administer the Oath of Allegiance to the under mentioned persons, elected to serve in the House of Assembly for the several Districts and Divisions of Districts set opposite their names, respectively, and appointed by Proclamation of Our Governor of our Island of Newfoundland, to be holdens in St. John's on the Sixth day of this instant month:—

CHARLES E. HUNT, ESQ.,  
SIR MICHAEL P. CASHIN, K.B.E.  
HON. SIR RICHARD A. SQUIRES  
K. C. M. G., K. C., LL. B.,  
St. John's (Western Division)

WILLIAM J. HIGGINS, ESQ.,  
CYRIL J. FOX, ESQ.,  
NICHOLAS J. VINICOMBE, ESQ.,  
St. John's (Eastern Division.)

MAJOR PETER J. CASHIN,  
PHILIP F. MOORE, ESQ.,  
Ferryland.

LT.-COL. MICL. S. SULLIVAN,  
WILLIAM J. WALSH, ESQ.,  
EDWARD J. SINNOTT, ESQ.,  
Placentia and St. Mary's.

GEORGE HARRIS, ESQ.,  
HON. SAMUEL J. FOOTE,  
Burin.

HON. WILLIAM R. WARREN,  
Fortune Bay.

HARVEY H. SMALL, ESQ.,  
Burgeo and La Poile.

JOSEPH F. DOWNEY, ESQ.,  
St. George.

KENNETH BROWN, ESQ.,  
HON. ARTHUR BARNES,  
GEORGE JONES, ESQ.,  
Twillingate.

GEORGE F. GRIMES, ESQ.,  
Fogo,

HON. SIR WILLIAM F. COAKER,  
K. B. E.,  
ROBERT G. WINSOR, ESQ.,  
JOHN ABBOTT, ESQ.,  
Bonavista.

HON. WILLIAM W. HALFYARD,  
RICHARD HIBBS, ESQ.,  
ISAAC R. RANDELL, ESQ.,  
Trinity.

WILLIAM H. CAVE, ESQ.,  
RICHARD CRAMM, ESQ.,  
Bay de Verde.

JAMES MOORE, ESQ.,  
Carbonear.

ARCHIBALD W. PICCOTT, ESQ.,  
ERNEST SIMMONS, ESQ.,  
AUGUSTUS M. CALPIN, ESQ.,  
Harbor Grace.

HENRY A. WINTER, ESQ.,  
Port de Grave.

MATTHEW E. HAWCO, ESQ.,  
WILLIAM WOODFORD, ESQ.,  
Harbor Main.

Giving to them, or either of them, full power and authority to perform the matters hereinbefore mentioned, ratifying and confirming all whatsoever they, or either of them, shall do and perform in this behalf, and therefore they or either of them, are to make due return under their Hands and Seals unto Our Governor of Our said Island, with those Presents annexed.

Given under the Great Seal of Our aforesaid Island of Newfoundland.  
Witness our Trusty and Well-be-

loved William Lamond Allardyce, Esq. Knight Commander of the Most Distinguished Order of St. Michael and St. George, Governor and Commander-in-Chief in and over our said Island of Newfoundland and its Dependencies, at St. John's, in our said Island this Fifth day of June, A.D., 1923, and in the thirteenth year of Our Reign.

By His Excellency's Command,  
R. A. SQUIRES,  
Colonial Secretary.  
House of Assembly of Newfoundland

The said Commissioners came into the Council Chamber between the hours of two and three of the clock on the said sixth day of June, Henry Y. Mott, Esq., Clerk of the House of Assembly, as in duty bound attending, and the names of the Members returned for the several Districts and Divisions of Districts having been called over by the Clerk they appeared with the exception of Mr. John H. Scammell, and Mr. Harvey Small, and took and subscribed the Oath of Allegiance in the presence of the said Commissioners, as follows:—

CHARLES E. HUNT, ESQ.,  
SIR MICHAEL P. CASHIN, K.B.E.  
HON. SIR RICHARD A. SQUIRES  
K. C. M. G., K. C., LL. B.,  
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MAJOR PETER J. CASHIN,  
PHILIP F. MOORE, ESQ.,  
Ferryland.

LT.-COL. MICL. S. SULLIVAN,  
WILLIAM J. WALSH, ESQ.,  
EDWARD J. SINNOTT, ESQ.,  
Placentia and St. Mary's.

GEORGE HARRIS, ESQ.,

choice of a Speaker. You, the said Honorable James D. Ryan, Honorable Robert K. Bishop and Honorable Sir Marmaduke G. Winter, are hereby authorized and directed to signify to the Members of the said House of Assembly on the Sixth day of this instant month, that it is my pleasure that they should proceed to the choice of some proper person to be their speaker, and present such person on the following day for my approbation.

Given under my hand and Seal at the Government House, St. John's, this 5th day of June, A. D. 1923.

By His Excellency's Command,  
R. A. SQUIRES,  
Colonial Secretary.

The Honourable James D. Ryan, President of the Legislative Council then said:

"It is not convenient for His Excellency the Governor to declare the reasons of his calling this General Assembly on this day, and it being necessary that a Speaker of the House of Assembly should be first chosen. You, Gentlemen of the House of Assembly will repair to the place where you are to sit, and there proceed to the appointment of some proper person to be your Speaker, and present such person whom you shall choose here tomorrow, at three of the clock, for His Excellency's approbation.

And the Members having returned to the Assembly room, the Honourable the Prime Minister addressing himself to the Clerk, who standing up, pointed to him and then sat down, moved "that Henry A. Winter, Esquire, Member, elected for the District of Port de Grave, do Seaker," which motion was seconded by William J. Higgins, Esquire, Member elected for the District of St. John's East.

No other person being proposed as Speaker, Mr. Winter was unanimously called by the House to the Chair, and was conducted to the Chair by the Members who proposed and seconded him.

Whereupon Mr. Speaker standing on the steps, addressed the House, expressing his gratitude to the Honorable Members for the high honor unanimously conferred upon him.

The House then adjourned until to-morrow, Thursday, at a quarter to three of the clock in the afternoon.

THURSDAY, JUNE 7th, 1923.

The House met at a quarter to three of the clock in the afternoon, pursuant to adjournment.

At three o'clock a message from His Excellency the Governor was delivered by the Gentleman Usher of the Black Rod, commanding the immediate attendance of Mr. Speaker and the House in the Council Chamber.

Whereupon Mr. Speaker and the House attended His Excellency in the Council Chamber; and being returned to the Assembly Room Mr. Speaker informed the House that when in attendance upon His Excellency in the Council Chamber, His Excellency had been pleased to approve of his election as Speaker of this House, and that in the name and on behalf of the House of Assembly he had, by humble petition to His Excellency, laid claim to all their ancient rights and privileges, which His Excellency had confirmed to them in full and ample manner as they have been heretofore granted or allowed by His Excellency or any of his predecessors. Mr. Speaker also expressed his respectful acknowledgements for the high honor which the House had unanimously conferred upon him.

Mr. Speaker further announced that whilst in the Council Chamber

choice of a Speaker. You, the said Honorable James D. Ryan, Honorable Robert K. Bishop and Honorable Sir Marmaduke G. Winter, are hereby authorized and directed to signify to the Members of the said House of Assembly on the Sixth day of this instant month, that it is my pleasure that they should proceed to the choice of some proper person to be their speaker, and present such person on the following day for my approbation.

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Mr. Speaker further announced that whilst in the Council Chamber

His Excellency had been pleased to make a speech to both branches of the Legislature, of which Speech he had for greater accuracy, obtained a copy, which he then read to the House as follows:

**Mr. President and Honourable Gentlemen of the Legislative Council:**

**Mr. Speaker and Gentlemen of the Honourable House of Assembly:**

On this the first occasion of my meeting you in your Legislative capacity, I desire to extend to you my cordial greetings. Since my assumption of the Governorship of this ancient Colony of the Empire, it has given me pleasure to associate myself with all your interests, and the welfare of Newfoundland will receive my earnest thought and solicitude.

On the twenty-fifth day of April last on the occasion of the marriage of His Royal Highness Prince Albert, Duke of York, it was my privilege on behalf of the Government and people of Newfoundland, to forward to Their Majesties the King and Queen, a message of loyal and dutiful congratulation, and to His Royal Highness and Bride, an expression of the fervent good wishes from this loyal dependency of the Crown. Gracious replies were received from Their Majesties and from His Royal Highness.

Looking at the world to-day, we find that the process of reconstruction is making but slow progress. Action is followed by reaction, and the economic pendulum swings from one side to the other. It will be some years before comparative equilibrium is reached.

These world conditions affect us seriously in Newfoundland. They influence the cost of the commodities we import, they depreciate the value of the products we export, they tend to increase the cost of living, to hamper development of trade and to limit the avenues of

employment. Although the rehabilitation of the world in its political and economic spheres, it is not proceeding as rapidly as had been hoped. It is evident that progress is being made, and we can therefore go forward to our tasks with cheer and courage.

The difference between the imports and exports at 30th of June, 1922, showed, for the first time since 1919, a balance in our favor. A larger quantity of codfish was exported during the last fiscal year than during the previous year, though the price was less because of low prices in the foreign markets. During the season of 1922 more vessels were engaged in the Bank fishery, and the catch was forty per cent. larger than in the previous year. The result of the prosecution of the Seal Fishery this year was slightly below that of 1922.

The question of unemployment and the consequent distress among the people, especially during the winter months, have caused my Ministers constant anxiety. These conditions are not peculiar to Newfoundland but are existent in well nigh every country. My Ministers have made an earnest endeavour to solve the difficult problem of unemployment by providing labor in connection with public works and other necessary measures. It is hoped that the crisis has been passed, and that new openings will shortly be provided to give all our men adequate employment.

**Mr. Speaker and Gentlemen of the Honorable House of Assembly:**

The statements of expenditure and revenue for the last fiscal year will be laid before you in due course, and also the estimates for the several departments of the Public Service, which latter have been prepared with due regard to economy and efficiency.



Mr. President and Honourable Gentlemen of the Legislative Council:

Mr. Speaker and Gentlemen of the Honourable House of Assembly:

Since my Ministers assumed office in 1919 they have been giving continuous attention to the question of the development of the resources of this Island. While the fisheries of Newfoundland are and will long remain the staple industry of the Colony, yet my Ministers are convinced that the time has come when a very special effort should be made to secure the industrial development of the interior, with a view to relieving the burdens which are now carried by our main industry. The influx of new capital, the investment of money in the country by firms of high standing, and the profits which will be derived from turning our inland resources into money will materially increase our revenue and provide the means to meet the liabilities of the Colony without entirely depending upon the Fisheries. Proposals have been submitted by a powerful English firm for the development of the water power of Grand Lake and the Humber Valley, and the establishment of large Paper Mills and other industries in that vicinity. With the financial support of the Imperial Government, my Ministers, after extended negotiations, were able to give effect to their development policy, the details of which will be submitted to you for ratification. As the matter was of extreme importance, and time was an essential factor, a temporary arrangement was made under which the work was commenced at Grand Lake. Documents in connection with this temporary arrangement will also be laid before you.

My Ministers considered that the proposal in connection with the development of the Humber Valley was fraught with such far-reaching consequence, both to the future of this Island and the welfare of its

people, that it should be placed before the electorate. The House of Assembly was therefore dissolved in February last and an election called for the third of May. My Ministers have been sustained in their policy and can now proceed with confidence to the formal ratification of the proposed measure.

It is hoped to lay before you certain proposals for the operation of the Railway and its allied services to replace the agreement for temporary operation which expires on the 30th day of June instant.

With respect to the anticipated Gold Rush to Labrador on the opening of navigation my Ministers have made the necessary preparations to maintain law and order, and representatives of the Departments interested, will proceed there in due course.

In leaving you to the discharge of your duties I am sensible of the gravity of the questions which will come before you, and pray that, under the Divine guidance, wisdom and foresight may be granted you for the advancement and progress of our country.

It was moved by Mr. Cramm, and seconded by Mr. Randell, that an Address of Thanks be presented to His Excellency the Governor in reply to the Gracious Speech with which he had been pleased to open the present Session of the Legislature, and that a Select Committee be appointed to draft such Address in Reply.

MR. CRAMM—Mr. Speaker, I rise to propose that a Select Committee be appointed to draft an address in reply to the Speech from the Throne, with which His Excellency the Governor has been graciously pleased to open the Legislature.

"Before doing so, Sir, I wish to congratulate you on the great honor that has been conferred upon you in your election by a unanimous vote of the members of this

house, to the position of Speaker of this Assembly. It is an honor which your high standing as a citizen and your equally high standing as a member of the legal profession merit beyond dispute, and I have not the shadow of a doubt, Sir, that you will adjudicate on matters that come up for your decision, impartially and fearlessly.

I would like, also, Sir, to express a hearty welcome to His Excellency Sir William Allardyce and Lady Allardyce and their family. This is the first session of the legislature since His Excellency and Lady Allardyce have been with us, but already we have witnessed the very keen interest that they have taken in the affairs of this country, the conspicuous and highly praiseworthy interest manifested by Lady Allardyce in the Child Welfare movement and the equally keen interest taken by His Excellency in the industrial enterprises of our country. Newfoundland has been continually honored by His Majesty's government by the high and noble class of men who have acted as representatives of His Majesty at Government House. The office has been filled by men who have won by their own capacities and achievements, positions to which they have been appointed. Of such a type was Sir Alex. Harris, and of such a type, from all we have been able to learn, is Sir Wm. Allardyce whom we have the honor to have as His Majesty's personal representative of the Throne of Great Britain in Britain's oldest colony. Every honorable member of this House, I am sure, will join with me in wishing His Excellency Sir William Allardyce, Lady Allardyce and their family, during their stay with us, a full measure of health, happiness and good will.

"Coming to the main issue, His Excellency, in his speech from the

throne, refers to the unsettled condition of business, not only in Newfoundland, but throughout the entire world. It is true to-day more than ever before, that 'no man liveth unto himself,' and it is equally true that no country liveth unto herself. The more advanced our civilization becomes the more interdependent the nations of the world become. However much we would like to forget the financial conditions of Italy, Spain and Greece, we are unable to do so because upon their financial condition depends their ability to buy our main product. When they suffer from financial depression that fact is brought home to us directly and there is scarcely a nook or corner of Newfoundland but must suffer accordingly. Such conditions make us realize how small this old world has become, how interdependent the countries of the world are, how industrial trouble and financial stringency in one country causes distress and poverty in another. It brings home to us the fact that where statesmen of the past have had to consider problems as purely national, to-day the problems are chiefly international. The problem of unemployment, which we have to face in Newfoundland to-day and which the Prime Minister and his government have been struggling with during the past three years, is a local problem, but it has come to us as a product of international distress, financial and industrial, which has swept over the entire world. If the people who have been eating our fish have become so impoverished as to be unable to pay a decent price for it, every man who prosecutes the fishery, and his entire family, must suffer accordingly: the merchants must share the loss with him, and every industry in Newfoundland must share the common burden.

"That is a situation entirely beyond the control of this legislature. The unemployment problem has to be solved by some other means, and, thanks to the industry, foresight and ability of the Prime Minister, and his executive government, much has already been done to solve this all-important problem that is confronting this country today. The great trouble with us, Sir, has been that heretofore we have carried all our eggs in one basket. We have depended almost entirely on the one industry for the happiness and support of the whole country, and as long as the markets for that one industry remained in good financial condition, everything went well. To our sorrow we have found out the tremendous dangers which attend such a national policy. That industry was hit a severe blow which it will take many years to recover from. We have had nothing to fall back on, and while experiencing the general and severe distress that has followed, we have had to develop other sources of revenue and employment.

"There is no honorable member of this Assembly, Sir, who believes that the Humber industrial program however great and beneficial, will be a panacea for all our troubles. It is only a step, a big step, it is true, in solving our greatest national problem. It is to be hoped, Mr. Speaker, that every honorable member will view this great industrial development policy from an unselfish standpoint, from the standpoint of Newfoundland as a whole, and not only Newfoundland of today, but Newfoundland of tomorrow and years to come.

"I have much pleasure, Mr. Speaker, in moving that a committee be appointed to draft an Address in Reply to the Speech from the Throne."

CAPT. RANDELL:—Mr. Speaker,

"Tho I feel that one more competent to do justice to the occasion should have the honor, I beg leave, to second the motion of the honorable member for Bay de Verde, that a committee should be appointed to draft an address in reply to the speech His Excellency has been so pleased to deliver to us to-day.

"The Humber development project referred to by His Excellency, and which, I understand, is to be dealt with by this Assembly during the coming session, is perhaps the greatest project barring the Railway Deal of some years ago, that has ever been brought before any assembly in this country, and it is encouraging, sir, to know, that this undertaking has the financial support of the Imperial Government, and whatever may be the risk of success attendant on the enterprise, there appears to be no doubt whatever of sufficient water power, not only to supply the needs of this big industry, but also to supply power to other subsidiary industries that may be developed later.

"In connection with this subject, I should like to quote an extract from the Fourteenth Annual Report of the Newfoundland Board of Trade, under the heading 'Minerals,' where reference is made to copper deposits. I quote, sir, as follows:

" 'Were sufficient capital applied to our well-known ore deposits, it is estimated it might be possible to produce in this country a daily average equal to that now produced by the whole American continent. Sufficient water power is available in the centre of the island now in course of development, to mine, mill, concentrate, smelt, refine and manufacture sufficient copper to supply half the world's requirements at a production cost below that of any operating copper mine in the world to-day.' "

It is, and has been in the past, a matter of grave concern that the people of the colony from the small merchant down to the poorest hook and line fisherman, have almost annually to gamble or stake his all on the catch of one season, and even the financially strong of all classes who are dealers in the fish business can seldom weather two or three bad seasons. The honorable gentlemen of this Assembly, sir, I am sure, will agree with me when I say that any industrial project that is put forward to remedy conditions or relieve a situation arising from a bad fishery, should be given support, more especially in a time of depression caused by world-wide conditions over which we have no control.

"I think we all deeply deplore the fact that this land of ours, Britain's oldest colony, owing to those abnormal conditions, is not recovering from the financial depression following the great war, as quickly as we all would wish her to do. As you know, sir, those countries that we depend on to buy our fishery products are showing very little sign of financial improvement, and this country is largely dependent on southern European countries to buy from us the products of our principal industry. If I might humbly suggest it, sir, to this Assembly, we should not lose sight of the fact that any industrial program that we may have to consider or any industrial projects that may mature in this country will be but auxiliaries to the fishery, and general trade of the country for years to come.

'The proper marketing of codfish, sir, is a subject of course that has been before the House of Assembly many times, and yet it is a subject that still demands consideration. It is generally accepted by almost all connected with the fish business, that some means should be adopted

whereby arrivals of large cargoes of fish in our principal markets should not coincide, or that previous cargoes should be disposed of before the big shipments arrive. I think in this respect, sir, that no surprise legislation should be given to shippers, but every man in this country that has given any thought to this important subject, I am sure, realizes the necessity of our shippers agreeing on some measure whereby big stocks of old fish in foreign markets being overlapped by new, could be prevented.

"I also think, sir, that it is to be regretted that so much money goes out of this colony to foreign ship-owners who chartered their ships in our foreign trade. If local owners were encouraged to the extent that ship-owners in Great Britain and other countries and colonies are, I have no doubt that very few foreign ships would come to this country to load fish. At present there is no encouragement for local owners to replace sailers of steamers, and if the sealing ships, for instance, are not replaced, the sealing industry will very soon become an industry of the past, and probably foreigners will take that from us as they have the carrying of fishery products to foreign markets.

"In seconding this motion I trust it may be passed unanimously and that the closing words of His Excellency's speech may be fulfilled."

MR. HIGGINS:—Mr. Speaker, through the absence from the House of the gentleman who led the Opposition Party in the recent election and because of the retirement of the senior member of the Party from the leadership in the House, I find myself thrust into a position which, under ordinary circumstances, I should have a great deal of hesitation in accepting. But, Sir, my task, because of the conduct of the Government since we last met here, is not a difficult one.

However, before anything is said with regard to those matters which it is my duty and my purpose to deal with, I must join with the previous speakers in tendering from this side of the House, sincere congratulations to you, Sir, upon the signal honor that has been conferred upon you by this Legislature, by your unanimous election to the important position of Speaker. With your scholarly mind, your well-known ability in the legal profession and your uniform fairness of all occasions, I feel certain that you will fill the chair with honor to yourself, dignity to this chamber and in a manner satisfactory to all concerned. It should be a matter of sentimental satisfaction to you that you now attain to a position in this House so ably led by your illustrious father many years ago. We of today should pay tribute to your father's memory in that respect, a memory which we feel assured will not be dishonored by you.

Following on that, permit me to congratulate the mover of the Address in Reply, the honorable member for Bay de Verde, Mr. Cramm and the seconder, the honorable member for Trinity, Capt. Randell, on the very able manner in which they performed the respective duties assigned to them. I want, above all, to congratulate them on the manner in which they kept away from the Speech from the Throne, realizing, as they no doubt did, that it was absolutely void of either point or inspiration, and I may say now we will look forward for similar contributions from them in future to the debates in this Chamber. It is not to be wondered at that Mr. Cramm should have achieved such a success in his maiden effort in the House, while those of us who know Capt. Randell, shall not be at all surprised to see him forge to the forefront as a legislator, as he has already done as a navigator.

I would also like, Mr. Speaker, to

congratulate our new Knight, Sir Wm. Coaker, despite all the cross-firing that our good friend engaged in in the past and however much we may have reasons to accuse him of over-enthusiasm in matters of policy and in doing so, I speak the thoughts of the gentlemen associated with him. It is peculiarly significant, however, that our good friend, after such a short time in public life, was given a distinguished knighthood by the Prime Minister, and, after all, it is only right and proper that the Prime Minister honoured him thus, because without Sir William Coaker the Prime Minister never was, never can be, and never will be again. By virtue of his commercial industry and enterprise, no man is more worthy of this mark of respect than Sir William and we trust that things won't go down to the stage of a Mutual Admiration Society now because of the creation of the new knight; but rather that in the future we shall be able to see that things will go on in the same way as that policy, that over-enthusiasm, such as that marked him in the days gone by.

Then we have the Hon. Dr. Barnes, Minister of Education, calmly sitting down dreaming of his pet hobby, wondering if anything is gone wrong with the Normal School and hoping that something will turn up for the success of the Department to cause him joy.

Also we have our good friend, known as the cute man, who is now Minister of Finance and the latest addition to the Executive Council. He always has a way of his own for doing and saying things and no one here has any reason to fall out with him. He realizes that the fates have played him kindly and so the hour has arrived for the special convenience to pay him the special honour and the special compliment. I do not know of any other man on the other side of the House who is more deserving of

it than Mr. Cave. So much in the way of general remarks.

It is not my purpose to unduly delay the House in my comments on the Speech from the Throne because there is nothing in it that contains any surprise for me or for any member of the Opposition. I had thought that the Prime Minister, in the light of the additional Knight, who by the way, is the "big noise" in the Government, and because of the advent of new members in his party as well as for other reasons, would say to himself: "I am going to establish a new record this Session." But, on the contrary, the Speech from the Throne is not a bit different from what I expected. It contains nothing, foreshadows nothing and I expected nothing different. Personally, I am absolutely more than satisfied with the Speech and I am justified in the faith that I had in the man who wrote it and I am glad to be in the position to state that I was able to anticipate what actually happened. The Speech is, to use a time worn phrase, nothing else but a plethora of words, meaning nothing. It is just another example—the latest example.

Many a time the Prime Minister has fooled the people by writing Manifestoes containing a multitude of words that explained or meant nothing; this time it is under the guise of a Speech from the Throne. And I do not grudge his doing it, nor am I going to criticise him to-day for the way in which he did it. During his term of office, the Prime Minister has made contracts and done a hundred and one other things in a way that ought not be done—and done apparently with credit to himself.

Before proceeding to deal with the Speech from the Throne, I would like for you, Mr. Speaker, on behalf of the Opposition—known in parliamentary parlance as His Majesty's Loyal Opposition—to bid the warmest possible welcome to Sir William and Lady Al-

lardyce, who have come amongst us since last this House was in session. His Excellency, we know, is a man of ripe experience and brings to his office lots of training and all the attributes and qualifications necessary for the onerous duties he is called upon to perform. I think it will be found meet and right to refer to the activities of His Excellency's good wife, since her advent amongst us, particularly in relation to Social Welfare. She has been prominently identified with Child Welfare work and the Girl Guide Movement, which have not always found a good friend in the occupant of Government House and I feel sure that her interest in that direction is not likely to abate.

In the beginning of the Speech from the Throne is the following extraordinary and illuminating statement:

"Looking at the world to-day, we find that the process of reconstruction is making but slow progress. Action is followed by reaction, and the economic pendulum swings from one side to the other. It will be some years before comparative equilibrium is reached. These world conditions affect us seriously in Newfoundland. They influence the cost of the commodities we import. They tend to depreciate the value of the products we export. They tend to increase the cost of living, to hamper the development of trade and to limit the avenues of employment. . . . . Although the rehabilitation of the world in its political and economic spheres is not proceeding as rapidly as had been hoped, it is evident that progress is being made, and we can therefore go forward to our tasks with cheer and courage."

Can you give "cheer and courage" for the future to a man who told me a day or two ago that his wife had sold everything she possessed and had then just started in splitting up the furniture to make a fire for his dinner? It is a wonderful and con-

soling thought to give "cheer and courage" to the man who goes out of his home in the morning looking for work and has to remain out all day owing to the fact that he has nothing at home to eat. There are a couple of other aspects in the Speech from the Throne that I propose to deal with, but not at the present juncture. But in the meantime I do say in all sincerity that the task that we have before us this evening is to find ready and available employment for those people who are out of a job. I realize and appreciate thoroughly that these men do not want relief work, that is, as relief is generally understood, but they want to do work and give returns for every dollar they receive. The question of unemployment in St. John's has reached a critical stage. Men in all stations of life in the district that the Prime Minister represents as well as mine and my associates' are walking the streets in hundreds, almost thousands, looking for work, and who are in actual want. Let us sink our political differences and forget whatever may have occurred in the recent political campaign—and in saying this I speak the thoughts of those around me—and let us try and do something that will put these unemployed men to work and enable them to provide the wherewithal for their distressed families. A considerable proportion of those men could be employed immediately on public works that are of benefit to the city. Remember the responsibility rests upon us. And while on this point I would like to say and to convince the Government that the attitude of the Opposition this session is to assist them and to support them and not to level any undue criticism at them that is usually levelled at a government. Thus, mindful as we are that, as an Opposition, we are unable to do anything on behalf of the unemployed except

to offer suggestions to the Government, and realizing the destitute circumstances confronting the people of St. John's that we see around us every other day, let us hope that something will be evolved whereby these conditions will be relieved, at least, to some extent. Shortly before polling day it was found necessary to give relief to hundreds of men and their families who were badly in want. Well, if these people were in want then, in God's name how much are they in want to-night? Therefore, I would strongly urge in all honesty that the earliest possible attention be given to this matter on the part of the Government and I can assure them, Mr. Speaker, that the Opposition will not be found wanting in doing their level best to assist them. But I am reminded, however, that that paragraph concerning unemployment in the Speech from the Throne was not intended to be accepted by us at face value, but possibly to give a foolish impression to the people outside. Does it look as if the crisis has been passed to see thousands of young men flocking to other countries, compelled to get out, because of lack of employment in their own country? Is the crisis over with regard to the fisheries I wonder? Still we have this paragraph in the Speech from the Throne and written by the Prime Minister:

"The question of unemployment and the consequent distress among the people, especially during the winter months, have caused my Ministers constant anxiety. These conditions are not peculiar to Newfoundland but are existent in well nigh every country. My Ministers have made an earnest endeavour to solve the difficult problem of unemployment by providing labor in connection with public works and other necessary measures. It is hoped that the crisis has been passed, and that

new opening will shortly be provided to give all our men adequate employment."

However, much as this paragraph in the Speech from the Throne may be disregarded and despite the lack of honesty of purpose contained in it, I do trust that something will be done to adjust this unemployment problem which at present prevails in this city.

The next paragraph in the Speech from the Throne says:

"The statements of expenditures and revenue for the last fiscal year will be laid before you in due course, and also the estimates for the several departments of the civil service which latter have been prepared with due regard to economy and efficiency."

The same old words in the same old way, but with no sincerity of purpose in them. If rumors be true that there are quite a number of new and unnecessary appointments to be made, then there could not be much economy exercised. As to efficiency, in the public service, well, I do not want to be personal, but there are Cabinet Ministers in the Government and heads of departments who have as much knowledge of their work as a man who runs a cod trap would have of these ministerial positions, even including the Minister of Marine and Fisheries. It has not been a question of getting a man suitable for a departmental job, but it has been a question of getting a department for the man. There are many men in the Prime Minister's party who to-day who could have filled departmental positions with credit, but who have not filled them for reasons best known to the Prime Minister. We realize the trouble the Prime Minister has gone to and before the session is through he will, no doubt have a few more departments created. The House of Assembly is called together to-day to list-

en and discover that, as we expected, the leopard does not change its spots. The pledge that was used for the election was the celebrated Humber project about which the Prime Minister's document contains a paragraph of a mixture of words and no one knows anything about it. If ever there was any doubt that the Humber proposition was a huge joke, to-day's Speech from the Throne removes that doubt and gives absolute proof that the thing is a joke. Here is what the paragraph says:

"My Ministers considered that the proposal in connection with the development of the Humber Valley was fraught with such far-reaching consequences, both to the future of this Island and the welfare of its people, that it should be placed before the electorate. The House of Assembly was therefore dissolved in February last and an election called for the third of May. My Ministers have been sustained in their policy and can now proceed with confidence to the formal ratification of the proposed measure."

Because it was necessary to submit the proposal for ratification, and election had to be held. But we are waiting yet to learn what the proposal is all about. I think Mr. Speaker that you will remember that the gentleman opposite came to be known as Humber candidates. The papers said they were Humber candidates and under that title they were elected. When I and other people saw this title tacked on, we wondered if they were being libelled as suffering from some particular complaint as one might say they were sober or otherwise, and on my own part I thought that the Hon. Prime Minister with the assistance of some of his good temperance friends had got together a party with another title for prohibition. I cannot even now understand what some of the election cards meant by saying that Tom Jones or



John somebody else was a Humber candidate. Suddenly however, we discovered that he was going to the country on this proposition and knowing that he could not support something that he knew no more whatever about than we of the Opposition did, and being prepared to support any measure that tended to the development of the country and welfare of the people, we decided to support the Humber proposal too. But the people were misled by the name, probably thought they were the sober party and we were not, and in their delusion, elected them to power. I think, Mr. Speaker, that the Hon. Prime Minister and the honorable members of the government will at least bear with us when we say that this much talked of and celebrated contract ought to be brought down to us as quickly as possible. The Humber has been preached to us in season and out of season and we are wondering what it is—it is almost a case of wondering whether it is a boy or girl. The former leader of the Opposition says it may be twins. Perhaps it is as we both had a Humber program and we know as much about it as the members of the Government. Who is to know who is the real father of the deal. By the time of birth who can tell what will happen. Now as I was reminded a few days ago, this is the first session in a long time at which we did not have to pass a resolution of condolence on the death of some members of this House but as I came out the road today I saw the flag on the building at half-mast—and it is at half-mast now. I do not know what that fore-shadows and sincerely trust it is not the early death of the Humber proposition as when the legislation in connection with that comes down we hope it will show good conditions in that direction, as we are as interested in the development of the country as are the Government. But be-

fore all we are bound by the condition of seeing that our duty is done and that anything of an objectionable nature in the legislation or tending to prejudice the welfare of the country is strenuously opposed. We are prepared to admit that we have to pass some things that might be objected to and our only criticism will be of a helpful kind and directed at striking out whatever is not for the good of the country. Might I say to the gentlemen who compose the Government, that welcome as we shall the Humber and support anything that makes for the betterment of the people by the giving of employment, they do not yet even begin to touch a difficulty which we feel sure must be interesting them. That difficulty is the continuance of the fishery, and at whatever price you have to pay, you must get the people fishing and change your ideas that we can live here without the fishery and by passing the Humber deal. You would not change the conditions or inclinations of our people by the passage of twenty Humber as their lives and homes have been wrapped up in the fisheries and you cannot alter them. Go visit the people today where they stand along the coast looking blankly across the waters which contain the abundance of fish that they are not in position to catch. Our people are distributed around the coast, not because of the Humber, but because like their fathers they desire to draw from the waters its teeming natural wealth. Therefore, gentlemen of the Government, we sincerely hope you will at once embark on the matter of encouraging and carrying on the fisheries. Many amongst you must of necessity realize the need for urgent action and because of the position which the government occupies as to the affairs of the fishermen we hope and trust that the most liberal treatment towards them will be passed by you.

and in this direction we on this side of the House will help in every way. I think I can say with every confidence that if the Government proposes to assist the people by granting a bounty on fish, the reduction of taxation and the giving of encouragement by outlining some general and short scheme resulting in the lowering of expenditure I can safely anticipate that this side will give it ready and hearty endorsement. And in respect to this proposal we should get busy at once. While the responsibility rests primarily on the Government, we on this side are not exempt from assisting in measure to secure labor for those in the city and outports on the one hand for the general conduct of the fisheries on the other. I think Mr. Speaker, that we are all agreed on the common ground of the great difficulties in connection with the fishery this season. As to the anticipated rush to the gold fields I think that as the close of the Speech from the Throne suggests, we need the aid of Divine Providence now. I would like Mr. Speaker, to refer to one of the last paragraphs in the Speech from the Throne, which reads, "It is hoped to lay before you certain proposals for the operation of the railway and its allied services to replace the agreement for temporary operation which expires on the 30th of June instant." What agreement is to expire on the 30th of June? I would like to avail of this opportunity and the presence of many new members in the House to express the sincere hope that the former treatment of this railway matter will not be repeated. I trust that the government coming back to power as it has with a mandate from a people who were deluded by dreams of wonderful employment, and those associated with the government, particularly the members of the cabinet will see that the celebrated practice of handling matters of

the gravest importance, and in violation of the rights of this House will cease. Everything they have done, in connection with the railway in particular, has been a joke and a sham. The hon. member who seconded the motion for the Address in Reply, stated that the Humber contract was as vast at that for the railway some years ago. On paper it is true it looks twenty times greater and as an actual fact if we consider the amount of money involved, he is not far out, for as far as railway operation is concerned it has been a continual pay out. It cannot go on as it has the last few years—costing millions annually—and we cannot run it. What I wish to draw attention to, Mr. Speaker, is that the country now learns for the first time that a few gentlemen comprising the executive took upon themselves an arrangement which only this House had a right to do. It was bad enough when adjournment was taken on the temporary arrangement as that was done by the House agreeing. The idea then was that during the summer an arrangement would be made that later would be agreed to by the House. But suddenly we found by an announcement in the papers that the agreement to operate had been extended from October to —?— and now we discover that the road is to be run till the 30th of June. I do not know who was made the goat but we will have to know because if the rumor is correct there has to be another contract. Prefixed with the celebrated name of Humber, the Government is no longer a people's or fishermen's administration, but with a representation which gave the idea of departing from old lines of conduct and before you gentlemen who are now in the House for the first time have the chance to get hungry like the laborers here, it should let us have the disclosure in this House instead of picking up a paper and get-

ting the announcement there. No one knows who is running the railroad. For a public railway that is truly a delightful position. The government said they would make it pay and under a commission of which Sir W. F. Coaker was chairman, took it over. We have been paying out money ever since and to-day at the end of it all a temporary arrangement is made to run it till the end of June. I trust we will have an early statement as to everything connected with the railroad and the rumor as to the Armstrong Whitworth Company taking it over. Now, Mr. Speaker, I have spoken longer than I expected to, and I assure the Government that as far as I can speak without consultation with my colleagues, we only want to get down to work. But we want an early and full detail of the Humber proposition so that we may be able to give a sensible opinion on it and on the railway and on the matter of the fisheries. I do not think of suggesting anything but what may be the means of assisting you and do not think that any on this side will attempt to unnecessarily block you in your efforts. All sides have now a common duty to those who are outside this chamber looking to us and who through no fault of their own are unable to help them selves and get back to what after all is and must continue to be the main factor in our industrial life—the fisheries. I thank you, Mr. Speaker, for your courtesy in hearing me and later I will deal with certain questions which I will not touch now, as they present themselves.

SIR, M. P. CASHIN:—Mr. Speaker, the Premier intimated that many more things may be said that are not enlarged upon in the Speech from the Throne, which is only a formality and is intended to merely outline in a general way the policy of the Government. It will be remembered that three and a half years ago Sir Richard

Squires issued a famous Manifesto. I ask him how many of the twenty-two promises made in that document were carried out. I did not intend to make a speech this evening, but as the intimation has been made by the Premier that the Opposition, and myself in particular, are responsible for filing the election petition against Messrs. Cave and Cramm, I deem it my duty to repudiate that charge, which is on a line with what has been appearing in the personal organ of Sir Richard Squires for several days past. Let me inform him that neither myself nor my colleagues have had anything to do with the Bay de Verge petition. Did he read Sir Jona Cro-  
 lle's letter on the subject? If so he should know that the Opposition were not concerned with these petitions. His remarks, therefore, are incorrect for as well as the low-down insinuation in his organ, the Daily Mail, which for base contemptible motives, easily understood, kept harping on the case as that of Catholic Cashin vs. Protestant Cave. The Government may thank M. P. Cashin for their election as long as they succeed in gulling the public with my name. My name has done service enough in this way in the dark outside, but as long as I have a seat in this House I give them warning that they will not continue the same old game while I have a tongue to expose their dirty tactics. I have on my desk a copy of a newspaper owned and controlled by Premier Squires containing this low-down dirty attack on me, which aims at putting the responsibility of the Election petition on me. (Sir Michael then quoted the article entitled "Kicking against the Pricks.") In this article the sting, like all venomous reptiles, was in the tail, as follows. **Cashin vs. Cave.** "The country will await with interest the result of the proceedings, and will note with still greater interest what steps the Prime Minister will take to

make a defence of and show his keen interest in the political fortunes of a gentleman who is his intimate friend and one of his most esteemed colleagues." This," he continued, "is a low-down, cowardly statement. I think Sir John got value enough out of me by the vile usage of my name in the election by showing me up as the real leader of the party and a Roman Catholic. As to the former it was a base falsehood and you know it, and as to the latter I say yes, Sir, I am a Roman Catholic and I am proud of it. When I look across the House and see that you have not placed one man of your party of that denomination in the Executive Council although you have two there to draw on, I feel sorry that such a condition of affairs should come to 86,000 people for the first time since we had Responsible Government. You have two there, Sir. Why did you not appoint them to your Executive? You are not sincere, sir. I am sick and tired of your hypocritical professions. You are sir, the worst sectarian firebug that we ever had in this country. You can do nothing straight. You are crooked now in all your political conduct. You were crooked from the start. Your Speech from the Throne is crooked. You have brought this on yourself. I did not intend to speak, but when you repeat the dirty insinuation about the Bay de Verde election petition on the same lines as appear in your dirty paper, patience ceases to be a virtue. I had nothing to do with the Cave petition. Sir John Crosbie's letter would convince you of that, but you did not want to be convinced. You prefer to go on fooling the people. You fooled them at the last election, and they are now experiencing the fruits of their folly in voting for your Government. To-day hundreds of people are walking the streets starving. I myself had fifty such applicants this afternoon. In the face of this you come to this House to continue your

tommyrot, as evidenced in this speech. If the people are satisfied to go on being fooled by you, well all I can say is 'let them be fooled.' You gave them orders for \$10 to \$12 worth of feed between Nomination and Polling Day and you shut down after they had voted and gave them nothing since. Now I warn you that I intend to be plain in dealing with you and will call a spade a spade. I ask your pardon, Mr. Speaker, for speaking so warmly and using strong language, but this is a case where strong words are justified. I ask now, sir, that the Executive Council be remodeled and that the Seats in the Council be given to the two Roman Catholic members who have seats in this House. In the whole history of Responsible Government we never had such a spectacle as now exists. Neither did we have the whole sale bribery that was carried on in the recent election. My colleagues went close on the heels of the Premier and his men in our canvass of the houses in the West End, and we know all about their bribery in givings out of coal, food and money. There was nothing like it in White-way and Bonds time. In those days it was confined to road grants. The politicians then were archangels compared to the Government candidates last election. You, Mr. Prime Minister, are a great actor, there is nothing like you and you are in a class to yourself. No American theatrical company ever brought your equals here. So you want to now couple me with Sir John Crosbie in this petition. Well, sir, if I did set out to file a petition against you you would walk the plank in quick time. There was never such scandalous waste of money in Ferryland, my old district, where \$25,000 was thrown around by Mr. Ambrose Hearn to buy up the electors. In the face of this you have the impudence to pretend to be indignant about the Cave petition. Now, I hope, sir, that these few remarks will do

you good for the rest of the session. I hope that you will do something at once to help the fishermen to get to the fishery and not have them tramping the streets with no prospects of getting to work. The chief of the "Underdogs" there, who professes so much love for them, Sir W. F. Coaker, has now a chance to make his professions good. Let me tell him the fishermen are now crowding the streets and the schooners are idle and tied up to the wharves. Now what are you going to do about it in the way of helping them to carry on the Fishery?

HON. THE PRIME MINISTER:—Mr. Speaker, permit me in opening my remarks to extend to you my most sincere and hearty congratulations on the distinguished honour which you have attained. I realize to the full the importance of the high position unanimously accorded you. The traditions of the Chair are associated with the highest ideals and aspirations of the Empire and around the Chair and the sanity and wisdom of the decisions of those who have been honoured to occupy it, the Empire itself has existed. We feel that in the Chair there is one to whom we can all refer in dealing with constitutional measures, with trust and confidence to bring order out of chaos. I trust that in you Mr. Speaker, we will find one who will uphold the highest traditions of the Empire and of the House of Assembly and maintain the prestige and high reputation of your father who for years was such an outstanding figure in this Chamber and in the political life of the country.

I wish to congratulate Mr. Higgins on the honour conferred on him by his selection as Leader of the Opposition. In the retirement of Sir M. P. Cashin we see the withdrawal of one whose 30 years experience and strength of character have meant a power in the debates in this House

for over a quarter of a century. In the recent election he left his own native district to contest St. John's West, where he outdistanced myself and to do that I may say that he had to put up a fierce fight as he could not have succeeded without it. The mover and seconder of the motion for the appointment of a select committee to draft an address in Reply have already been congratulated but I think we may go further than the mere formal congratulation. The speeches of these honourable members, Mr. Cramm and Capt. Randell are well worthy even of men of far greater experience in this House. Mr. Cramm entered the political arena the day after he qualified as a solicitor, put up a noteworthy fight and achieved a notable victory against stupendous odds. I feel that in this House and as a representative of the District of Bay de Verde, he will maintain the high reputation he has already won as a man of character and straight forwardness of purpose and that he will become a foremost figure in the legal profession. In Capt. Randell, we have one who has brought unusual strength to the party. He bears a name that is well known and honoured in Trinity Bay, particularly on the North Side as I well know from my political associations with that district. I like my colleagues am proud to have associated with me and my party one whose name is so well known and who no doubt will prove as able a representative of the people as he has a Master Mariner. In the person of His Excellency the Governor we have one who comes to us from lands afar. His career has been an eminently successful one and one of which he may well feel proud. His work has not been associated with diplomacy alone for as a young man he saw much of the strenuous labors of the pioneer Empire builder and by his ability and graciousness achieved success, these attributes in due time

bringing him to the honored position of Representative of His Majesty the King, which he holds to-day,

We welcome him right royally to our Island and heartily congratulate him on his appointment; and from his associations, both official and otherwise, we feel sure that he will endeavor himself to all of us. Lady Alardyce has also come to us from afar, and in like manner do we extend to her our hearty welcome. The Governor's lady brings with her a name and a reputation for exceptional capability, and although but four months in our midst she has already rendered high service in connection with the formation of the Girl Guides, and the organization of Community and out-port nursing. We welcome her, and congratulate her on her past achievements; and recommend to her energy and interest the wide field throughout our Island that can be benefited at her hands.

The Speech from the Throne for many years back in our parliamentary history has been a very formal document, a Speech which critically contains nothing, a document outlining in a very short and brief manner policy and legislative program of the Government. Last year the Speech which was handed down by our late Governor, Sir Alexander Harris was greeted by a very able and memorable speech by Sir Michael Cashin, the then leader of the Opposition. In the course of his remarks he termed the address as the most empty document he had ever heard. Of course it is to be admitted that it is the duty of the members of His Majesty's loyal Opposition to always criticize and make out that there is nothing in each succeeding Speech from the Throne that is presented; and I think that if I were in Opposition myself I would also be terming this very same document the most empty that was ever handed to this august chamber. However the

address which we have heard this afternoon is just a mere indication of the program of business that is to come before the House at this session. It outlines the Government's policy regarding the Humber Development and the Railway. During the afternoon it will be my privilege to table for the information of the House the Treasury Agreement between the Treasury Board, the Sir W. G. Armstrong Whitworth Company Ltd., and the Nfld. Government. I shall table one of the original prints as finished by Messrs. Nichlater and Paine, of London, Printers. The copies are printed locally, but I have not compared them with the original, as the printers were to do that. However, I am tabling the original so that if necessary it can be referred to at any time.

The Honourable Leader of the Opposition in the course of his address made two statements, which I sincerely hope are true. One of these was to the effect that the elections are over. However true this may be, it is still a fact that but a few days ago a recount of the ballots cast in the Burgeo election was concluded in the Supreme Court. This event seriously interfered with the work of the Colonial Secretary's Department, and consequently I lost three days at a abnormally busy time, which should have been devoted to Public business. Further I have at present on my desk a copy of an election petition issued by Mr. A. B. Morine, K.C., against Messrs. Cave and Cramm, at the instigation of a man called Garland. This will certainly necessitate great time and inconvenience to all concerned, and is certainly not an indication of the correctness of my Hon. friend on the other side. I, however, take this opportunity to intimate to them that it is our intention to hit twice for every once we are hit. Therefore, although my honourable and learned friend, makes

this statement in his courteous, friendly legal manner it is not a fact, as it will work out.

Now, Mr. Speaker, I will not take up further time in discussing at the present moment the other remarks of my friend. This is more of a formal rather than a business occasion therefore will not detain you longer sir, or my friends on the other side or our visitors, and shall only lay on the table of the House the document I have referred to.

It was ordered accordingly and that the following gentlemen be the Committee to draft the Address in Reply: Mr. Cramm, Mr. Randell, Hon. Mr. Foote, Mr. Sullivan, Mr. Hunt.

Hon. the Prime Minister gave notice that he would on Wednesday next move the House into Committee of the Whole to consider certain resolutions with respect to the Industrial development of Newfoundland.

Hon. the Prime Minister gave notice that on Wednesday he would move the House into Committee of the Whole to consider the matter of Railway operations.

Hon. the Prime Minister tabled certain documents including Agreement between the Newfoundland Power and Paper Company, Limited, and the Armstrong, Whitworth Company, and the Commissioners of His Majesty's Treasury; and Trust Deed between Newfoundland Power and Paper Company, Limited and Whithall Trust Company, Limited.

Mr. Fox gave notice of question.

Sir M. P. Cashin gave notice of question

Mr Moore gave notice of question

It was moved and seconded that when the House rises it adjourn until Wednesday next 13th inst., at three of the clock.

The House then adjourned accordingly.

**THIS AGREEMENT** made the Thirty-first day of October 1922 BETWEEN NEWFOUNDLAND PRO-

DUCTS CORPORATION LIMITED a Company registered in the Island of Newfoundland (hereafter referred to as "the Company") of the first part SIR W. G. ARMSTRONG WHITWORTH AND COMPANY LIMITED whose registered office is situated at Elswick Works Newcastle-upon-Tyne in the County of Northumberland (hereinafter referred to as "Armstrong's") of the second part and THE COMMISSIONERS OF HIS MAJESTY'S TREASURY (hereinafter referred to as "the Treasury" which expression shall include the Commissioners from time to time in office) of the third part. WHEREAS by the Trade Facilities Act 1921 the Treasury after consultation with an Advisory Committee therein referred to and on being satisfied that the proceeds of any loan proposed to be raised whether within or without the United Kingdom by any Government or Public Authority or any Corporation or other body of persons are to be applied towards or in connection with the carrying out of any capital undertaking or in connection with the purchase of articles other than munitions of war manufactured or produced in the United Kingdom required for the purposes of any such undertaking and that the application of the loan in the manner proposed is calculated to promote employment in the United Kingdom subject to the provisions of the said Act is authorised to guarantee in such manner and form and on such terms and conditions as the Treasury may think proper and payment of the interest and principal of the loan or of either interest or principal. AND WHEREAS the word "dollars" whenever used in this Agreement (except where otherwise stated) means U.S.A. or Newfoundland or Canadian dollars. AND WHEREAS the Share Capital of the Company is \$21,000,000 (Newfoundland) divided into 210,000 Ordinary Shares of 100 dollars each all of which have been issued and are fully paid

up or credited as fully paid up. And WHEREAS the Company has represented to the Treasury that it has not issued any debentures debenture stock or other securities nor created any mortgages or charges which will be subsisting at the date of the Treasury guarantee hereinafter mentioned.

AND WHEREAS the Company proposes to carry out the works shortly specified in the Construction Contract hereinafter mentioned and hereinafter called "the said works." AND WHEREAS for the purpose of carrying out the said works the Company proposes to raise two loans of which one (hereinafter called "the English loan") will be of nominal amount £2,000,000 and the other (hereinafter called "the Newfoundland loan") will be of the nominal amount of £2,000,000 or \$9,000,000. AND WHEREAS the Company has applied to the Treasury to guarantee the payment of the principal and interest of the English loan pursuant to the provisions of the said Trade Facilities Act 1921. AND WHEREAS the said application has been considered and approved by the Advisory Committee nominated by the Treasury pursuant to the provisions of the said Act. AND WHEREAS the Company has applied to the Government of Newfoundland to guarantee the payment of the principal and interest of the Newfoundland loan and the said application is now under consideration by the Government of Newfoundland. AND WHEREAS on the granting of the said two guarantees the Company intends to enter into a contract with Armstrongs (hereinafter called "the Construction Contract") in the form set forth in the First Schedule hereto for the construction of the said works.

**Now It Is Agreed as Follows:—**

1. For the purpose of supervising the performance of the Construction Contract and the performance by the Company of all or any of its obligations under this Agreement the

Treasury shall be entitled to nominate representatives both in England and in Newfoundland consisting of such engineers architects quantity surveyors surveyors accountants auditors or other professional persons or experts as the Treasury may think fit (hereinafter respectively called "the Treasury engineers" "the Treasury architects" and so on throughout) and to them such powers and duties as the Treasury may from time to time determine and their fees and expenses shall be paid by the Company and in case of dispute concerning the amount of any such fees or expenses the decision of the Treasury shall be final. The said works shall be commenced on or before the granting of the said two guarantees and shall be prosecuted with all due diligence and in all respects to the reasonable satisfaction of the Treasury engineers and the Company will afford to them or their authorised representatives sufficient safe and proper facilities for examining the said works and the machinery materials and plant therefor and Armstrongs will give such facilities as the Treasury delegates may reasonably require for the examination of all machinery plant materials and things manufactured or in course of manufacture by Armstrongs or its subcontractors either at their own workshops or elsewhere. The Treasury engineers Treasury accountants and Treasury auditors shall have access at all times to all books documents records vouchers and papers of every description relating to the said works and Armstrongs will give access to all their books documents records vouchers and papers relating to the said works and the Treasury engineers shall have the right to call for such drawings and specifications as they may consider necessary.

2. So long as the Treasury remains under any liability in respect of the guarantee hereinafter referred to or any money remains owing to the



Company the Company will at all times keep such of its property or assets as are of an insurable nature properly insured against loss or damage by fire with first class insurances Offices or with Lloyd's in such sums or amounts as may from time to time be approved by the Treasury.

3. As security of the English loan the Company will create and issue a series of First Mortgage Debentures or Debenture Stock (hereinafter called "A" Debentures") to the face value of £2,000,000 secured by a Trust Deed containing a specific First Mortgage upon the lands rights concessions and fixed assets of the Company and a First Floating Charge on all the other assets of the Company with a covenant by the Company not (except for the purpose of completing any new purchase of freehold or leasehold property in which case it may leave or rise any portion of the purchase money on or by a mortgage of the property purchased in priority to the said mortgage and charge) to create any mortgage or charge ranking consent of the Treasury. All negotiations for the issue sale or placing of the "A" Debentures shall be conducted and the prices and terms of issue thereof shall be settled in consultation with and subject to the written approval of the Treasury and no steps shall be taken with a view to such sale or placing without such previous Treasury approval. The said Debentures and Trust Deed and any local mortgages supplemental thereto shall be in such form and shall contain such provisions as may be required by the Treasury and shall be subject in all things to the approval of the Treasury, and the Treasury shall be entitled to nominate the trustees of the said Trust Deed shall contain a covenant by the Company that it will not without the written approval of the Treasury so long as any of the "A" Debentures remain

outstanding apply in redeeming or purchasing any of the "B" Debentures hereinafter mentioned any of the assets or funds of the Company other than the Sinking Fund to be provided for redemption of the "B" Debentures as hereinafter mentioned or the Special Debenture Reserve Fund hereinafter mentioned.

4. As security for the Newfoundland Loan the Company will create and issue a series of Mortgage Debentures or Debenture Stock (hereinafter called "B" Debentures") to the face value of £2,000,000 or \$9,000,000 secured by a Trust Deed containing a specific mortgage and a floating charge on the same properties as are comprised in or affected by and ranking immediately behind the First Specific Mortgage and First Floating Charge respectively referred to Clause 3 of this Agreement. All negotiations for the issue sale or placing of the said "B" Debentures shall be conducted and the prices and terms of issue thereof shall be settled in consultation with and subject to the written approval of the Government of Newfoundland and the Treasury, and no steps shall be taken with a view to such issue sale or placing with such previous approval. The said "B" Debentures and Trust Deed and any local mortgages supplemental thereto shall be in such form and shall contain such provisions as may be required by the Government of Newfoundland and shall be subject in all things to the approval of the Government of Newfoundland, and the Government of Newfoundland shall be entitled to nominate the Trustees of the said Trust Deed.

5. The "A" Debentures securing the English loan shall be redeemable at par 25 years from the date of the public issue thereof and provision shall be made for such redemption by means of a Sinking Fund. The Company may on the 1st day of January

1934 or any interest date thereafter on giving not less than three calendar months' notice to the holders redeem the whole or any part or parts of the "A" Debentures at par. The Company shall on or before the expiration of ten years after the date of issue pay to the Trustees of the Trust Deed securing the "A" Debentures the sum of £60,486 and on or before the similar date in every year of the subsequent nine years the sum of £60,486 and on or before the similar date in every subsequent year until the English loan has been redeemed the sum of £186,228 together in respect of every such payment except the first with a further sum equal to the interest (without deduction of income tax in Great Britain or Newfoundland) for the last preceding year on the amount of "A" Debentures for the time being redeemed under this provision and which interest would have been payable but for their redemption. Such Sinking Fund shall be applied by the Trustees in each year in purchasing "A" Debentures provided that the price paid including stamps broker's commission and other expenses of purchase shall not exceed £100 for £100 nominal of stock. If and so far as any money standing to the credit of the Sinking Fund shall not before the expiration of three weeks after the above date in any year have been applied in purchasing "A" Debentures as aforesaid the same shall as far as possible be applied within 14 days thereafter to the redemption of "A" Debentures at par by drawings. All "A" Debentures purchased or redeemed out of the Sinking Fund shall be cancelled. The "A" Debentures shall bear interest at a rate not exceeding  $5\frac{1}{4}$  per cent. per annum. The Sinking Fund payments in this clause are calculated on a 5 per cent. basis. If the "A" Debentures shall be issued at a rate of interest other than 5 per cent. per annum the said Sinking Fund pay-

ments shall be correspondingly increased or reduced.

6. The "B" Debentures securing the Newfoundland loan shall be redeemable at par 20 years from the date of the public issue of the "A" Debentures and provision shall be made for such redemption by means of a Sinking Fund. The Company may upon the 1st day of January 1928 or upon any interest date thereafter on giving not less than three calendar months' notice to the holders redeem the whole or any part or parts thereof at par. The Company shall on or before the expiration of five years after the date of issue of the "A" Debentures pay to the Trustees of the Trust Deed securing the "B" Debentures the sum of £89,251 or \$401,630 as the case may be, and on or before the similar date in every subsequent year until the Newfoundland loan has been redeemed the sum of £89,251 or \$401,630 as the case may be together with a further sum equal to the interest (without deduction of any income tax payable in respect thereof) for the last preceding year on the amount of "B" Debentures for the time being redeemed under this provision and which would have been payable but for their redemption. Such Sinking Fund shall be applied by the Trustees in each year in purchasing "B" Debentures as aforesaid the same shall as far as possible be applied to the redemption of "B" Debentures within 14 days thereafter at par by drawings. All "B" Debentures purchased or redeemed out of the Sinking Fund shall be cancelled. The "B" Debentures shall bear interest at a rate not exceeding  $5\frac{1}{2}$  per cent. basis. If the "B" Debentures shall be issued at a rate of interest other than  $5\frac{1}{2}$  per cent. per annum the said Sinking Fund payments shall be correspondingly increased or reduced.

7. The Company will after the completion of the said works and so long

as the Treasury remains under any liability in connection with its said guarantee or any moneys due to the Treasury remain unpaid keep up its liquid assets including stock in trade (taken at cost) and its good book debts after deducting current trade liabilities and its cash in hand and at Bankers to a value of not less than \$500,000 and the Company shall in every month of January and July after the completion of the said works furnish to the Treasury Director a report certified by the Company's auditors showing the amount and value of the Company's liquid assets including stock in trade (taken at cost) good book debts after deducting current trade liabilities and cash in hand and at bankers as in the last day of the preceding month and once in every twelve calendar months after the completion of the said Works such report shall be founded upon an actual stocktaking.

8. THE Treasury will subject as below provided guarantee the due payment by the Company of the principal and interest of the "A" Debentures. Such guarantee will be given by a Treasury Minute substantially in the form set out in the Second Schedule hereto or in such other form if any as may be agreed to by the Treasury. The Agreement by the Treasury to give the said guarantee is subject to the completion of all acts and things required by the Treasury to be done by the Company being or procured to be done to the satisfaction of the Treasury on or before such date as is in the opinion of the Treasury necessary to enable the said guarantee to be given before the 9th day of November 1922. The Agreement by the Treasury to give the said guarantee and the said guarantee when given may be withdrawn if the aforesaid security for the Newfoundland loan is not duly constituted by the Company and the said "B" Debentures validly guaranteed as to both prin-

cipal and interest thereof by the Government on or before the 31st day of March 1923 and the Construction Contract executed by all the parties there to on or before the 14th day of April 1923.

9. In consideration of the premises the Company hereby covenants with the Treasury as follows:—

(A) That as soon as the said two guarantees have been validly given the Company will enter into and carry into effect the Construction Contract and will not permit any departure from the terms of the said Contract without the consent in writing of the Treasury Director.

(B) That the Company will duly observe and perform all the terms of the "A" Debentures and of the "B" Debentures and of the respective Trust Deeds to secure the same and that it will not commit or suffer to be committed any breach thereof or without the written approval of the Treasury assent to any modification thereof in particular that the Company will duly and punctually pay all principal moneys interest Sinking Fund payable in respect of the English loan to be guaranteed by the Treasury as aforesaid and in respect of the Newfoundland loan and effectually keep the Treasury indemnified against all liability under or arising out of its said guarantee.

(C) That the Company will carry out the said works with the utmost expedition and in respect of those parts thereof which will be provided out of the English

loan in such manner as may be best calculated to promote employment in the United Kingdom.

(D) That all plant machinery and materials required in connection with the said works and provided out of the proceeds of the "A" Debentures shall unless otherwise sanctioned by the Treasury engineers be purchased in Great Britain under contracts requiring the contractors to certify on their own behalf of their sub-contractors that the plant machinery or materials to be supplied under such contract will be wholly of British manufacture and the Company shall enforce such stipulations and reports to the Treasury any modification of or failure to give any such certificate. Provided that this clause shall not apply to materials which are necessarily of foreign origin.

(E) That the whole cash proceeds of the said issue of the "A" Debentures shall be paid into a separate banking account at the Company's bankers in England from which except with the written approval of the Treasury withdrawals are only to be made (a) for the purposes of paying the expenses of the Company to an amount approved by the Treasury of and in connection with this Agreement and the creation and issue and sale or placing of the "A" Debentures or (b) against certificates of the Treasury engineers that the moneys certified for withdrawal are required

for making payments in respect of the Construction Contract for the contract value (including freight and insurance) of plant machinery and materials manufactured or produced or to be or in course of being manufactured or produced in the United Kingdom or materials which are necessarily of foreign origin used in connection therewith for the purpose of or in connection with the said works or (c) for the payment of the fees and expenses of the persons nominated by the Treasury under Clause 1 hereof or (d) interest on the said "A" Debentures up to the expiration of two years after the date of the public issue of the "A" Debentures and that the proper expenditure of all sums withdrawn from the said account shall from time to time be verified at the Company's expense by the Treasury Auditors who shall furnish the Treasury with such certificates and information as the Treasury may direct. Before the said loan is made the Company will procure to be given to the Treasury a letter from the Bank with which the said separate account is to be kept agreeing to waive all set off lien or other claim of whatever nature which the Bank may have either now or hereafter against the moneys from time to time standing to the credit of the said separate account in respect of any present or future liabilities of the Company

to the Bank. Provided that the Company may place such cash proceeds or any part thereof and or any other moneys paid to such separate accounts on deposit or temporarily invest the whole or any part thereof in Treasury Bills or British Government securities maturing not later than the 31st day of December 1929 until required for making any such payments as afore said and all interest earned shall be credited to the said separate account and any capital profit or loss arising out of any such investment shall be credited or debited thereto as the case may be.

- (F) That so long as the Treasury remains under any obligation in respect of the said guarantee, and so long as any money remains due to the Treasury by the Company the Company will permit the Treasury to nominate from time to time one of the Directors of the Company (hereinafter called "the Treasury Director"). The Treasury Director shall not be subject to retirement by rotation during the currency of the Treasury guarantee or while any money remains owing by the Company to the Treasury, nor shall he require a share qualification, and he shall be paid by the Company such reasonable fees as the Treasury may from time to time require. If the Treasury Director dies or becomes for any reason incapable of acting the Treasury shall be entitled to nominate another Di-

rector to replace him as Treasury Director. The Directors of the Company shall not exceed a maximum of 14 persons, one of whom shall be the Treasury Director and another may be a Director nominated from time to time by the Government of Newfoundland.

- (G) That the Company will not make or permit to be made any public issue of any securities guaranteed by the Treasury without the written consent of the Treasury.

(H) That the Company will not at any time so long as the Treasury remains under any liability in connection with its said guarantee or any moneys due to the Treasury remain unpaid (except for the purpose of completing any new purchase of freehold or leasehold property in case it may leave or raise any portion of the purchase money on or by a mortgage of the property purchased in priority to the securities hereinafter mentioned) create or issue or be party to or allow to be created or issued any mortgages debenture stock or other charges or securities of any kind ranking in priority to or pari passu with the English loan or the "A" Debentures or other securities to be given by the Company in respect thereof.

- (I) That the Company will give and so far as lies in its power procure to be given to the Treasury and the Treasury director, and the Treasury engineers, Treas-

ury auditors, or other Treasury representatives mentioned in Caluse 1 of this Agreement all such information with regard to and all such facilities for inspecting the books, accounts, documents, reports, estimates and records of the Company or its properties, assets and business as they or any of them may from time to time reasonably require.

- (J) That the Company will forthwith take steps to reorganize so that the share capital of the Company shall consist of 100,000 6½ per cent. non-cumulative Preference Shares of \$100 each 50,000 Ordinary Shares of \$100 each and 60,000 Deferred Ordinary Shares of \$100 each conferring the following respective rights viz. :—

- (1) Subject to the provisions of sub-clauses (K) and

(L) of this Clause:—The profits available for distribution as dividend in each year shall be applied as follows that is to say:—

(a) First to pay to the holders of the Non-cumulative Preference Shares a preferential dividend at the rate of 6½ per centum per annum upon the amount for the time being paid up or credited as paid up on shares respectively. (b) After such payment of 6½ per cent. to the Non-cumulative Preference Shares under (a) the balance (if any) of such profits so available shall be applied and paid to the holders of the Ordinary Shares until such holders receive a divi-

dend at the rate of 8 per centum per annum upon the amount for the time being paid up or credited as paid up on such shares respectively. (c) After the before-mentioned payments under (a) and (b) the balance (if any) of such profits so available shall be applied and paid to the holders of the Deferred Ordinary Shares until such holders shall receive up to a dividend at the rate of 8 per centum per annum upon the amount for the time being paid up or credited as paid up on such shares respectively. (d) After all the above mentioned payments under (a), (b) and (c) the surplus (if any) of such profits so available shall be divided among the holders of the Ordinary Shares and the Deferred Ordinary Shares in the same manner as if such shares were all of one class and according to the number thereof held by such holders respectively and according to the amounts paid up or credited as paid up thereon respectively.

- (2) In the event of a winding up of the Company any surplus assets shall be applied first in repayment of the capital paid up or credited as paid up on Non-cumulative Preference Shares, and the balance shall belong to and be divided among the holders of the Ordinary Shares (excluding the Deferred Ordinary Shares) according to the amounts paid up or credit-

ed as paid up on such shares respectively.

- (3) (a) On a show of hands every Member holding Ordinary Shares or share present in person shall have one vote and on a poll every such Member present in person or by proxy shall have one vote for every such share held by him.
- (b) The  $6\frac{1}{2}$  per cent. Non-cumulative Preference Shares shall only confer on the holders the right to vote at a General Meeting or to have notice of such meeting upon some or one of the questions following (that is to say): as to reduction of capital, as to winding up the Company, as to sanctioning a sale of the undertaking, or as to altering the regulations of the Company so as to affect directly the rights of the Preference Shareholders. At every meeting at which he is entitled to vote on a show of hands every Member holding Preference Shares or Share present in person shall have one vote and on a poll every such Member present in person or by proxy shall have one vote for every share held by him in respect of which he is entitled to vote at that meeting.
- (c) The Deferred Ordinary Shares shall not confer on the holder or holders the right to attend or to vote at any General Meeting or to receive any notice thereof or to join

in making a requisition for an Extraordinary General Meeting.

- (4) The Company shall forthwith procure the present holders thereof to transfer to the Treasury Director either alone or in connection with a representative of the Newfoundland Government (hereinafter called "the Trustees" 135,000 shares of 100 dollars each in the capital of the Company of which on the reorganization of the capital as aforesaid 75,000 shares shall be Preference Shares and the balance shall be Deferred Ordinary Shares. The said shares shall be so transferred but the same shall in the hands of the Trustees be freed from all claims or rights of the present holders of such shares or any persons claiming through holders of such shares or any persons claiming through or under them. So long as the said shares are held by the Trustees the Trustees will at the request of the Company but as to (C) and (D) if and so far only as they can legally do so according to the laws of Newfoundland do all or any of the following things with respect to the said shares as the Company may require namely:—
- (a) Waive all dividends and other moneys payable in respect of the said shares or any of them and refrain from exercising the

voting rights attaching thereto.

(b) Surrender the said shares to the Company for cancellation in such manner as will permanently reduce the capital of the Company.

(c) Surrender the said shares to the Company in such manner as to render the said shares available in the hands of the Company for future use for such cash or other consideration as may be valid according to the laws of Newfoundland but so that none of the said shares nor any other shares in the Company shall be issued except for cash at par or at a premium without the written consent of the Treasury Director which consent shall not be unreasonably withheld.

(d) Concur in any other arrangement with regard to or dealing with the said shares which may have been approved by the Treasury and the Government of Newfoundland. Subject as aforesaid so long as the said shares are held by the Trustees and during the currency of the said Treasury guarantee or so long as any money remains due from the Company to the Treasury the Trustees shall hold the said shares upon the trust for such parties as are held upon trust for the Treasury as aforesaid the Treasury undertakes that the Trustees will not exercise any voting rights conferred by the said shares and

will not claim any dividend or other money payable in respect thereof and acknowledges that the Company may distribute all profits available for dividend in any year amongst the remaining Shareholders of the Company in the same manner as if the said shares were unissued.

(K) That until the Company has accumulated out of profits and invested as below mentioned a Special Debenture Reserve Fund (in addition to any Sinking Funds for redemption of the "A" or "B" Debentures) amounting to \$1,500,000 no dividend shall be paid on any part of the share capital of the Company (except upon Preference Shares hereafter issued re-allotted or realised for cash in accordance with subparagraph (c) of paragraph (4) of sub-clause (J) of this Clause) and that thereafter no dividend shall be paid on any shares other than the whole of the issued Preference Share capital of the Company unless and until the Special Debenture Reserve Fund has been made up to the sum of \$2,000,000. Such fund shall be invested in securities approved by the Treasury or placed on deposit with a Bank approved of by the Treasury such investment or deposit being made in the joint names of the Trustees for the holders of the "A" Debentures and the Trustees for the holders of the "B" Debentures and



the Company and shall from time to time be applied by the Company so far as may be necessary in paying any part of the interest or sinking fund payments in respect of the English loan or the Newfoundland loan accruing after the expiration of two years after the public issue of the "A" Debentures which the Company may be temporarily unable to pay out of other profits. Provided that if the amount of the Special Reserve Fund for the time being is insufficient to make such payments in respect of both the English loan and the Newfoundland loan such payments in respect of the English loan shall be made in full before any payment is made in respect of the Newfoundland loan.

(L) If at any time the Special Debentures Reserve Fund falls below \$1,500,000 no dividend shall be paid (except as mentioned in sub-clause (K) of this Clause as to Preference Shares hereafter issued reallocated or realised for cash) until the said Fund has been restored to \$1,500,000 and if it falls below \$2,000,000 no dividend except upon the whole of the Preference Share Capital of the Company shall be paid until the said Fund has been restored to \$2,000,000. For the purpose of ascertaining the amount of the said Fund investments shall be valued at the middle market price for the time being.

(M) That no dividend shall be declared upon any of the

share capital of the Company other than the said Preference Shares during the currency of the said Treasury guarantee or while any money remains due from the Company to the Treasury unless the Treasury Director shall have given his vote in favour of a resolution of the Board recommending the declaration of the dividend.

N) That during the currency of the said Treasury guarantee and so long as any money remains due from the Company to the Treasury the Company will not without the consent in writing of the Treasury Director issue any fresh shares in the capital of the Company otherwise than for cash at or above par but this provision, as to price of issue shall not apply to the reallocation or realisation for cash of the said 135,000 shares.

(O) That the Company will forthwith do all acts and take all necessary steps by altering its Articles of Association or procuring the passing of any necessary legislation by the Legislature of Newfoundland or otherwise to enable all the obligations of the Company under this Agreement to be validly and effectively performed in accordance with the laws of Newfoundland.

10. In consideration of the premises Armstrongs hereby covenant with the Treasury and the Company as follows:—

(A) That if the proceeds of the "A" Debentures and "B" Debentures shall not after

meeting all payments requiring to be made thereout under or in connection with the provisions hereof and in connection with the completion by Armstrongs of the said works leave sufficient liquid assets for working capital and the general purposes of the Company at the time when works are ready for commercial operation or if at any time or times before the first day of January, 1926, whichever is the later date the Company requires further moneys for working capital and its general purposes Armstrongs will advance to or procure for the Company from time to time as and when required up to such last-mentioned date a sufficient sum or sums for working capital and the general purposes of the Company but such sums to be advanced or procured and the liability of Armstrongs in respect thereof shall not exceed in the whole \$500,000 (Newfoundland).

(B) That if from any cause other than by reason of direct and specific interference by the British Government or the Newfoundland Government the works shall not have come into commercial operation on or before the expiration of two years after the date of public issue of the "A" Debentures Armstrongs will to the extent that the funds of the Company are insufficient to meet the interest and sinking fund payments in addition to the sums (if any) to be provided under

this Clause (a) for working capital and general purposes advance to or procure for the Company a sum or sums sufficient to make up the amount required to meet such payments during the period between the contract date of completion of the works and the actual date when the works shall be put into commercial operation.

The principal and interest of all such sums so advanced to or procured for the Company under (A) and (B) hereof shall be secured by Debentures or Debenture Stock (herein called "C" Debentures) to be issued by the Company on such reasonable terms as may be approved in writing by the Treasury Director and charged upon the whole of the property undertaking, and assets of the Company subject only to the "A" and "B" Debentures, but the capital sum of the "C" Debentures shall only be repayable to the holders of the "C" Debentures after the Special Debenture Reserve Fund before-mentioned has reached the figure of \$1,500,000 and with the written approval of the Treasury Director which consent shall not be unreasonably withheld, and no power of foreclosure shall be given to the holders thereof. The terms and conditions otherwise of such issue of "C" Debentures shall be subject to the reasonable approval of the Treasury Director provided always that Armstrongs shall have the

option of requiring that the sums so advanced or procured may be secured or satisfied by the Company in any different manner which may be agreed upon and approved in writing by the Treasury Director or other than by the issue of "C" Debentures, but in such a manner as not to prejudice the security of the "A" and "B" Debentures or the position of the Treasury and the Government of Newfoundland as Guarantors thereof, provided further that the Company shall be at liberty at any times to issue, sell or realise Preference Shares of the Company for the purpose of the redemption of "C" Debentures at such price and on such terms and conditions as shall be agreed from time to time with the Treasury Director.

(C) That as soon as the said guarantees by the Treasury and the Newfoundland Government have been validly given and become effective Armstrongs will enter into and proceed to carry into effect the Construction Contract.

11. Any sums paid by the Treasury in pursuance of its said guarantee shall carry interest at the same rate as that payable by the Company in respect of the said loan, and such interest shall be payable quarterly and so far as such interest is not paid on the due date the same shall be deemed to have been added to the principal (but without prejudice to the right of the Treasury to demand payment) and shall accordingly carry interest at the said rate and so on.

12. In view of the provisions con-

tained in the House of Commons Disqualification Acts 1782 and 1801 no Member of the House of Commons shall be admitted to any share or part of this Agreement or any benefit to arise therefrom.

In Witness whereof these presents have been entered into the day and year first above written.

#### THE FIRST SCHEDULE

**THIS AGREEMENT** made the day of 192 between **Newfoundland Products Corporation**, a Company registered under the Companies Act of Newfoundland, whose registered office is situated at St. Johns, Newfoundland, (hereinafter called "the Company") of the one part, and **Sir W. G. Armstrong Whitworth and Company, Limited**, whose registered office is at Elswick Works, Newcastle-on-Tyne, in the County of Northumberland, [England, (hereinafter called "the Contractor") of the other part. **Whereas** the Company is desirous of having supplied erected and constructed in the vicinity of Grand Lake, Deer Lake and Humbermouth, Newfoundland, the works specified in Specification "A" and Specification "B" attached hereto (hereinafter collectively referred to as and comprised in the expression "the Works"). **And Whereas** the Company has agreed that the Specifications are in accordance with its requirements and to its satisfaction. **And Whereas** the Contractor is desirous of undertaking the execution of the said works. **And Whereas** the Company intends to issue "A" and "B" mortgage debentures or debenture stocks for the nominal sums of £2,000,000 and \$9,000,000 (Newfoundland or U. S. A.), or £2,000,000 respectively on the security of its assets and undertaking (including its uncalled capital for the time being) for the purpose of providing amongst other moneys the moneys to become payable to the Contractor under this Agreement (which said debentures or

debenture stocks are hereinafter called "the 'A' debentures" and "the 'B' debentures" respectively).

Now therefore it is hereby agreed by and between the parties hereto as follows:—

**Clause 1.—Advisors to the British & Newfoundland Governments.**

Inasmuch as the British Government under the Trade Facilities Act 1921 has agreed with the Company to guarantee under certain conditions the principal and interest of the "A" debentures and the Newfoundland Government has agreed with the Company to guarantee under certain conditions the principal and interest of the "B" debentures, and inasmuch as the British Government and the Newfoundland Government have agreed to appoint Messrs. Merz & McLellan of 32 Victoria Street Westminster, London, S.W.1. and Sir Alexander Gibb and Partners of Queen Anne's Lodge, Westminster, London, to act jointly as "Treasury Advisors" on behalf of the British and Newfoundland Governments in connection with the works specified in Specification "A" and have agreed to appoint Mr. Arthur Baker of Davenport Lodge, Gravesend, to act as the Treasury Advisor in connection with the works specified in Specification "B" it is mutually agreed between the parties to this Contract that the Treasury Advisors and or their respective appointees, shall act in the capacity of advisors of the Governments in connection with such works respectively in the manner defined in their instructions from the respective Governments. The British and Newfoundland Governments may from time to time appoint any other persons or firms to be Treasury Advisors in place of the parties above named.

**Clause 2.—Construction and Completion of the Work.**

The Contractor shall on or before the expiration of two years after the date of the public issue of the "A"

debentures make execute and construct the said works of the best materials and workmanship and of substantial character in accordance with these presents and the specifications hereinbefore mentioned (which are to be deemed and taken as part of this contract) and to the reasonable satisfaction of the respective Treasury Advisors, but in such order of progress and by such methods as the Contractor shall deem best for the satisfactory completion of the works.

The period specified above for the completion of the works is calculated upon the Contractor receiving instructions from the Company to proceed with the work at a date which, in the opinion of the Contractor, will leave a period of time sufficient to complete the crib dam at the outlet of Grand Lake before the 1st day of March 1923.

Should the Company not be able to give instructions to the Contractor at a sufficiently early date as hereinbefore provided the date of completion shall be extended to such date as may be agreed between the Treasury Advisors and the Contractor, and approved by the Company after taking into consideration the season of the year when such instructions are given and the effect on the programme for the construction of the Dam and other works dependent on seasonal exigencies or should difficulties arising in the execution of the Civil Engineering work which could not be foreseen necessitate delay in completion of the work the date of completion shall be extended to such a date as may be agreed between the Treasury Advisors and the Contractor.

**Clause 1.—Contract Price.**

In consideration of the premises the Company for itself and its assigns covenants with the Contractor that the Company and its assigns will pay to the Contractor the lump sums of £1,755,538 Sterling payable in cash in the money of Newfoundland

or Canada at such times and in such manner as is provided by this contract. The said lump sums are provisional upon all materials and plant, which the Contractors shall import into Newfoundland, and which shall be actually made use of for the purposes of this contract being admitted free of customs and import duties.

**Clause 4.—Contractor to Provide All Labour and Materials.**

The Contractor shall provide such Engineers, staff, labour, materials, plant and equipment, and such other things as shall be necessary for the purpose of executing and maintaining the works. All equipment, machinery and materials required in connection with the works and to be paid for out of the proceeds of the "A" debentures shall, unless otherwise sanctioned by the Treasury Advisors, be purchased in Great Britain and the Contractor shall certify on its own behalf and on behalf of its sub-contractors that such equipment taken over and put into commercial operation when they or the due proportionate part thereof will be paid to the Contractor without interest thereon under deduction of the sum of £100,000 to be retained as security for the maintenance of the works during the contract period of maintenance; and under deduction, unless previously deducted or otherwise settled, of any sum for which the Contractor may have become liable by reason of delay in completing the works; and on the expiration of the period of maintenance when the terms of the Agreement have been complied with, the balance of any retained percentages due to the Contractor shall be paid without interest.

The Contractor shall carry out such tests as are necessary to satisfy himself as to the suitability and quality of materials and workmanship such tests to be to the reasonable approval of the Treasury Advisors and the Contractor will also carry out such other

tests as the Treasury Advisors may reasonably require.

**Clause 5.—Sub-Contracts.**

The Contractor undertakes to be liable for the satisfactory execution of all sub-contracts which it may place with other contractors.

**Clause 6.—Errors.**

The Contractor shall within the limits of this contract be responsible for all errors made or defective work done by its workmen or staff of sub-contractors in setting out or carrying out the defective work in whole or in part as the case may be at its own expense.

**Clause 7.—Satisfactory Completion And Performance.**

The Contractor shall carry out and complete the works so that the same as a whole when completed and during the maintenance period hereinafter referred to shall be capable of producing continuously the power specification in Specification "A" and the product specified in Specification "B".

The Contractor shall on completion of the works deliver up the whole in a complete and uninjured state and shall be responsible that the whole and each and every portion of the works shall be capable of performing in a satisfactory manner the function for which it is intended.

**Clause 8.—Payments.**

Advances shall be made, subject to the terms and conditions herein contained, to the Contractor on account of the contract as the work proceeds.

Payments shall be made every calendar month to account of the contract price and for this purpose the Contractor shall furnish the Treasury Advisors with monthly statements showing in detail the measurements and value of all work executed up to date and machinery and materials manufactured and or in process of manufacture and or purchased and payments (taking into account the due proportionate part of the pay-

ment in respect of preliminary works hereinafter mentioned) shall be made to the Contractor by the Company on the Treasury Advisors' certificate of the value of work executed and of machinery and or purchased during such month under the deduction of 20 per cent. upon the amount of such certificate which moneys so deducted shall be retained and held by the Company as security for the fulfilment of the contract obligations until the whole works have been completed or complete sections have been taken over and put into commercial operation when they or the due proportionate part thereof will be paid to the Contractor without interest thereon under deduction of the sum of £100,000 to be retained as security for the maintenance of the works during the contract period of maintenance; and under deduction, unless previously deducted or otherwise settled, of any sum for which the Contractor may have become liable by reason of delay in completing the works; and on the expiration of the period of maintenance when the terms of the Agreement have been complied with, the balance of any retained percentage due to the Contractor shall be paid without interest.

The monthly payments to account shall be based on the contract price after taking into consideration the character and extent of the work executed and the character and probable cost of the unfinished works at the time to such extent as the Treasury Advisors may consider adequate to represent the proportionate value of the work executed as compared with the total value of the work still to be executed. For this purpose the works shall be divided into such sections as the Treasury Advisors and the Contractor shall agree upon and a proportion of the contract price shall be allocated to each such section and the aforesaid proportionate values shall be calculated upon an

estimate of the proportion of the various sections completed.

The Company agrees to pay to the Contractor upon the execution of this Agreement an amount equal to 5 per cent. of the total contract price on account of construction equipment and preliminary work. No certificate of the Treasury Advisors on account or any sum paid on account by the Company shall affect or prejudice the rights of the Company against the Contractor or relative the Contractor of its obligations for the due performance of the contract.

**Clause 9.—Insurance.**

The Contractor agrees at its own expense to insure and keep insured against fire up to and including the day of taking over as specified in Clause 10 hereof such parts of the works (including machinery and materials on site in transit or in progress of manufacture) as are of an insurable nature to the full value thereof in the joint names of the Contractor and the Whitehall Trust Limited by a policy or policies taken out at Lloyd's and or with first-class insurance companies. Any moneys received in respect of such policy or policies shall be applied for the purpose of reinstating any portion of the works destroyed or damaged by fire.

**Clause 10.—Date of Taking Over.**

As soon as any part or unit or section of the power plant pulp and paper-making mill or other portion of the works is completed to the reasonable satisfaction of the Treasury Advisors and capable of being put to commercial operation for the production of pulp or paper the Treasury Advisors will grant a certificate of completion of such part or unit or section and the Contractor will hand over and the Company will take over the same.

**Clause 11.—Maintenance.**

The Contractor shall uphold and maintain and be responsible for the satisfactory performance of the whole

of the works for a period of twelve calendar months from the respective date of taking over and during this period of twelve months shall replace or repair with all possible despatch all parts of the equipment or works which may fail due to defects in materials workmanship or design.

During the said maintenance period the Contractor shall not be responsible for damage due to negligence, wilful neglect, wilful damage, fire or fair wear and tear, or other causes beyond the control of the Contractor, or for consequential damages or for injuries to any third parties from any cause whatsoever.

No claim by the Company shall arise (except as to accounts) in respect of the works or this Agreement after the expiration of such maintenance period.

**Clause 12.—Possession of Site.**

Vacant possession of the whole of the site of the works together with good and sufficient rights-of-way thereto shall be given timeously to the Contractor.

**Clause 13.—Default of Contractor.**

1. If the Contractor shall fail to proceed with reasonable diligence with the execution of the works or otherwise to comply with the terms of this Agreement the Company may give notice in writing to the Contractor requiring it to proceed with the works with proper despatch or to comply with the terms of the Agreement specifying acts or defaults upon which the notice is based. If the Contractor fails for three weeks after service of the notice to comply therewith the Company may be giving not less than 10 days' notice to the Contractor determine the Agreement with out prejudice to any claim by the Company against the Contractor for damages or otherwise. PROVIDED ALWAYS

that the Company shall not be entitled to give the notice first before in this clause referred to in any case where the progress of the work is delayed by reason of any combination of workmen strike lock-out or other trade dispute, or by reason of the reasonable anticipation by the Contractor of delay or difficulty which might occur in consequence of any such combination, strike, lock-out, or other trade dispute, or any threat thereof, or by reason of any Act of Parliament, Order in Council, or restriction of any Government, or other authority, whatsoever, force majeure, fire, war, insurrection, rebellion, excessive sickness of men, disputes with or proceedings taken relative to the works by any public authority or by any adjoining owner or by any person outside the Contractor's control whether against the Company or the Contractor, failure of the Company to give the Contractor possession and right-of-way as provided in Clause 12 hereof, exceptionally inclement weather, delays in payment when due in accordance with the provisions of Clause 8 hereof, or by any other good and sufficient cause whatsoever outside the Contractor's control. The Contractor shall in the event of any combination of workmen, strike, lock-out, or other trade dispute occurring which is likely to delay the progress of the works, give notice thereof to the Company.

2. Upon determination of this Agreement under this clause the Company shall be entitled to enter on and take possession of the site and works thereon and to take all necessary steps to have the works completed and for

that purpose to take possession of and use all constructional materials and plant upon the site without making any allowance to the Contractor for the use of such plant and the Company shall be entitled to deduct from the contract price all expenses the Company may incur in completing the works and the balance (if any) of the contract price shall be paid to the Contractor and any deficiency shall be paid by the Contractor.

As regards any materials and or equipment completed but not delivered upon the site, or in course of manufacture at the works of the Contractor or any of its sub-contractors, the Contractor shall complete and deliver such materials and or equipment at cost and the Company shall take over the same and shall credit the Contractor with the cost thereof.

All materials, plant, tools and tackle brought to and delivered upon the site for the purpose of the said works shall from the time of their being so brought vest in and be the property of the Company and shall be used solely for the purpose of the said works and shall not be removed or taken away by the Contractor or otherwise without the permission in writing of the Treasury Advisors but the Contractor shall nevertheless be solely liable and responsible for the loss or destruction thereof or for any damage thereto that may happen. Upon the completion, the works, the property in any surplus materials, plant, tools and tackle shall revert to the Contractor unless there shall be due or accruing to the Company from the Contractor any moneys under or in respect of this con-

tract in which case the Company shall be at liberty to sell such surplus materials, plant, tools, and tackle and to apply the proceeds pro tanto in payment of such moneys.

#### **Clause 14.—Damages For Delay in Completion.**

If the Contractor fails in the due performance of its contract except through any cause specifically mentioned in Clause 2 or Clause 13 (1) hereof within the time fixed by the Contract or any extension thereof the Contractor shall be responsible for and shall pay to the Company the sum of £4,250 for each week during which the whole works remain unfinished, which sum of £4,250 per week is hereby fixed as the agreed on liquidated and ascertained compensation to be paid by the Contractor to the Company (subject to a proportionate allowance to the Contractor in reduction of such £4,250 per week in respect of any sections of the works which have been taken over by the Company and are in commercial operation) and the Company agrees to pay the Contractor by way of bonus the extra sum of \$4,250 per week for every week or portion of a week by which the Contractor anticipates the date of completion of the whole of the said works by more than three calendar months.

#### **Clause 15.—Extension of Time for Completion.**

If the progress of the works is delayed by reason of any of the events enumerated in Clause 2 or in the proviso to Clause 13 (1) hereof the Contractor shall be entitled to an extension of time for completion which shall be equivalent in the circumstances to such period of delay. Should the Contractor intend to reply for any purpose upon any of the said events the Contractor shall give notice of such intention to the Treasury Advisors within a reasonable time of the happening of such event. Every



such extension shall be settled by agreement between the Treasury Advisors and the Contractor and failing agreement the question shall be referred to arbitration under the next Clause.

#### Clause 16.—Arbitration.

Any questions, disputes or differences arising out of or under or in connection with this Agreement or the execution thereof shall on the application of either party be referred to the award and final determination of two disinterested persons one to be appointed by each of the parties in difference and if the arbitrators fail to agree then to the award umpirage and final determination of an umpire to be appointed by the arbitrators and the award of such arbitrators or umpire shall be final and binding on both parties and such reference shall be deemed a submission to arbitration under the Arbitration Act of 1889 (English) or any statutory modification thereof. The nomination of an Arbitrator by the Company under this clause shall be subject to the consent in writing of the Director of the Company nominated on behalf of the Treasury for the time being which consent shall not be unreasonably withheld.

#### Clause 17.—Service of Notice.

All notices to be served upon the Contractor in accordance herewith shall be served in duplicate one copy being sent by registered post to the office of the Contractor in London and one copy being sent by registered post to or left at the office of the Resident Engineer of the Contract on the site.

All notices to be served upon the Company in accordance herewith may be served by sending the same by registered post to or by leaving the same at the registered office of the Company in Newfoundland.

All notices sent by post shall be deemed to have been duly served on

the day on which they would in the ordinary course of post be delivered.

A duplicate of each such notice aforesaid shall be sent by the party giving the same to the Treasury Advisors at the same time as the notice is served.

#### Clause 18.—Assignment of Contract.

It is expressly agreed that the Company shall be at liberty to assign this contract to the respective Trustees for the holders of the "A" and "B" debentures.

#### Clause 19.—Law of Construction.

This Agreement shall be construed and shall operate as an English contract and in conformity with English law.

IN WITNESS whereof the parties hereto have caused their respective Common Seals to be hereunto affixed the day and year first above written.

#### SPECIFICATION "A"

The contract to which this specification refers is for the construction of a complete hydro power development to provide 82,000 horse power normal generator output continuously. The principal works to be executed include *inter alia*:

A temporary dam built across the Junction River immediately above the existing railway bridge at Grand Lake. This dam will be provided with all necessary sluices and stop logs so that the flow of water from Grand Lake can be stopped or regulated during the construction of the main dam.

A second temporary dam constructed in a position upstream and adjacent to the site of the after-mentioned permanent dam on the Junction River to regulate the water during the excavation work for the dam foundations, and all other necessary temporary works which may be required to enable the construction of the main dam to proceed with the least delay.

A diversion of the main line of the Newfoundland Railway from near

Glide Brook Lake so as to pass over the top of the permanent dam. This diversion is to be carried out in accordance with the present standard specifications of the Newfoundland Railway.

A main permanent dam of approved design and best workmanship constructed at a suitable point on Junction River. The approximate height of the dam will be such that the top water level of Grand Lake will be raised to an elevation of 377 feet above datum which is 21 feet above base of rail of the Newfoundland Railway at Grand Lake Bridge. Ample spillways are to be provided capable of discharging a greater volume of water than has ever been recorded in the Junction River flow. A canal shall be constructed from the left bank of the Junction River commencing from the area to be flooded and following the route shown on the attached plan to a point near Glide Brook. This part of the canal will be of such a section as will discharge not less than 5,000 cubic feet per second.

At the western end of the eastern section of the canal a dam shall be provided with the necessary sluice gates for regulating the supply of water to the power house. Sluices shall also be provided for handling timber through the dam.

An embankment shall be constructed at Glide Brook that will close the Glide Brook Valley and form an artificial lake. A log chute shall be provided in this bank which will permit logs to be discharged from Glide Brook Lake into Glide Brook, from which point the logs can be driven down to Deer Lake.

A high dam shall be built at a point known as section 100 to block the western end of Glide Brook Lake. From this point the canal will be continued along the side of the hill to the forebay. This part of the canal known as the western section will be so constructed as to be capable

of discharging not less than 5,000 cubic feet per second. This part of the canal shall be provided with a spillway capable of discharging the whole flow of the canal and shall be provided with sand traps and scouring sluices.

A suitable forebay shall be provided. The side of the forebay facing the powerhouse shall be constructed as a concrete wall through which the pipe lines will be led, and they will be provided with ice racks and screens and main sluices, valves and provision will be made for stop logs if any repairs are to be made to the valves.

The necessary pipe lines shall be provided to convey the water from the forebay to the power house, which will be situated close to the shore of Deer Lake at about 4,000 feet from the forebay.

The power house shall be a steel and concrete building with steel roof trusses (and window frames) and provided with a crane gantry and electric overhead crane of suitable capacity.

The power station equipment shall consist of seven units of a normal rating of 12,000 B. H. P. capable of 15 per cent. overload each unit consisting of Francis type single runner horizontal turbine in spiral casing directly coupled to a three-phase 50 cycle 8,750 K.W. (normal rating) alternator and exciter. There will also be one standby motor driven exciter of 90 K.W.

The necessary station switchgear shall be housed in the switch house at the paper mill. Cables will be provided for connecting the generators to the switch gear.

The contract includes for the provision of the necessary temporary works, offices, huts and housing accommodation and subsidiary works necessary for the execution of the foregoing.

The Contractor will also provide

the necessary stores for carrying out the tests on the plant and starting the plant in operation.

#### SPECIFICATION "B"

The contract to which this specification refers comprises the construction of a pulp and paper mill to produce 400 tons (of 2,000 lbs.) of newsprint paper per day of 25 hours. The principal works to be executed are as follows:—

The necessary buildings for housing the whole of the mill will be of steel and concrete construction with steel roof principals planked and covered with ruberoid. These buildings will comprise an electric switch house, steam boiler house, slasher, mill grinder and chipper rooms, acid plant and digester rooms, blow-pit house, screen rooms, paper machine rooms, finishing house, packing and storage house, machine shop, light brass and iron foundries, and office building containing chemical laboratory.

The switch house will contain all the necessary high tension and low tension switchgear for the supply of electric power to the paper mill, and the distribution of this power to meet the requirements of the mill.

The boiler house will have the necessary capacity of steam pounds per hour, will contain a suitable number of boilers, and will be complete with coal-handling plant, storage bunkers, boiler, feed pumps, hot well tank and ash-handling plant with conveyors and ash bunkers, and will be provided with all necessary hot and cold water piping, steam piping and steam mains, safety valves and control valves, and all accessories.

There will also be a steam driven alternator of suitable capacity 440 volts three phase for emergency and auxiliary supply.

The slasher mill will be equipped with log haul ups, two four saw slashers and conveyors to the barking mill. The barking mill will be

equipped with four drum type barkers and conveyors for barked wood and bark, a sorting table and further conveyors to return insufficiently barked wood to the barkers, and to convey the barked wood either to the wood pile or the mill. The wood pile will be equipped with a mechanical stacker for handling wood.

The wood mill for the sulphite process will contain the necessary knife barkers, conveyors, chippers and elevators, chip crushers and saw-gust conveyors, and will be of such capacity that the whole output of paper can be made of a mixture of 25 per cent. sulphite and 75 per cent. ground wood.

The grinder department will contain eighteen magazine type grinders. These will be mounted in pairs, each pair being driven by a synchronous motor of suitable capacity. The necessary hoists, cranes, regulators and switchgear will be provided.

The digester department will contain four digesters lined with acid resisting brick and equipped with all the necessary acid resisting pipes, pumps and valves.

The blow-pit house will contain four circular blow-pit tanks, two centrifugal stoop pumps and all the necessary piping and valves.

The sulphite screen room will contain intermediate stock chests necessary pumps, valves, knotter screens, riffler, centrifugal fine screens, a tailing chest, deckers and decker stock chest.

The ground wood screen room will contain necessary silver screens, centrifugal pumps, centrifugal knotter screens, horizontal centrifugal fine pulp screens, tailing refiners, deckers, deckered stock chests and all the necessary pumps, piping valves and driving gear.

The acid house department will contain a raw sulphur elevator storage hopper, two rotary burners, two combustion chambers and two rein-

forced concrete acid towers, together with all the necessary pumps, fan's, piping and valves, and driving gear. The paper machine house will contain four Walmsley type paper making machines each to produce paper 220 inches wide, trimmed width, and to operate up to 800 feet per minute, each machine to produce per 24 hours 100 tons of finished newsprint of substance 32 lbs. for 500 sheets of 24 inches by 36 inches. Each machine will be complete from stuff chest to winder with all necessary screens, pumps, piping valves and driving gear and if requisite refiners. The machines will be driven either by electric motor variable speed steam engine with Walmsley type to drive or by multi-motor drive with Harland interlock control and the necessary motor generator sets and switchgear.

The finishing and shipping rooms will be equipped with one re-reeling machine, one duplex paper cutter, one guillotine, one screw tailing press, two cage hoists and electric trucks for handling paper.

The mechanics' shop will contain one power hammer, one roll grinding machine, heavy lathes planing machines, shaping machine, radial and sensitive drills, light machine tools and small tools, and one overhead hand-power crane of suitable capacity, double blacksmith's forge and suitable equipment for the adequate maintenance of the whole plant including the power house plant.

The foundries will be provided with brass melting furnace, iron cupola with hoist, core ovens, sand and mortar mills, cranes, ladles and all necessary accessories. There will also be a complete carpenters' and pattern makers' shop, with circular and band saws, shaper, trimmers and lathes, and all necessary small tools.

The works include the cutting of the timber on and about the paper mill site and the clearing up and levelling

of the whole site the excavations for foundations and drains.

In the general mill equipment will be included the necessary provision for electric lighting of each part of the mill building and wood pile and mill yards.

Also the necessary steam piping from the boiler house to all departments where steam is required by the process and wherever steam heating will be requisite in cold weather and the provision of the necessary steam piping or radiators for heating the mill.

The whole of the mill equipment will be driven by electric motors except where otherwise specified, and all the necessary switchgear will be provided. All departments will be connected to the distribution system in the electric switch house for the distribution of power to each department or unit of the works and the necessary secondary distribution boards and control gear for all the motors.

A supply of water will be assured to the mill which will be capable of supplying the mill with its requirements of water. There will be all the necessary distribution piping for supplying water to each department whenever required by the process.

The ventilation of the machine houses will be assured by the provision of hoods over each machine from which large air ducts will lead the moist air to the requisite number of Sturtevant propeller fans of suitable capacity. These fans will discharge the moist air outdoors. A supply of fresh air will be drawn from outdoors by the requisite blowing-in fans of double width multivane type which will force the fresh air through steam pipe heaters and thence through distribution piping to the roof and basement of the paper mill building from which it will find its way into the paper machine room.

There will also be provided a com-

pressed air plant of suitable capacity and all the necessary air distribution piping and valves.

Two suitable overhead travelling cranes will be provided in the machine house.

### THE SECOND SCHEDULE

#### Draft Treasury Minute Dated

4090 1922.

My Lords read Section 1 of the Trade Facilities Act 1921 (11 & 12 Geo. 5, c. 65) which empowers the Treasury subject to the provisions of that section to guarantee the payment of the interest and principal or of either interest or principal of any loan when after consultation with the Advisory Committee established under the section they are satisfied that the proceeds are to be applied towards or in connection with the carrying out of any capital undertaking or in connection with the purchase of articles (other than munitions of war) manufactured or produced in the United Kingdom required for the purposes of such undertaking and that the application of the loan in the manner proposed is calculated to promote employment in the United Kingdom.

My Lords have before them a recommendation from the Trade Facilities Act Advisory Committee that a guarantee be given to The Newfoundland Products Corporation Limited in respect of a loan of £2,000,000 to be expended in the carrying out of the works specified in the Agreement next mentioned.

The terms of the loan and the conditions of the guarantee as arranged with The Newfoundland Products Corporation Limited are contained in the Agreement dated 1922 made between the said The Newfoundland Products Corporation Limited and My Lords.

My Lords are satisfied that the conditions laid down in the above cited section are fulfilled in the case of this proposed loan and they accordingly give their guarantee for the payment

of interest at the rate of  $5\frac{1}{4}$  per cent. per annum on the said sum of £2,000,000 on the due dates.

The Common Seal of the NEWFOUNDLAND PRODUCTS COR- PORATION LIMITED was hereunto affixed in the presence of:	}	L.S.
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H. D. REID, Director,  
CHAS. O'NEILL CONROY,  
Secretary.

The Common Seal of Sir W. G. ARMSTRONG STRONG WHIT- WORTH AND COM- PANY LIMITED was hereunto affixed in the presence of:	}	L.S.
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A. G. HANDCOCK, Director,  
W. COCHRANE, Secretary.

Signed on behalf of THE COMMISSIONERS OF HIS MAJESTY'S TREASURY—B. F. BLACKETT

WEDNESDAY, JUNE 13, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Higgins gave notice of question.  
Mr. Walsh gave notice of question.  
Mr. Cashin gave notice of question.  
Mr. J. Moore gave notice of question.

Sir M. P. Cashin gave notice of question.

Hon. the Prime Minister tabled (1) Directory of Pulp and Paper Plants in Canada, (2) Production of Pulpwood and cost in Canada, (3) State Guarantees to Industrial Enterprises, (3) Analysis of Pulpwood Regulations in Canada (5) Water Power and Pulp and Paper Industry in Canada.

Pursuant to order and on motion

of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole to consider certain Resolutions with respect to the Industrial Development of Newfoundland.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

HON. PRIME MINISTER:—Mr. Chairman, I have moved the House into Committee of Ways and Means in order to comply with the regulations which provide that all matters involving finance must originate in Committee of the Whole.

The particular matter which I have to submit to the Committee this afternoon is a series of Resolutions to confirm an agreement between the Government and the Newfoundland Power and Paper Company Limited., with respect to the establishment of a pulp and paper industry on the West Coast; in other words the project so prominently before the public of late under the name of the "Humber Valley Project." Before discussing this project in a concrete form I should like to stress the fact that in the matter of this development of latent resources, Newfoundland is a pioneer, as she has been in so many other respects, an outcome due to her very fortunate geographical position. The circumstance that this Island lies midway between Europe and America, that it possesses fishery, mineral, and forest wealth of vast extent, that it is the stepping stone between the continents, the half-way house which facilitates enterprise by the agency of the electric cable, the wireless telegraph, the wireless telephone, and the ocean highway—this gives her an amazingly strong position.

As you know one of the yearly trans-Atlantic steamship services plied via St. John's, the first trans-Atlantic cable was laid between the British Isles and Newfoundland, little more than 20 years ago Marconi

demonstrated to a world at first amazed and unbelieving, the possibilities of the wireless agency, and only three years ago it was my privilege to participate in a conversation on Signal Hill by wireless telephone with a ship 650 miles at sea. About the same time we had Newfoundland as the jumping off place for airplanes for the first trans-Atlantic flight and it has become a commonplace of science and industrial endeavour, that in all communication between the two continents, Newfoundland occupies the foremost place.

From the standpoint of economies and industry, the same is true. From this Island there is carried away annually a vast quantity of iron ore to be fabricated into all sorts of material for use in every land where iron and steel products are in demand. In the same way the greatest newspaper publishing organization in the British Isles has found in this country its principal source of supply for the essential articles which it reaches with millions of daily subscribers.

These things being so, it is but natural that capitalists seeking outlets for the investing of their money and the expansion of their business, should look to this Island, which gives them in a special degree the advantages of water carriage for either the raw material as in the case of iron ore, or of the finished product as in the case of newsprint paper, remembering that no place in Newfoundland is more than 50 miles from the sea, and that thus the coast of transport agencies other than shipping can be greatly minimized.

For more than 40 years now, as the population of this country has increased, as its interior has become known, as its resources have been disclosed to the mining prospector and the forest cruiser, public men and other far seeing citizens of this commonwealth have been visioning

the possibilities of developing these resources, so as to lessen the strain on the fishing industry, especially when periods of depression overshadowed the world as since the late war and as the aftermath of similar convulsions in the past; or through economic cycles, which economists tell us visit mankind at varying periods.

As long ago as 1880 the Legislature of that day oppressed by the seriousness of the situation which then existed, appointed a committee of both Houses to investigate the possibilities of opening up the country by means of a railway, the principal object then being to test our mineral assets of the North, which at the time were the scene of relatively vigorous activity. Based upon the report of this Committee the Liberal Government of the day, under the leadership of the late Rt. Honourable Sir Wm. Whiteway, made representation to the Imperial Authorities in the form of a resolution adopted on June 2nd of that year, **inviting an Imperial Guarantee of the interest** upon the amount which would require to be raised to construct the railway in question.

The Resolution read: "In the recent session a joint Committee of the Legislative Council and House of Assembly after careful and mature consideration of the requirements and capabilities of the Colony, presented a report strongly urging the construction of a Railway from St. John's through the province of Avalon to the Northern Mineral District and to Conception Bay, about three hundred and fifty miles, at an estimate cost of one million pounds. Their report was unanimously adopted and a Bill was passed authorizing the Government to raise the necessary funds on the credit of the Colony, **seeking an Imperial guarantee of the interest.** The objects contemplated by the proposed work are fully set forth in the Report refer-

red to, as is also the present favourable financial position of the Colony, forming so important an element in the consideration of a measure of such magnitude. The claims of Newfoundland to some assistance at the hands of the mother country in furthering local effort for the advancement of the interests of the Island were placed prominently before the Imperial authorities by the Premier, Mr. Whiteway, in his correspondence of June last. The Council respectfully beg reference to these views in sustainment of the application for Imperial aid by a covering guarantee of interest on Colonial Railway Bonds, the sole object of which security is the obtainment of the Loan on the most advantageous terms."

My reason for quoting this extract is to bring to your attention the fact that 43 years ago the Liberal Government and the Legislature of that day requested the support of the Mother Country in the project of a railway through the interior, in the form of an imperial guarantee of the interest on the cost of the undertaking, so that as long ago as 1880 the principle of Imperial financial co-operation was recognized by those who were responsible for the administration of public affairs in this country.

The guarantee for a variety of reasons, was not given, so the Colony proceeded with the construction of the railroad on its own responsibility. On the vicissitudes of our early railway experiment it is needless for me to touch at this moment. They will probably be considered later in the session, but the second important point to which I would direct your attention now is that the railroad, as they projected, was not a definite end in itself, but rather a means to an end. That is to say, the railway was not advocated so much for its usefulness as an agency of conveyance as in the expectation that it would be a means of

opening up our unknown resources—the expected great mineral resources of the region, and the prime utility of the railway to the country was expected to come from the fact that it would be available to facilitate the working of mines, the transport of minerals to the seaboard and the other features of development which would follow this "Policy of Progress" as it was rightly named.

The construction of the railway did not realize expectations in an immediate opening up of many mines, but it did disclose the existence of immense forest areas capable of ready and effective development. When the building of the railroad to Hall's Bay was nearly completed, which it may be said terminated at Norris Arm on the Exploits, it was decided to carry the road across to Port aux Basques. In coincidence with the contract for completing this construction, the late Contractor Reid undertook to operate the whole system for a period of ten years and he frankly gave as his reason for so doing, his belief that he could promote the development of new enterprises along the railway line. As most people now know he gathered around him a force of capable, energetic young men like the late Mr. William Scott, subsequently manager of the Paper Mills at Grand Falls, who, after taking special courses in the Canadian Universities, were set to work to prospect the Island with relation to its minerals, forest and water power wealth. As Mr. Reid was to be paid for the operation of the railroad in lands, and as these lands were expected to yield the mineral traffic for the road, it naturally followed that these officials sought the most promising areas in these regions for future development; and amongst those to which Contractor Reid soon acquired a right were the water pow-

ers and forest areas around Grand Lake, Deer Lake and Humber River. His great mind visioned even then the possibilities of utilising all these dormant resources of wood and water for the creation of mighty industries.

In those days the feasibility of making paper from spruce wood was only in its infancy, and its vast possibilities were but dimly described, but Contractor Reid saw in this Humber area the seat of an industry of this kind even then. Other pioneers in the exploitation of our industrial resources, Messrs. Harvey & Co. of St. John's, to whose faith in this country and to whose expenditures in testing its resources there has never been given adequate recognition, had established about this time a pulp mill at Black River, in Placentia Bay, for the conversion into a commercial commodity of the woodland areas held by them there. This was, I believe, the first attempt to develop our forests in this way and while it met the fate of many pioneer enterprises, it was based upon the factors that have since proved their worth in this phase of our industrial endeavor—the favorable geographical position of the Island; the proximity of all our areas to the seaboard and the constant cheap water carriage to all parts of the world; the abundance and accessibility of the raw material and the existence of a satisfactory labour supply.

In the proposal submitted by Contractor Reid to the Government in 1900 for a comprehensive industrial scheme of which the construction of a big hotel in the East End of St. John's, the establishment of a flour mill in the West End and the opening up of mines, etc., were features an outstanding project was the establishment of a paper mill on the West Coast. But for reasons it is not necessary to discuss at the present time, this whole scheme fell



through and nothing resulted. When three years later Mr. (now Sir) Mayson Beeton came to Newfoundland as the representative of the Harmsworth Brothers, seeking a suitable area for a big paper making plant, he considered this Humber River area for some time and negotiations respecting it continued for a considerable period. But terms could not be concluded for the acquisition of the property; and, as we know, the Harmsworths found another site on the Exploits, where they founded the enterprise which is now such a potent force in maintaining the country's industrial progress.

Various other paper making companies in ensuing years considered the promise which this region offered but a definite concrete labour giving industry was not specifically formulated until 1914, when the late Mr. "Carbide" Wilson and the Reid Brothers entered into an undertaking to establish a fertilizer industry there with a pulp mill as a subsidiary. Many Honourable members are familiar with the main features of the measure in question and will recall the debates which attended its passage into law in the Legislature of 1915. The measure now on the Statute Book in relation to it created the Newfoundland Products Corporation, Ltd., which might be described as a subsidiary of the Reid Newfoundland Company, inasmuch as the Reid Brothers were the chief factors in the enterprise.

A summary of the provisions of the Bill and Agreement of 1915 is as follows:

1. The Company proposed to establish at Bay of Islands at a cost of about eighteen million dollars an industry for the manufacture of fertilizer (ammonium phosphate) ammonia, cement, wood, pulp and lumber. Phosphate rock was to be brought from Florida, mixed with

sand obtained at Bay of Islands, limestone from the Humber Valley and coal from Cape Breton, until our own coal could be successfully worked and the compound smelted by electricity obtained from harnessing the water fall at Junction Brook. As a result of various processes the fertilizer, phosphate of ammonia, would be produced and the slag remaining would be converted into cement. The spruce wood in the forests would be converted into pulp by means of the water power, pyrites from Spain (until our own could be utilised) being used to make this pulp into the grade known as sulphite, and the pine wood of our forests would be converted into lumber.

2.—To enable the Company to carry on this Industry, the Government leased for a term of 99 years is so far as they had any power or property in the same, the water power or powers in and upon the Humber River, and in or upon Junction Brook, with the right to divert and dam the same or any lake or water powers within the drainage area of the Humber River; and should the Company at any time within twenty-one years become the owners of any additional water powers within a distance of forty miles of the Company's factories at Bay of Islands, within an area defined in the agreement, the Government proposed to allow the provisions of the agreement, with the exception of clause 10, to apply to any water powers so acquired and developed within the said area for the purpose of the same business. If the Company failed to develop the water powers so acquired, then the advantages of the agreement would not apply.

3.—The Company agreed within two years to survey the Hamilton and Northern Rivers in Labrador finish the survey within five years, and furnish the Government with all

plans of the survey, and the Government agreed that if the Company, within ten years from that date (April 18, 1915) in addition to an expenditure of \$5,000,000 at Bay of Islands, expended an additional sum of \$5,000,000 in Newfoundland in connection with the extension of its business in Newfoundland, it would grant the Company water power on Hamilton River from the head of Lake Winicapan to the sea or an equivalent water power on the Northwest River, Labrador but the condition of the grant of the said water was that the Company should within five years expend in the development of the said water power and its plant in Labrador the further sum of \$10,000,000. In the event of failure to make this expenditure the grant would be void and the water power on the Hamilton or Northwest River should revert to the Crown.

4.—The Company agreed to furnish up to 50,000 horse power in Labrador to all persons or companies operating within one hundred miles of their power houses.

5.—The Government granted to the Company a block of limestone near Humber River about five miles from Bay of Islands for the purpose of making lime.

6.—The Company's property was to be free from municipal taxation. The stocks of the Company were to be also free from taxation. Construction material and machinery would be admitted duty free. 10,000 acres of Crown Land were granted the Company by the Government at 30 cents an acre for wharves, piers, docks, factories and warehouses. Property required and not in possession of the Crown was to be taken and paid for by arbitration.

7.—The Company was given the right to build telephones between their factories and piers and workshops.

8.—Raw materials were to be ad-

mitted free of duty into the Colony.

9.—Coal for use in connection with the Company's work in Labrador was to be admitted free of duty.

10.—All damages to Crown Land to be paid for and settled by arbitration.

11.—Renewal of lease, if not determined, in 99 years.

12.—The Company undertook to begin actual construction operation within two years of the date of the agreement, and expend the sum of \$5,000,000 within the Island of Newfoundland within five years. Failure to begin or expend was to render the agreement null and void.

13.—Dams to be constructed with proper sluices for the passage of salmon and fish. Use of the waters by the public continued as before.

14.—The Company to provide cranes for lifting boats over dams.

Partly because of the outbreak of the war, which hampered the securing of capital for such enterprises owing to the embargo on the use of money for any enterprises but those directly associated with the war, and partly because of the failing health of Sir Wm. Reid, this project in turn did not eventuate promptly, and then Mr. Wilson died and with him departed the vital spirit of the scheme from a technical and scientific standpoint. But the natural resources still remained, all the statistics and other data obtained during the preparatory work for this fertilizer enterprise likewise remained, and every day new stores of knowledge as to the possibilities of the region were revealed.

After the war ended further efforts to develop the property were undertaken, but inasmuch as with the resumption of peace times, the advantages if the paper making industry were greatly accelerated, the new negotiations were designed for a paper making enterprise, the advance of scientific endeavour during

the war and other world production and market conditions having rendered a fertilizer enterprise along the lines proposed in 1915 less commercially advantageous in comparison with newsprint production.

Efforts were made to interest British Capitalists in this new enterprise and Messrs. Blackstad and Greenwood, the former a Norwegian with some experience in hydro-electric undertakings and the latter a Canadian, with practical experience as a newspaper publisher, visited the island about two years ago with a scheme for the establishment of a paper mill on the Humber, the basis being a guarantee by the Government of the entire capital required, approximately \$18,000,000 the guarantee to cover both interest and principal. This proposal was not acceptable to me or my Party, That fact was intimated to these gentlemen who then abandoned the matter. A year later a similar proposition was put before the Government on behalf of Sir W. G. Armstrong Whitworth & Company, Ltd., one of the biggest and most varied industrial concerns in the British Isles, a corporation which makes almost everything into which steel can be manufactured, from small tools to battle ships, from wire nails to locomotives.

The first proposal by that Company was to somewhat the same effect as that of the previous year, and this firm was also notified that a proposition in that form could not be entertained; but as the Government recognized that the securing of such an enterprise for this country with the backing of capitalists of the standing of the Armstrong Whitworth Company would be to give us as high a place with the investing world today as the incoming of the Harmsworths did 18 years ago, and to secure this it would be worth making some sacrifice, it was ac-

cordingly decided to continue negotiations with this Company, and I proceeded to England last summer for that purpose. There, after negotiations continuing for several months, I was successful in carrying the matter to a stage where an agreement was arrived at providing for the development of the Humber Valley water power and the erection and working of a paper mill on the West Coast as the first unit in a series of industrial enterprises to be undertaken there, which would utilize all the electric power possible to obtain from the Humber and its subsidiary streams, totalling between 230 and 250 thousand horse power, or approximately half that planned to be derived from the Chippewa enterprise of the Ontario Government at Niagara Falls, the largest hydro-electric enterprise in the world today.

The undertaking provides as a first step 100,000 horse power is to be developed, to be used for operating a paper mill with a capacity for producing 400 tons of newsprint daily, or twice the capacity of the mills at Grand Falls, with the additional advantage that electricity instead of coal will be used for all purposes in the mills and by this means the sending away of hundreds of thousands of dollars annually for the purchase of coal will be avoided and the power now running to waste on the Humber River will be utilised to between one third and one-half of its capacity.

Later, as other enterprises will be located in this region, another 130 to 150 thousand horse power can be developed—50,000 more on the present flow of water by merely installing further penstocks, turbines and generators; and it is estimated 100,000 later by damming the tributary streams on the Humber watershed and utilising various natural advantages of the region so as to bring

under control the entire drainage area. But this is for the future; for the present we are concerned entirely with the initial water power development and the paper making enterprise which is the basis of these Resolutions.

At this stage it may be well to give an idea of the growth, standing and strength of the Corporation which is launching this enterprise in our midst. The Armstrong, Whitworth Company as known today is the outgrowth of a combination, of the enterprises of two of England's greatest mechanical geniuses of the last century.

The Encyclopedia Britannica tells us that William George Armstrong knighted in 1859, and raised to the peerage in 1887, was born in 1810 at Newcastle and after completing his education adopted the profession of a solicitor, but his bent being mechanical and scientific, he produced several inventions along these lines and ultimately abandoned law for science, specializing in hydro-electric machinery notably hydraulic cranes, the development of which idea resulted in the use of hydraulic appliances for the manipulation of heavy naval guns and for other purposes for ships of war. Later he founded the Elswick works for the manufacture of this hydraulic machinery. Before long they became the basis of a revolution in methods of gun making. William George Armstrong might consequently be described as the father of modern artillery. His first big gun was made in 1885 and yielded such excellent results, both in range and accuracy, that it was adopted by the British Government in 1859 and Mr. Armstrong was awarded the honour of Knighthood.

Then came the formation of the Elswick Ordnance Company, and the development of the principle of big gun construction by shrinking steel

rings on an inner barrel. This Armstrong idea has spread all over the world and from this principle comes the fundamental one of artillery construction to-day, modified of course by improvements in construction for many of which Armstrong was chiefly responsible.

Joseph Whitworth, created a baronet in 1875, was born at Stockport, near Manchester, in 1803, and started life as a cotton spinner, but having a taste for mechanics went into that occupation. After spending some years in gaining experience in machine shops, he started in business at Manchester as a tool maker in 1833. Some time afterwards he invented the principle of screw threads, now in use throughout the world, and thus acquired fame as a maker of machine tools. He ultimately designed machinery for refilling musket barrels, and still later began to construct great guns on the same principle. After a further period these Whitworth tools and methods were utilized in conjunction with designs by Armstrong; resulting in the partnership that has reached the proportions of the present Armstrong Whitworth Corporation. He died in 1887. Baron Armstrong, the head of the firm died in 1900.

In 1847 the Elswick Works were built by Armstrong near Newcastle and the private Company of W. G. Armstrong and Company formed. This firm became the first unit of the present tremendous organization. In 1859 the Elswick Ordnance Company was formed to manufacture artillery and a year later Joseph Whitworth began the manufacture of armour plate and artillery. In 1863 the Elswick Ordnance and the Hydraulic Companies were amalgamated under the title of Sir W. G. Armstrong and Company, Ltd. In 1880 huge works on a greatly enlarged scale were built at Ouenshaw, and in 1883 the construction of war vessels

was began at Walker on Tyne near Newcastle, by the firm which was then known as Sir W. G. Armstrong Mitchell & Co., Ltd.

In 1887, the Diamond Jubilee year of the late Queen Victoria, the two great firms of Armstrong and Whitworth were amalgamated with the present title with a record during the past twenty-five years of ever increasing efficiency and expansion until the firm has become one of the foremost industrial organizations in the British Isles. Its ramifications have been so widely extended that today it comprehends, in its parent and subsidiary aspects, both in the British Isles and on the European Continent the following group:

#### Parent Company and Its Subsidiaries

The Parent Company's (Sir W. G. Armstrong Whitworth & Co., Ltd.) Main Works are divided into the following:

Ordnance Works, Elswick (Newcastle); where the largest Guns, Mountings, Ammunition and War Material are made.

Steel Dept, Elswick; where Forgings, Castings, Nickel, Chrome, Vanadium, Tungstein Steel, Stampings, etc., are made.

Engine & Locomotive Works, Elswick; where Hydraulic and Electric Cranes, Hoists, Swing Bridges, Docks, Gates, Sluices, Sapstans, Turbines and Railway Locomotives and Electrical Machinery of all descriptions are made.

Elswick Shipyard; formerly exclusively for the construction of Warships, but now building commercial ships.

Walker Shipyard; a complete Shipyard for the construction of Passenger and Cargo Ships. Ice Breakers, Train Ferries, Oil Ships, Dredges and Tugs, Floating Docks and similar equipment.

Scotswood Works; for the manufacture of Shells, Fuzes, Primers and Explosives.

Openshaw Works, Manchester; Large steel words for the manufacture of Armour Plates of all sizes. High Speed Steel Drillers and similar articles of all description. The machine shop of this works is employed in the manufacture of the well known Armstrong, Whitworth Machine Tools.

Ammunition Works, Erith; where all kinds of ammunition, Fuses, Detonators and Explosives, for making purposes are manufactured.

The above are the principal works of the parent company. The principal subsidiary and allied companies controlled by Sir W. G. Armstrong, Whitworth & Co., Ltd., are as follows:

Pearson and Knowles Coal and Iron Co., Ltd., Warrington: This Company owns and controls the output of collieries amounting to 1,250,000 tons of coal a year. It also has a large engineering works for the construction of Locomotives, Bridges, Structural Steel and are builders of Blast Furnaces and Steel Mill Equipment. They also operate large Rolling Mills for Steel used in re-inforced concrete work and many special sections.

Rylands, Ltd., Warrington: Well known manufacturers of Wire Rope, Cables, Wire Netting, etc.

Partington Steel & Iron Co., Ltd., Irlan, Manchester: This is one of the most up-to-date Steel Works in the United Kingdom, with a capacity of 5,000 tons of steel a week. This Company rolls Steel Rails and heavy sections for Structural Steel Works,

ately £260,000 and indicated a profit at the end of the 12 months of £500,000, all of which was available for implementing or supporting the guarantee given by these companies on behalf of the Daily Mail Trust.

These facts and figures I submit, amply justify us in entering into partnership, so to speak, with the British Government in guaranteeing the money necessary to make the Humber development enterprise possible.

But perhaps the greatest advantage for Newfoundland in regard to this new enterprise is that it has been possible to secure a concern of such recognised standing as the Armstrong, Whitworth Company to undertake the programme. An illustration of what it may mean for a country to have capitalists of standing associated with its development is seen in the case of our original railway contract. This work was undertaken by an American named Blackman, who secured a contract from the Legislature for the construction of the original road from St. John's to Hall's Bay with a branch to Harbor Grace. He proved to be a man without any financial backing and within a brief period the project collapsed so far as he was concerned and the line had to be constructed and operated by the English bond holders who furnished the money on which he began work. Through this the country was involved in costly litigation, a setback was given to progress in other directions and ultimately the line had to be purchased by the Colony at about twice its cost and consolidated with what is now the general Railway system.

When it came to the construction of the first section of what is known as the cross country line, namely, that from Whitebourne towards Hall's Bay, several contractors competed for the enterprise, but some of these again were men of limited experience and still more limited capital, and it is

to the credit of Sir Willim Whiteway the Liberal leader of that day, and his associates, that they disregarded all other considerations and awarded the contract to a man whose reputation elsewhere justified the belief that he could be relied upon, and whose financial standing gave equal assurance that the contract would be carried out loyally. I refer, of course, to the late Sir R. G. Reid, whose word, as you know, was entirely dependable in financial and railway construction business.

Sir R. G. Reid's financial resources, great as they were, felt a heavy strain in the years that followed, when, as a result of the bank crash and other complications in this colony, which nobody could have foreseen, the problems of continuing the railroad through this country were aggravated considerably by the election trials and financial collapse which occurred in the autumn of the following year. From this period of election trials and financial collapse the country did not recover for many years. Through the political convulsions of that period, the series of trials that followed the contest of 1893, the interregnum government in which Hon. A. B. Morine played so controlling a part, and the disturbance of business conditions which attended all these unsettling incidents, Sir R. G. Reid's organization and his credit, I am glad to say, survived.

In the same way the initial attempts at pulp making in this country, undertaken by local and other capitalists were not successful, partly because of the lack of knowledge by the promoters, but partly because of the changing markets abroad and the financial provision for the enterprise not being sufficient to meet this strain. The development of our lumbering industry, again was marked by serious failures which materially and injuriously affected the standing of

Trade Facilities Board consists of a Chairman and two other members. The Chairman, Sir Robert Hindersley. He is also Chairman of the Hudsons Bay Company, is a director of the Bank of England, is one of the senior partners of Lazard Brothers & Co., Bankers, New York, Paris and London, and is a Director of numerous companies of international reputation. Sir William Plander, member of the Committee, is now the senior member of the firm of Deloitte, Plander & Griffiths; he is a Past President of the Institute of Chartered Accountants of Great Britain and in his profession occupies foremost in the British Empire. The third member of the Committee is Major Schuster, a partner of Frederick Hooth & Co., merchant bankers of London and a gentleman of outstanding financial reputation. These distinguished gentleman and their secretarial staff gave the proposition the thorough and exhaustive consideration which might be expected from men of their reputation and standing; gentlemen who were also acting in the capacity of Trustees for the Mother Country, spending at that time the sum of £25,000,000 which sum the present Bonar Law or Stanley Baldwin Administration increased to £50,000,000, because the Imperial Government has found, as a result of the year's experience, that this policy of affording facilities for the development of British Trade has proved highly beneficial.

This policy, I might explain, consisted in the British Treasury, through this Committee, guaranteeing various sums of money for various purposes in different countries, on the condition that the money thus guaranteed should be expended in labour-giving enterprises in the British Isles. For instance at the very time that our application for a guarantee in connection with the Humber Development was before the Trade Facilit-

ies Board there was also a proposition for a guarantee for railways in Sudan, the country stretching southward from Egypt towards the Equator and brought under British Rule some twenty years ago by Lord Kitchener in the big campaign in which he overthrew the Dervish hosts of the Khalifa and recaptured the city of Khartoum. The Sudan Government was contemplating an extension of its railways and a company formed to undertake this project sought the assistance of the British Government in this undertaking. They were successful. The money in their case was spent in England in the purchase of locomotives, rails, steel, bridge work and other accessories necessary for a scheme of railway extension.

In the same way, the great Tata Power Company of India, projecting a hydro-electric enterprise in that country similar to that now contemplated in this country, sought a guarantee for it from the Trade Facilities Board, and having demonstrated that it was a feasible project, was granted the sum asked, namely £850,000. I have here a full-page article from the London Times of May 18, last—less than a month ago—giving full details of the project with illustrations depicting some of its principal features. As strong criticism has been made of this feature of guarantee, I have taken the precaution of securing from England a complete list of all the projects approved and granted guarantees by the Trade Facilities Board up to 9th November last, the day when the first year of the Board's operations terminated. Since then as I have said, the Board has been continued and its funds increased to £50,000,000.

The following table gives the particulars:

STATEMENT OF GUARANTEES GIVEN UP TO 9th NOVEMBER, 1922.

Name	Amount	Period	Purpose
Harland & Wolff, Ltd. ....	£1,493,345	10 yrs.	Establishment of ship repairing works on Thames, widening a Dock and construction of new wharf at Meadowside Shipyard, Glasgow, and work at Greenock Shipyard.
Holbrook Brick & Tile Co. Ltd.	4,700	4 yrs.	Extension of Brick Works.
William Beardmore & Co., Ltd.	600,000	5 yrs.	Completion of vessel at Beardmore's yard for Societa Anomina per Azioni Lloyd Sabauda.
South Crofty, Ltd. ....	30,000	3 yrs.	Completion of new pumping installation for Tin Mine.
James Powell & Sons (Whitefriars) Ltd. ....	50,000	10 yrs.	Equipment of Factory.
Levant Tin Mines, Ltd. ....	10,000	3 yrs.	Completion of Ore Bin and Stone-breaker station. Purchase of Mill, Vanners, Magnetic, Separators, etc.
Harland & Wolff, Ltd. ....	95,000	1 yr.	Completion of vessel at Greenock.
Calcutta Electric Supply Cor. Ltd. ....	500,000	25 yrs.	Purchase and installation of additional generating plant and buildings, additional High Tension Cables and Transformers, and additional direct Current Mains.
	(redeemable after 15 years.)		
Lee Conservancy Board .....	100,000	30 yrs.	Improvement of Navigation on River Lee.
London Electric City and South London & Central London Railway Cos. ....	6,458,000	50 yrs.	Enlargement of tunnel of the City and South London Railway; improvement of stations and provision of new rolling stock. Extension of London Electric Railway from Golders Green to Edgware, provision of escalators and rearrangement of Booking offices.
South Eastern & Chatham Construction & Power Co., Ltd.	5,500,000	25 yrs.	Electrification of Suburban Lines.



## STATEMENT OF GUARANTEES GIVEN UP TO 9th NOVEMBER, 1922

Name	Amount	Period	Purpose
Newfoundland Products Corporation, Ltd. ....	2,000,000	25 yrs.	Erection of Pulp and Paper Mill on Humber River in Nfld., and a Power Station for running the Mill.
Kassale Railway Co., Ltd. ....	1,500,000	30 yrs.	Construction of Railway Line from Thaemain to Kassals.
Merton Board Mill, Ltd. ....	100,000	10 yrs.	To complete erection and equipment of Board mill by erection of buildings and provision of engines and boilers.
Croppers & Co., Ltd. ....	100,000	10 yrs.	Building and equipment of new factory for manufacture of folding boxes at Thatcham.
Pickerdite & Co., Ltd. ....	17,500	10 yrs.	Provision of up-to-date plant for manufacture of glass bottles.
Palmers (Swansea) Dry Dock Co., Ltd. ....	300,000	30 yrs.	Construction of new Graving Dock at Swansea.
Rhmney Valley Sewerage Board	160,000	25 yrs.	Drainage and disposal scheme for Urban Districts in Rhymney Valley.
Minenead Electric Supply Co., Ltd. ....	4,500	25 yrs.	Provisions of Generator and Overhead Mains.
Leckhampton Quarries Ltd. ...	50,000	25 yrs.	Construction of Railway from Limestone Quarries to Great Western Railway.
Kent Electric Power Co. ....	15,600	20 yrs.	Provision of Mains, transforming apparatus and Station Plant.
Egham and Staines Electricity Co., Ltd. ....	30,000	25 yrs.	Installation of additional generating plant and provision of main feeder cables and distributors.

## STATEMENT OF GUARANTEES GIVEN UP TO 9th NOVEMBER, 1922

Name	Amount	Period	Purpose
Workington Harbor and Dock Board .....	500,000	30 yrs.	Construction and deepening Lonsdale Dock and improving entrance thereto. Constructing swing bridge over the harbour and fixed bridge over River Derwent. Provision of railway lines, sidings, etc.
North Somerset Elec. Supply Co., Ltd. ....	25,000	25 yrs.	Extension of Mains: provision of Transforming apparatus and sub-stations.
Shropshire, Worcs. & Staffs Elec. Power Co. ....	700,000	30 yrs.	Erection of Power Station on the Severn and the laying of a transmission cable.
Llantrisant & Rhymney Valley Housing Co. Ltd. ....	100,000	30 yrs.	Erection of Cottages.
Lanner Syndicate Limited ....	25,000	5 yrs.	Development of Cornish Tin Mine.
Delcoath Mine Ltd. ....	50,000	8 yrs.	Development of Cornish Tin Mine.
London Electric Supply Cor. Ltd. ....	650,000	25 yrs.	The extension of the Power Station at Deptford.
Inswick Dock Commission ....	125,000	30 yrs.	Improvement to Dock and Quays.
Tata Power Co. ....	850,000	20 yrs.	Hydro Electric Scheme in India.
Colliery Cottage Co. Ltd. ....	85,000	30 yrs.	Erection of Cottages.
Oxford Electric Co., Ltd. ....	25,000	2 yrs.	Extension of plant and Main.
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A study of this list shows that altogether there were 33 projects approved for guarantees, that the periods for which these run range from 1 year to 50, and that the amounts vary from a sum of £4,700 for the extension of a Brick Works to the sum of £6,458,000 for the London Underground Railway System. A study of the purposes for which these varying sums is equally instructive. We find it includes the extension of brick works, the equipment of a factory, the completion of vessels, the provision of a pumping installation for a mine, the improvement of river navigation, the electrification of suburban railroad lines, the establishing of a ship repairing works on the Thames, the building and equipping of a factory for manufacture of folding boxes, the securing of an up-to-date plant for manufacture of glass bottles, the construction of a new graving dock at Swansea, the installation of a sewerage system in the Rhymney Valley, the building of light railroad from a limestone quarry to the Great Western Railway. Several enterprises for hydro-electric development, the erection of cottages, the development of tin mines in Cornwall, improvements to docks and quays at Ipswich, and so forth. Still more instructive is the study of the class of companies which sought and obtained this guarantee.

First on the list is "Harland & Wolff, Ltd.," the great shipbuilding firm at Belfast, perhaps the greatest ship construction enterprise in the world, the head of which firm is Lord Pirrie, whose name is known in every community which has an interest in shipping or merchantile affairs. His firm has built all the White Star Liners, and countless other steamers besides. This firm has obtained approximately one and a half million pounds for the purpose of establishing ship repairing docks on the

Thames, widening a dock and building a new wharf at Glasgow and carrying out various works at Greenock Shipyard. Second and no less notable is the firm of William Beardmore & Co., Ltd., another great British ship-building concern established on the Clyde. This firm has constructed many big warships, liners and similar crafts and is one of the leading British ship-construction concerns. It secured a guarantee of £600,000 for building an Italian liner.

Then we find the London Electric Railway System, the largest of the London underground railways, and one of the most prominent of such Corporations in the whole world, seeking a guarantee of £6,000,000 for various railway improvements and extensions and the South-Eastern and Chatham Construction Company, with vast ramification in the suburbs of London, asking £5,500,000 for the electrification of its lines.

Again, as part of the development of electricity in London, we find the London Electric Supply Co. securing a guarantee of £650,000 for the extension of the power station at Deptford.

But perhaps what will interest the people of this country most is the guarantees obtained for works in the Overseas Dominions. In India, as already pointed out, the Tata Power Company is getting £850,000 for a large water power development near Bombay, and the Calcutta Electric Supply Corporation, on the other side of India, is getting £500,000 for other electric equipments in that quarter. The Kassala Railway Company is getting £1,500,000 for the construction of a railway line in the Sudan, and Newfoundland is getting £2,000,000 for the construction of the Paper Mill on the Humber and the power station for operating the same.

It is very obvious from all this,

therefore, that the objection raised to the "guarantee" feature of the Humber enterprise is based upon a lack of understanding of the real facts and that the argument so frequently put forward that a "guarantee" is an unheard of adjunct to industrial enterprise cannot be seriously maintained.

Nor is the principal of a guarantee unknown on this side of the water. In Canada the Federal and Provincial Governments recognise this principle in extending support to various railway enterprises and many hun-

dred if not thousands of miles of railroad there have been built on the strength of guarantees by these Governments—guarantees of the interest in every case and of the principal in some cases, this being especially true of sections of what was known until its recent acquisition by the Dominion Government as the Canadian Northern Railway System.

This matter of guaranteeing Canadian Railway Bonds is referred to in the Canadian Annual Review for 1921, page 378, from which I quote as follows:

Government Guarantors	Authorised	Guarantee Earned
Dominion . . . . .	238,880,792	234,484,537
Manitoba . . . . .	25,663,553	25,663,553
Alberta . . . . .	59,495,000	39,633,658
Saskatchewan . . . . .	47,725,000	23,170,661
Ontario . . . . .	7,860,000	7,860,030
British Columbia . . . . .	68,135,000	60,317,524
New Brunswick . . . . .	7,871,396	7,871,396
Quebec . . . . .	182,000	182,000
	<hr/>	<hr/>
	\$455,912,7441	399,182,000

Another form which state assistance to industries has taken on this side of the water is the construction of vast public utilities at Government expense, as for instance, the new terminals at Halifax, enterprised before the war and designed to cost \$40,000,000; similar terminals at St. John, N.B., enterprised at the same time and designed to cost \$25,000,000; and more recently the establishment of a large graving dock at Vancouver, combined with a series of grain elevators there as part of the new policy of shipping grain from the Western Section of Canada to Vancouver and from there via the Panama Canal to European countries, which in spite of the distance can be accomplished cheaper by this route than by undertaking the long rail haul eastward across the prairies and then shipping the grain from Montreal

Quebec, St. John, or Portland to European destinations.

But even this does not exhaust the forms in which state aid has been given to private enterprise. The supreme example in England is the aid afforded to the Dye industry. As all Hon. members are undoubtedly aware, dyes constitute a by-product of coal tar. In this branch of human endeavour, Germany had secured before the war a foremost position, although the discovery of the extracting of an "aniline" or dye-making element from coal tar belonged to an Englishman, Sir W. H. Perkins. The German system of scientific research had, however, been so carefully developed and German chemical experts had received such assistance from the State that Germany became virtually the home of dye-

making industries for the whole world.

As some of the elements that go into the making of dyes go also into the making of war munition, Germany was thus enabled in the earlier period of the late war, to outclass all the allied countries in the manufacture of the deadly agency which the Germans used with such destructive effect, until the genius of the allied powers enabled them to rival and in time outstrip them in the production of these war essentials. It was consequently doubly important for Great Britain to establish the dye making industry on a sound foundation, first, because Britain would otherwise be dependent upon Germany for the dye required for a host of industrial enterprises and second because the exclusive possession of this dye industry by Germany would mean a constant menace to the peace of the world as she might hope, in a future war to overwhelm her opponents as she almost succeeded in doing in the last one by the magnitude of the material she had prepared.

An account of this dye industry is given in detail in a British Blue Book of November 1918, entitled, "A memorandum by the Board of Trade on State assistance to the Dye industry." I could quote exhaustively from it, but it is not necessary and I will content myself by saying that a Dyestuffs Act was passed by Parliament in that year, and that in Whitakers Almanac for 1922, p. 237, is the following reference to this subject:

"The Dyestuffs Industry. In the closing days of the Session, a Bill was passed to regulate the importation of dyestuffs in order to establish the industry in this country securely. Sir Robert Horne explained that certain classes of dyestuffs would only be admitted to this country under licenses, no license duty being charged but merely fees to pay administrative expenses. The textile industry, he said, had been threatened with disaster at the outbreak of war because it was cut off from practically its only supply of dyes. Under this pressure the Government first lent money and afterwards established companies, in which it took shares, and later gave pledges to the industry."

I may add that the financial assistance to which Sir Robert Horne referred was of two kinds, loans, and grants for buildings and plants. The loans would be for the purpose of assisting in the provision of capital at a commercial rate of interest, and the grants would be in aid of the cost of plant and buildings.

In addition to this, the British Government, according to the United States Commerce Reports, dated September 28, 1920, p. 1461

"has invested £18,000,000 in various industrial concerns. An official return has just been issued showing the amount of capital invested for others of the different companies in which the Government has taken stock."

The following are amongst those listed:

Commercial Bank of Siberia, 45,365 shares . . . . .	£5,831,870
Anglo Persian Oil Co. . . . .	25,305,800
Suez Canal Shares . . . . .	19,709,325
Turkish Petroleum Co. . . . .	107,575
Cunard Steamship Co. . . . .	12,653,000
Standard Shipbuilding and Engr. Co., 1916, and the Chepstow Pty. (1) Co. . . . .	3,193,640
British Dyestuffs Corporation . . . . .	8,273,055

British Cellulose and Chemical Mfg. Co. . . . .	7,056,425
British Farina Mills . . . . .	1,581,615
B. A. Nickel Corporation (of Canada) . . . . .	3,064,035
Home Grown Sugar . . . . .	912,470
	£87,688,810

Other European countries as well as Great Britain are assisting in the development of their electric industries in similar ways. In France the Government has enormous programs for the general electrification of the country by the development of both water and steam power. The project for the Rhine, Dordogne and part of the Rhine Rivers alone involves an expenditure of \$350,000,000 and is approved by the Superior Council of Public Works. The projects cover simultaneous improvements for navigation, irrigation and power. It is estimated that by 1937 nine million tons of coal will be economised annually (now costing over \$40 per ton) and that as a result of saving about \$386,000,000 per annum for coal the expenditure on construction will be recovered in six years. In Germany plans for the canalisation and development of power of 130 miles of the Neckar River and its linking with the Danube \$154,700,000 is to be expended in 10 years. The Federal Government is providing 46 per cent. three State Governments 43 per cent. and private interests 11 per cent. of the cost.

Again in 17 of the principal water power countries of the world the Federal Governments give some form of assistance to power developments, usually by undertaking the development or by providing direct subsidies or grants. In the United States plans are maturing for the creation of a super-power board for the North Atlantic Industrial area at a cost of one and a quarter billion dollars, and it was recommended that the arrangements should be undertaken by

a super-power company which would issue non-participatory stock as its only form of security, that any public utility companies within the area might invest in its stock pro rata and that any stock not so taken up could be offered to the public. Moreover, the United States Government during the war commenced the construction of two large mills in Alabama for producing atmospheric nitrogen. The work was afterwards stopped when the war ended, but the proposal as originally made, according to the "Electrician" newspaper of June 11, 1920, was that

**Capital will be raised from the Government, and all the dividends obtained by the Company will be paid into the Treasury of the United States as miscellaneous receipts, due provisions being made for organisation, operation and development and the creation of a reserve fund of \$2,500,000. The capital of \$12,500,000 will be in the form of preferred stock and will be entitled to a 5 per cent. dividend.**

So much then for guarantees and other forms of state aid to industrial enterprises. Now let me take an example or two of guarantees of industrial enterprises by other industrial enterprises. It will perhaps be best that I select an enterprise with which every member of this House is familiar. I refer to the Anglo Newfoundland Development Company, Ltd., which we know better as the Harmsworth enterprise at Grand Falls. In the autumn of 1920, finding it neces-

sary for the development of the plant and to furnish larger working capital required by the increase in the cost of materials and labour, it resolved to float a loan of £800,000 stg. This it did in the form of special guaranteed second mortgage debenture bonds running for 15 years; these bonds, beside having the security of the Company itself were **unconditionally guaranteed both as to principal and interest** by the Daily Mail and Daily Mirror Companies, the one controlled by Lord Northcliffe and other by Lord Rothermere, both largely interested in the Grand Falls mills and using Grand Falls newsprint.

This flotation was one of the most successful in England at that time. The great post war boom had burst before that, money was tight, investors were cautious, the future for the world was clouded and uncertain, but within two hours after the Banks opened on the morning fixed for the issuing of the loan the lists had to be closed. **It was over subscribed seven times.**

Let us take another case. Last August Lord Northcliffe a fast and firm friend of Newfoundland, died in the height of his power and prestige. Laer his brother, Lord Rothermere, made arrangements for acquiring his share of "Associated Newspapers Ltd.", the official designation of the Company owning the "Daily Mail." These shares, 400,000 deferred shares—represented Lord Northcliffe's holdings and the controlling interest in that company. To do this Lord Rothermere formed the "Daily Mail Trust Ltd." and offered for sale £1,600,000 seven per cent. guaranteed fifteen year first Mortgage Debenture Stocks, this money to be used to buy the Northcliffe shares fro the deceased peer's estate.

In this case again, beside the security of the newspaper itself, one of the most profitable in England, the payment of principal and interest on

this Debenture stock was unconditionally guaranteed jointly and severally by the Daily Mail Ltd. and the Sunday Pictorial Limited, which between them were subscribing 70 per cent. of the share capital of the Trust. These two companies are owned by Lord Rothermere. The Urospectus stated that "these companies have large interests in pulp mills in Canada, besides a very large interest in the Albert Reed Company paper manufacturers and the Empire paper mills situated on the Thames." It is a well known fact that Lord Rothermere owns the common stock, or controlling interest, in the Albert E. Reed paper mills at Bishop's Falls, and that these mills are operated practically as an adjunct of the paper mills at Grand Falls.

At the risk of wearying the House I propose to quote some figures from this prospectus indicating the profits made by these various newspapers which depend in the main as I have already said for their paper on that supplied by mills in this country. The Daily Mail has the largest net sale and advertisement revenue of any morning newspaper in the world, and the Evening News occupies a similar position as an evening paper. The net sale of the Daily Mail is over 1,900,000, and that of the Evening News 840,000, while they also publish the Weekly Despatch, which has a weekly net sale of 876,000. These three form the Associated Newspaper Ltd., and the profits for the past seven years averaged £280,000 annually, whilst the profit for the first five months of this year should not be less than £480,000. The daily sale of the Daily Mirror is over 1,270,000 copies, and of the Sunday Pictorial 2,207,000 per week. The average annual profits of these companies for the past seven years have been £203,000 annually and the profits for the half year ending 31st August, 1922, amounted to approxim-

ately £260,000 and indicated a profit at the end of the 12 months of £500,000, all of which was available for implementing or supporting the guarantee given by these companies on behalf of the Daily Mail Trust.

These facts and figures I submit, amply justify us in entering into partnership, so to speak, with the British Government in guaranteeing the money necessary to make the Humber development enterprise possible.

But perhaps the greatest advantage for Newfoundland in regard to this new enterprise is that it has been possible to secure a concern of such recognised standing as the Armstrong, Whitworth Company to undertake the programme. An illustration of what it may mean for a country to have capitalists of standing associated with its development is seen in the case of our original railway contract. This work was undertaken by an American named Blackman, who secured a contract from the Legislature for the construction of the original road from St. John's to Hall's Bay with a branch to Harbor Grace. He proved to be a man without any financial backing and within a brief period the project collapsed so far as he was concerned and the line had to be constructed and operated by the English bond holders who furnished the money on which he began work. Through this the country was involved in costly litigation, a setback was given to progress in other directions and ultimately the line had to be purchased by the Colony at about twice its cost and consolidated with what is now the general Railway system.

When it came to the construction of the first section of what is known as the cross country line, namely, that from Whitebourne towards Hall's Bay, several contractors competed for the enterprise, but some of these again were men of limited experience and still more limited capital, and it is

to the credit of Sir William Whiteway the Liberal leader of that day, and his associates, that they disregarded all other considerations and awarded the contract to a man whose reputation elsewhere justified the belief that he could be relied upon, and whose financial standing gave equal assurance that the contract would be carried out loyally. I refer, of course, to the late Sir R. G. Reid, whose word, as you know, was entirely dependable in financial and railway construction business.

Sir R. G. Reid's financial resources, great as they were, felt a heavy strain in the years that followed, when, as a result of the bank crash and other complications in this colony, which nobody could have foreseen, the problems of continuing the railroad through this country were aggravated considerably by the election trials and financial collapse which occurred in the autumn of the following year. From this period of election trials and financial collapse the country did not recover for many years. Through the political convulsions of that period, the series of trials that followed the contest of 1893, the interregnum government in which Hon. A. B. Morine played so controlling a part, and the disturbance of business conditions which attended all these unsettling incidents, Sir R. G. Reid's organization and his credit, I am glad to say, survived.

In the same way the initial attempts at pulp making in this country, undertaken by local and other capitalists were not successful, partly because of the lack of knowledge by the promoters, but partly because of the changing markets abroad and the financial provision for the enterprise not being sufficient to meet this strain. The development of our lumbering industry, again was marked by serious failures which materially and injuriously affected the standing of



the colony and involved the loss of large sums of money; in some cases because people had embarked in its industry with insufficient capital, and in other cases because the rudimentary conditions applying to such industries to ensure their ultimate success were not duly considered.

It was not, indeed, until capitalists of the standing and resources of the Harmsworths undertook the experiment of making pulp and paper in this country that the foundations of its ultimate success was laid; and in that case, too, I would point out to the House, the resources of this organization were tested to the fullest when the war came and the Company found it exceedingly difficult to find ships to move its products and capital to operate the plant under war conditions. But despite all the disorder that prevailed, the lack of storage for the product, the lack of steamers to freight it across the Atlantic, the enormous increase in the price of every article used in connection with the mills and the prolongation of these conditions for a period of nearly five years until the gradual return to normal basis, the business brains and command of capital controlled by the Harmsworth Brothers, made the continued operation of the mills a practical certainty.

For all these reasons therefore, it will be seen that a substitute fact in ensuring the success of this new undertaking was attained when a company with the reputation of the Armstrong Whitworths was induced to interest itself in Newfoundland and to undertake this paper making industry on the scale proposed. I have already indicated the character of its original founders and the scope of its present operations, but it may not be amiss to give a few other details of what has been done by this company.

The Armstrong Whitworth concern has a world-wide reputation

as a builder of ships, merchant ships and war ships. It has been building ships for more than half a century, during which period it has constructed over 200 war vessels, these covering the whole range of naval ships, sloops and gun boats, torpedo boats and destroyers, light cruisers, high speed battle cruisers, super dreadnaughts, submarines and mystery ships. Among the best known vessels were the Malaya, a sister ship of the Queen Elizabeth, the gift of the Federal Malay States to the Mother Country, the Agincourt, originally built for Turkey, but taken over after the war began, two battleships for Chile, also taken over and re-named the Canada and the Eagle, the latter in compliment to the United States, after the entrance of that country until the war. The Anson, a sister ship to the Renown which was here three years ago with the Prince of Wales, was also their work. The Courageous and the Furious (one of the famous "hush" ships.) two cruisers of 18,000 tons, and many others.

In all, from the outbreak of the war up to date, no fewer than 74 war vessels of various types of an aggregate displacement of 363,000 tons were built during the war period, 57 war vessels including some of the largest of battle ships and battle cruisers were prepared and refitted. For the purpose of the war this Company's naval yard made an output between 1914 and 1918 of three battleships of the super dreadnought type, 5 light cruisers, 2 coast defence armourclads, 16 submarines, 8 sloops, 7 steam and motor launches, two train ferries, 2 power barges and one ice breaker, now the Mikula, operating on the St. Lawrence the present year after having been sold to Russia in the early days of the war and bought back again last season. In addition to this no fewer than 236 merchant vessels were fit-

ted with guns, magazines and smoke apparatus, and various lesser activities were undertaken.

But this tells only half the story, because in the years devoted to merchant shipping there was equally great activity. Probably no other plant in the world has such varied experience and in the qualities and diversity of types of ships which have been constructed. They include passenger and cargo vessels of many classes, train ferries ice-breakers, oil tankers, cable ships, refrigerator meat ships, crane lighters, and other vessels designed for special purposes or made to suit the peculiar condition prevailing in various parts of the world. Passengers who cross to North Sydney on the Kyle can see in her the product of the Armstrong Works, and prior to the war they crossed on the Lintrose, also an Armstrong product, and when the passengers arrive at the Straits of Canso they board the ferry Scotia which takes them across the Strait and that vessel also is the product of this company.

The big Cunard liner Aquitania was reconditioned at this yard after her services in the war and fitted for burning oil, and other Cunard liners, like the Auronia, as well as liners for the P. and O. Steamship Company operating in India and the East, and several South American liners have also been built there.

Another example of the varied work of this Company is found in the fact that the big airship R 33, which crossed the Atlantic in the summer of 1919, and passed over this Island on the way to New York, was built by this company. In addition to this the company built many airships and airplanes and an immense variety of appliances needed in connection with aviation in its war aspects.

A romance in itself is the story of the war efforts of the Armstrong

Company—the transformation of its plant from peace-time to war-time purposes and its production of every type of gun from the smallest to the largest mountings, including railway mounts for the biggest guns, to permit their transfer by rail, armour plate, submarines, the famous 'tanks' which played so prominent a part in the war, especially in its later stages, naval guns and naval gun mounts, ammunition and aviation essentials were among the list.

Naval repair work carried out by this firm during the war was also of a most important and comprehensive nature. Following the operations of Heligoland, Dogger Bank and Jutland, several of the most important ships in the navy were brought to the Armstrong yards for urgent and in some cases extensive repairs. Among the vessels repaired in this yard were the H. M. S. Warspite, (another sister ship of the Queen Elizabeth) H. M. S. Lion, (Admiral Beatty's ship, in the fight of the Dogger Bank) H. M. S. Marlborough, which was torpedoed at Jutland, and the H. M. S. Tiger, damaged in the fight near Heligoland. The war time output of the company may be summarized thus: Warships built, 47; fitted with armaments, 62; repaired and refitted, 521; merchant ships armed with guns, 246; aeroplanes built, 1062; airships 3; guns and carriages, 13,000 gun mountings, 12,000; torpedo tubes, 970; tanks, 102; while the figures of shells fuzes, cartridges, etc. run into millions in every case. The personnel employed by the Armstrong Company itself during the war averaged, 75,000, at one time it reached nearly 80,000 and although the extent of the work carried out by this company was such that female labor could not largely be employed, yet in the last two years of the war 20,000 women were employed in var-

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ious occupations under this Company's direction.

Then, consider its subsidiary companies. Through the Pearson and Knowles Coal and Iron Company producing nearly a million and a quarter tons of coal per year, it can furnish the coal required for the plant, through the engine works of this company, it can furnish the locomotives and cars for the plant and the steel for the re-inforced concrete work. Through the Rylands Company it can furnish the wire cables, wire netting and all other material of this kind needed for the plant. Through Burnell and Company it can supply the galvanized iron for the building of paper sheds and other storage places. Through Crompton and Company it can furnish the electrical machinery, motors, dynamos, generators, fans and similar equipment for the works. Through Armstrong and Main of Glasgow, it can supply the hydraulic cranes, hoists and similar power gear, and the machinery for the head works at the dam at Deer Lake and the steel railway bridges that will cross on top of the dam. Through Walmsley and Company it can furnish the paper making machinery for the mills; and as to this it should be noted that Walmsleys stand among the very first in the world as makers of such machinery.

In other words, practically everything required in the way of machinery and equipment for this gigantic enterprise can be furnished at the shortest notice and in material of the very highest quality by the Armstrongs, through one or other of their branches of the far spreading and comprehensive organisation which they direct; and with it they are furnishing the engineers, superintendents, and other officials to direct every department of the operations.

These facts and figures speak for themselves, and supply eloquent tes-

timony of the character of the company which we have been fortunate enough to induce to interest itself in what we hope is only the first stage of a much greater and more varied association with Newfoundland than the development of the water powers and the construction of this paper mill imply. For instance with the possession by this country of important iron, copper and other mineral areas demonstrated, there is no reason why a company which uses these products to such an enormous extent, as the Armstrongs should not ultimately associate itself with the production of these minerals from Newfoundland mines.

Then, again, a Company which has important works for the manufacture of locomotives and railway equipment might possibly be interested in the supplying of railway equipment and the development of our railway enterprise. A Company which makes a powerful hydraulic electric equipment, will, of course, find an outlet for its product in the mills now being established, and, it will furnish the paper making machinery through its Walmsley subsidiary, but there is also the contingency that as other paper making enterprises find a home here they may also call upon this company for the equipment to carry on their industry. Therefore, from every point of view tremendous advantage has been gained by Newfoundland in securing the services of this immense organization to assist in the development of our natural resources, an organization which if unforeseen emergencies should arise, if difficulties should be met that are not apparent at present, would have the financial resources and the resources otherwise to cope with the obstacles that such conditions would create for any enterprise not alone here but elsewhere throughout the world.

### What the Project Is

We may next be asked what is this Humber project. Well, the answer is that it is a scheme for the erection of a paper mill at Corner Brook, Bay of Islands, with a capacity of 400 tons of newsprint paper daily or 120,000 tons yearly. This is to be operated by electricity obtained through the development of the water power of Junction Brook, between Grand Lake and Deer Lake, and the raw material to be used will be pulp wood obtained from the forest areas around these two lakes and the adjoining country. The principal features of the scheme were described in the London Times Engineering Supplement of March 24 last from which I quote the following extract:

"Briefly, the proposal is to develop about 100,000 h.p. at a point on Deer Lake, and to erect pulp and paper mills at Corner Brook, Bay of Islands, with a daily output of 400 tons of newsprint. The amount of power available in the neighborhood is 230,000 to 240,000 h.p., all of which would be developed in due course as a market can be found for it. The works at present planned for execution during the next two years include a concrete dam, 75 feet high and 1,200 feet long across Junction Brook to retain the waters of Grand Lake, which with its area of nearly 200 square miles will permit the spring floods to be stored for use later in the year when the rivers are usually lower. From a point above the dam a canal will lead the water to Glide Brook Lake, which will be formed by utilizing the valley through which the brook runs and by constructing an earth bank which will maintain the water at a level 5 feet below that of Grand Lake. At the western end Glide Brook will be closed by another deep bank, and the water will be conveyed in an open canal to the forebay, when it will flow under a

head of 250 feet in pipes down to the Francis turbines in the power house. The whole output of the station, which will generate at 6,000 volts will be transmitted by high tension lines to the pulp and paper mills some distance away."

This project is based upon the existence of extensive forest areas containing large tracts of spruce and fir, in the watershed of Deer Lake, Grand Lake and the Upper Humber River, together with a waterpower at Junction Brook, from which 150,000 horsepower can be primarily developed, with possibilities for the later development of another 100,000 horsepower by harnessing and utilizing the waters of the Upper Humber if industries of sufficient magnitude to call for this further step desire to avail of the advantages which will be afforded by the provision of abundant cheap power at tidewater, in a region where factory sites can be secured cheaply and where a supply of reliable labour is always readily procurable.

The control of the various properties in this area has been acquired by "Sir W. G. Armstrong, Withworth & Co. Ltd., and the title of the corporation which is to undertake this new power development and paper-making business is the "Newfoundland Power and Paper Company, Ltd." This Company is financially controlled and managed by the Armstrong, Whitworth Company of London, England.

I would point out to you that there is a very important difference between the "Carbide Wilson" project of 1915 and the "Armstrong Whitworth" project of today and that it is altogether favourable to the present proposition and greatly increases its value to the Colony. The "Carbide Wilson" scheme called for the bringing in of three of the elements to be used in the various processes connected with that enterprise phos-

phate rock from Florida, coal from Cape Breton and pyrites from Spain, to procure which would have involved large expenditures outside the Colony every year for these raw materials. The present plan calls for the bringing in of virtually only one of the elements, namely, 4,000 tons of sulphur every year for use in making the sulphite pulp. It is true that 15,000 tons of coal, will have to be provided for use in the emergency steam boilers that are provided, but if no occasion arises for these boilers to be used, that coal may remain there for years without replacement. This new project is therefore a purely internal one for this island; it calls for the utilising of spruce wood for the manufacture of paper and the money that under the former scheme would be spent in Florida, Cape Breton and Spain for the procuring of phosphate rock, coal, and pyrites, will, under this scheme, be spent altogether among our own people in providing labor for cutting the pulpwood to be converted into paper for the mills. This is a very important advantage and is one of the circumstances which weighed largely with the Government in consenting to consider this project and ultimately to adopt it.

Other considerable improvements in the construction of the undertaking are the cutting of a canal and the building of a large dam at Deer Lake instead of the series of ten smaller dams proposed by the scheme of 1915. These were to be placed at different points in the river between the two lakes and were to have cost \$1,600,000. This scheme suffered from the defect that any mishap occurring to any one of these series of dams might cripple the whole enterprise in some vital feature, where the present plan provides for a single dam of such huge dimensions that it may be regarded as beyond risk of damage. Still another advan-

tage is that the lifting of boats over ten dams, provided for in the contract of 1915, and for which the company was required to provide lifting cranes, is obviated.

#### The Financial Plans

The plans with respect to the financing of this enterprise provide for the issuing of £2,000,000 worth of bonds guaranteed by the British Treasury and £2,000,000 of bonds guaranteed by the Colony of Newfoundland. The means, not British Government or Newfoundland Government bonds, but bonds of this Power and Paper Company, which the Company will sell in the money markets of the world for the best price they can secure. For the repayment of the principal of these bonds a sinking fund is to be established, beginning not later than the end of five years from 1923. This will provide for paying off the bonds guaranteed by Newfoundland at the end of 20 years from the date of issue and for paying off the bonds guaranteed by the British Government at the end of 25 years from the date of issue.

During the first ten years of the two sets of bonds, those guaranteed by Great Britain will have no claim on the sinking fund, the preference going to Newfoundland. The allowance of a term of five years before the sinking fund provision comes into effect is to cover the initial period of the enterprise; as, in practically all cases of new undertakings, unforeseen difficulties prevent them earning the full amounts anticipated during organization period. During the first two years, as already explained, the interest on the bonds will be paid out of capital and in the following three years, while the industry will be getting established no sinking fund will necessarily be created, although it can be if the monetary returns to the company justify that course.

Similarly, during the next ten years to admit of the company developing and strengthening its position and to give Newfoundland bonds preference in Redemption the British Government will not make any claim on the sinking fund, which is based on the arrangement that after all interest amounts have been fully met the sum required, as computed by accountants, shall be put aside to admit of reducing the bonds of both governments within the period of twenty and 25 years respectively.

A further protection is then provided, inasmuch as a special debenture reserve guarantee fund is created, to be provided out of the earnings of the company from year to year and raise to a figure of \$1,500,000 and maintained at that figure before interest or dividend can be paid on preferred stock, with certain exceptions fully set out in the documents already tabled, and still another provision is that this guarantee fund shall be raised to and maintained at \$2,000,000 before any dividends whatever can be paid on the common stock. Thus it will be seen that there are four classes of security comprehended in this arrangement, the bonds guaranteed by the British Government; the bonds guaranteed by the Newfoundland Government; the preferred stock, which is to represent the amount that the Armstrong Company will raise for the building of the transmission lines from Deer Lake to the Mills, and other expenditures which they may find necessary, and the estimated value of the present fixed assets of the Company; and common stock representing the voting control of the Company.

If this arrangement is followed it will be seen what a complete measure of protection is provided for the two governments. In the first place the interest on the two classes of

bonds—those of the Newfoundland Government and those of the British Government—must be paid out of the earnings, then the required sum must be set aside annually to make up the amount of the sinking fund to pay off the debentures at the end of 20 to 25 years respectively. After this the special debenture guarantee fund must be built up out of the earnings till the whole sum of \$1,500,000 or nearly 10 per cent. of the value of the debentures is reached, before any dividend can be paid to the preferred stock holders, except as set forth in documents referred to, and after that a further sum of half a million dollars must be added to this fund before the holders of the common stock can obtain any interest on their security. It is thus abundantly clear that the Reids can get no interest or dividend on their preferred shares representing lands, water powers or other rights, nor the Armstrongs on their initial cash investments until everything is fully provided for including the creation and maintenance of a special debenture reserve fund of \$1,500,000.

It will probably be next asked if the enterprise can earn enough to pay these amounts. In reply it is merely necessary to point out that at the Grand Falls mills during the most difficult periods of operations, during the years of the war when they were confronted with every difficulty that could be imagined, they never failed to earn and pay the interest on the debentures or the sinking fund necessary to liquidate the same. For instance, the report of that company for the year ended the 31st of August, 1916, as published in the "Canada" newspaper for November 1st. of that year is as follows:

**"Anglo Newfoundland Development.**—The report states that the "profits for the year ending August

"31st last, after making provision for depreciation and income tax, amounted to £65,542. In accordance with the terms of the trust deed the sum of £10,000 together with the amount of interest on stock already cancelled, has been paid to the trustees for the Debenture holders and by them expended in the purchase of Debenture stock for cancellation. After payment of Debenture interest due and providing for the amount accrued to August 31st, and for the sinking fund, the profit is £30,794, and including the sum brought forward the net balance is raised to £56,581. The British Government restrictions of imports of paper and pulp have meant a reduction in the quality of paper shipped, while there has been a steady increase in the costs of all materials necessary for the effective working of the mill. Adequate supplies of coal have been particularly difficult to obtain, even at high prices. Shipping has also been a great problem. While at the moment the general position may be regarded as satisfactory in the circumstances, the outlook in regard to the importation of the company's product shipping scarcity, expensive freights, the high prices of all materials, and coal in particular, are such that the difficulties during the present year may be even greater than those experienced during the past."

This, it should be remembered, was during the second year of the war, when every conceivable difficulty operated against the successful working of such an enterprise. Gradually, as post-war conditions improved the company's financial standing was strengthened accordingly and in the year ending on the 31st of August last the profits of this company were more than a million dollars, enabling all the existing obligations for 1921-22 to be met

the interest on £800,000 of special debentures floated in 1920 to be also met, and in addition the amount of £300,000 of these securities to be retired.

This last report shows that the profits of the business year amounted to £242,000, after providing for depreciation of buildings, plant, machinery, houses, furnishings, etc., and after providing for the interest on the first debenture stock, and on the 8 per cent. guaranteed second mortgage debentures, as well as for the income taxes and the corporation taxes paid to the British Government. Out of this sum the directors wrote off £40,000 of the cost of issuing the £800,000 guarantee second mortgage debentures of 920, and they also arranged to redeem on the 31st of January last £300,000 of the issue of £800,000 of special debentures already mentioned.

Stated in another way, this company with capital and special liabilities amounting to £2,848,000 or approximately \$14,000,000 made 9 per cent. after meeting all outstanding liabilities, and found itself in so sound a position as to be able to call in three-eighths of this special debenture loan raised three years ago, for which 8 per cent. interest had been paid. This was done in view of the fact that the company, in its present strong position would be able to obtain money for this purpose today at little more than half that cost. I might add that so strong is this Company's position that it has just contracted for a 12,000 ton steamer specially designed for the carriage of pulp and paper from Newfoundland to the British Isles, and to bring back return cargoes of coal and other supplies for the operating of the mills. This, I think, is sufficient further assurance that the Newfoundland Government and the British Government are protected from the contingency of any claims upon them in respect

either of interest or sinking fund under the guarantee which they have given.

The next criticism which I understand has been made and which it may be timely to deal with, is the claims that the mills cannot be built and the enterprise set agoing for the £4,000,000 represented by the two guaranteed loans of the British and Newfoundland Governments. My reply to that is that the Armstrong, Whitworth Company has undertaken a contract to develop the water power and construct the mills within the two years for the figure of £1,755,538 stg. payable in England, \$6,489,459 (approximately £1,380,000) payable in Newfoundland. This makes the total contract price for the Hydro-Electric Development and the erection of the mills, complete and ready for use approximately £3,136,000 sterling.

This Company being one with a world wide reputation, it is only reasonable to suppose that before undertaking this contract, it went into the whole question thoroughly and that the Directors were satisfied that the work could be done for the figure at which they tendered. But neither the British Government nor the Newfoundland Government was satisfied with this, and therefore we arranged to have all the figures and calculations thoroughly investigated by competent English authorities on our behalf and these satisfied themselves in turn that all the calculations were sound and that the work could be done for the figure named. So thorough and all-embracing was this investigation that suggestions were made by the experts detailed to go into the construction of the plants even upon such apparently minor matters as roof construction and the detailed criticism and suggestions were usually accepted and embodied in the construction contract. I might

add that this investigation covered every phrase of the enterprise.

The water power possibilities of the region were thoroughly proved, the designs for the construction of the dam and the attendant works were examined by experts in that particular branch; men thoroughly versed in the construction and equipment of paper mills went into every feature of the building, plant, equipment and layout generally, and competent auditors, specialized in paper making enterprises, dissected every figure and calculation to determine whether the industry was a sound commercial proposition. Only when all these various matters had been fully enquired into was the agreement made and the stamp of official approval put upon the whole undertaking.

The Armstrong, Whitworth Company is under binding obligations to perform the work within two years, and there is a penalty on the firm of \$20,000 a week for every week that they are in arrears with its completion. Moreover, the two governments have provided that during the progress of work it shall be periodically inspected by experts representing three leading firms in the British Engineering world, Sir Alexander Gibb and partners, Messrs. Merz and MacLellan, and Mr. Arthur Baker. These concerns are officially described as the Treasury Advisors, they represent the British and Newfoundland Governments and will from time to time during the progress of the construction of the various works, report to the two governments until the mills are in actual operation. Without their certificates no payments can be made to the contractors, that is, to the Armstrong, Whitworth Company, out of the sums obtained by the sale of bonds guaranteed by the two Governments and they will watch every step made as the work progresses.



This scheme of inspection by the Treasury Advisors is already in effect and representatives of these firms have already been on the ground and after a close and detailed study of the situation on the very site, approved the change by which the mills are to be located at tide water instead of at Deer Lake. Without such approval the change would not have been made.

#### Stipulation

Nor was this the only provision made in the interest of the two Governments. It was specially provided that none of the money raised by the two bond issues should be utilised for the purchase of stock, or the payment for timber, lands, water powers, etc. This money, it is stipulated, shall be applied solely to the development of the water powers to the construction of the mills the equipping and operating of the same, including working capital. In other words, no payment can be made out of the £4,000,000 to the Reid Newfoundland Company for their interests nor even to the Armstrongs themselves for their initial capital investments, nor can any of these bonds or debentures be granted to any persons except for cash actually paid. In other words, no opportunity is provided by which any parties can secure any money out of the promoting of this undertaking, nor for Reid or other timber or water power interests.

In addition to the provisions made by both Governments for their protection, the Newfoundland Government stipulated that, because of the valuable concessions that have been granted to the Company, there should be a substantial direct monetary return to the Colonial Treasury. Therefore, on the same principle that an export duty has been imposed on the output of the mines at Bell Island, an export royalty of One Dollar per ton has been de-

manded on all newsprint exported, and a royalty of twenty-five cents per horsepower on all water horsepower used. This is estimated at approximately \$160,000 annual direct tax. This represents a cash contribution towards the revenue of the Colony as a special consideration for concessions given. The company, for its own interests as well as for that of the Island, is also providing for the reforestation of the areas from which its pulp wood will be put, so that there may be a never-failing supply of raw material to keep the mills in operation and make this industry in every sense a permanent one.

#### Augmentation of Revenue.

These provisions do not, of course, take into account the very substantial augmentation of the public revenue that will follow from the customs duties paid on importations for the use of the mills and also for the deeds of the population of the town which will grow up around these mills. The future of the Humber is sufficiently indicated by what has already happened on the Exploits. In June, 1903, or just twenty years ago, Mr. M. M. Beeton pitched his tent on a bluff overlooking the Exploits River at Grand Falls, and after a year's investigation decided that there should be the home of the paper mills of the Harmsworth Company. The region was a virgin wilderness, almost as untrodden by the foot of man as when the Red Indians roamed the forest wastes hundreds of years ago. To-day it is the seat of a thriving town of about four thousand inhabitants. The census of 1921 showed its population as 3,768, and the number has probably since increased. Bishop's Falls, some 10 miles distant, became about the same time the site of a pulp mill constructed by the Albert Reed Company, and later Botwood, as a result of the construction of a railroad by the Harmsworth Company to that point

because a shipping port only exceeded in importance by St. John's and Bell Island. These three towns: Grand Falls, Bishop's Falls and Botwood, have been created by this paper-making industry. The following Census and Revenue Tables show the development of this area as a result of this Grand Falls enterprise:

TABLE

Showing Population of the Principal Towns and Settlements in  
THE EXPLOITS VALLEY

as per Census Returns of 1911, 1922.	1901	1911	1921
Name of Town or Settlement			
Population According to Census	1901	1911	19 2
Grand Falls (and Station) . . . . .	..	1,643	3,768
Bishop's Falls . . . . .	20	343	843
Millertown (and Junction) . . . . .	158	262	440
Badger Brook . . . . .	23	136	278
Botwood . . . . .	541	852	1,018
Northern Arm . . . . .	84	450	570
Norris Arm (North & South) . . . . .	185	228	237
Burnt Arm . . . . .	178	185	327
Total . . . . .	1,188	4,108	7,391
Increase from 1901 to 1911 . . . . .			2,926
Increase from 1911 to 1922 . . . . .			3,285
Increase in 20 years . . . . .			6,203

Statement of Revenue Collected at Grand Falls, Botwood and Bishop's Falls, Since the Establishment of the paper industry at these places:

	Grand Falls	Botwood	Bishop's Falls
1904-5 . . . . .	1,786.76	5,247.24	—
1905-6 . . . . .	2,731.88	1,845.52	—
1906-7 . . . . .	8,163.47	981.27	—
1907-8 . . . . .	14,764.56	373.00	—
1908-9 . . . . .	49,323.89	10,121.12	—
1909-10 . . . . .	101,373.53	25,549.09	3,455.95
1910-11 . . . . .	123,345.53	6,891.19	3,676.25
1911-12 . . . . .	106,764.42	5,775.73	6,720.84
1912-13 . . . . .	124,976.15	7,187.93	12,594.07
1913-14 . . . . .	86,681.34	5,837.38	10,158.42
1914-15 . . . . .	80,717.27	6,688.07	10,097.33
1915-16 . . . . .	130,807.73	11,217.22	4,906.65
1916-17 . . . . .	168,718.91	11,911.84	7,101.75
1917-18 . . . . .	99,579.68	12,220.24	6,503.37
1918-19 . . . . .	78,579.68	10,406.01	1,274.48
1919-20 . . . . .	219,834.69	2,693.59	12,318.04
1920-21 . . . . .	308,661.94	84,781.70	45,479.64
1921-22 . . . . .	137,856.96	13,389.17	12,338.94

The figures show that for the last fiscal year there was collected in revenues at these three towns more than \$163,000.00 a smaller amount, it is true, than during the previous two years. But it must be remem-

bered that these represented the boom period following the war, when the prices of every commodity were at the highest and when, in addition, the Harmsworth people brought in enormous stocks of coal and other commodities, which they feared would not be available to them otherwise owing to the coal strikes in Britain and America and the uncertainty of market conditions in other directions. Thus, as the new company plans an enterprise of twice the magnitude of that at Grand Falls, it should provide a direct contribution to the revenue of \$350,000 a year, not to speak of the

benefit to the population of the country generally through the circulation of money in payment of wages to logging crews in winter and to workmen of every kind all the year round, which payments will be very great and will yield a quarter of that sum to the Treasury also.

Let us next look at what the Harmsworth-enterprise has meant in the way of increasing the value of our exports by the shipment abroad of manufactured products which previous to 1910 was non-existent.

Herewith is a table furnished me by the Customs Department in relation thereto:

**Statement of Exports of Paper and Pulp From Grand Falls and Bishop's Falls From 1909-10 to 1920-22, both dates inclusive:**

	Paper		Pulp		Sulphite Pulp	
	Tons	Value	Tons	Value	Tons	Value
1909-10 .. . . .	7,886	\$ 352,155	6,853	\$ 69,164	....	\$ 7,140
1910-11 .. . . .	21,064	943,699	27,177	251,048	....	....
1911-12 .. . . .	26,821	1,201,656	42,102	361,149	20	200
1912-13 .. . . .	44,424	1,990,229	51,487	436,352	....	....
1913-14 .. . . .	40,077	1,795,488	51,605	372,676	25	1,000
1914-15 .. . . .	40,556	1,817,193	48,451	379,220	192	7,658
1915-16 .. . . .	62,527	2,801,769	22,292	197,608	1,857	74,284
1916-17 .. . . .	33,389	1,510,440	24,412	351,072	2,606	286,693
1917-18 .. . . .	34,606	2,392,243	11,494	111,358	....	....
1918-19 .. . . .	22,819	1,545,344	3,128	43,265	4,031	431,913
1919-20 .. . . .	80,717	4,725,660	17,540	129,125	2,324	205,151
1920-21 .. . . .	62,311	1,646,582	26,838	246,009	....	....
1921-22 .. . . .	34,512	3,088,260	19,932	364,514	....	....

**The Highest Point**

For 1909-10 the value of pulp and paper exported was \$428,459, while in 1919-20 the value ran up to \$5,059,936, or ten times as much. That was the year when everything in the world reached its highest value. For the next fiscal year 1920-21 there was a slight reduction, though the total figure was almost \$5,000,000. Last year things were back almost to normal and the export was valued at \$3,452,774. If we assume that one quarter of this amount ultimately goes to the Treasury in the payment of Customs duties and oth-

er forms of taxation then the revenue gained from this industry alone was nearly a million dollars annually which is certain to be duplicated by this new enterprise. Applying this same standard to the exports of the mills of the new West Coast Industry, we can estimate an annual export of about seven to eight million dollars, consequently a yield therefrom to the Treasury of about two million dollars annually, without considering further developments and the creation of further enterprises.

The Committee will, of course, have noticed that the interest figure

for the debentures floated by The 'Daily Mail' Trust last fall for the purchase of the late Lord Northcliffe's shares was 7 per cent. But in addition, the prospectus shows that the debentures were to be sold at 99, and that they are to be repaid by ten annual drawings between 1927 and 1936 at 107, so that practically this represents  $7\frac{1}{2}$  per cent. for those who purchased these securities. In the case of the new Humber project, however, the interest is limited not to exceed in the case of Newfoundland guaranteed bonds  $5\frac{1}{2}$  per cent., and in the case of Imperial Government guaranteed bonds  $5\frac{1}{4}$  per cent.

#### As To Expenditure

Now we have to ask ourselves how this money is to be expended. The half of the £4,000,000 to be raised in the British Isles is to be expended there in the purchase of the material for the construction of the mills, dams, etc., steel work, cement, etc., and for the machinery and other equipment to be installed in the Mills themselves when they are erected; and the other half, for which Newfoundland becomes responsible, is to be applied to the purchase of materials obtainable in this country and to the construction of the various works the installation of the machinery and equipment and initial working capital. But it must be remembered that the £4,000,000 will not be all that will be spent on this project. Since the original scheme was evolved, which proposed the construction of the mills near the dam at the head of Deer Lake, it has been decided to locate them at Corner Brook and to carry the power there by electric transmission lines, the construction and equipment of which will involve the additional expenditure of about £250,000. This money, estimated at \$1,200,000 will be furnished by the Armstrongs. Then additional funds will be required as

further developments are undertaken; funds will be provided by the Company for the acquiring of additional property; the Armstrongs undertake to provide an additional half a million dollars for working capital under certain circumstances, the entire cash investment being estimated between 23 and 25 million dollars.

#### No Liability

We can see in sight at the present time an expenditure of \$23,000,000, and the sums which will be spent on the building of the towns and the construction of the terminal will go almost altogether to our own people in the form of labour, first, in the providing of timber and lumber for the construction, and, second, in the labour that will be needed for building the houses and the other structures. In considering these figures it is very important to remember that Newfoundland is not being asked to furnish any money whatever, or to incur any liability whatever, except that involved in the guarantee of half the Construction Bond issue which according to the most thorough tests applied by competent advisors to the British Government and the experience of the Grand Falls enterprise is certain to be self-supporting. The money is to be raised by the new company by the sale of bonds in the markets of the world. These bonds will be offered to investors in the same way as any other securities are offered, the interest not exceeding  $5\frac{1}{2}$  per cent. for the Newfoundland guaranteed bonds and not exceeding  $5\frac{1}{4}$  per cent. for the British guaranteed bonds. With the money thus obtained the company will establish the enterprise, and it is confident that out of the profits made therefrom it will be able to not alone pay that interest but to gradually pay off the principal and liquidate the whole obligation within a period of 25 years, as set forth in the provisions for the sinking fund

and other funds, particulars of which are furnished in the documents already tabled. I think it is only fair to claim that every possible safeguard has been taken in the country's interest and every provision made to lessen the risks thereon, even to providing that the paying off of the Newfoundland bonds shall be carried out within a period of 20 years as against 25 years for the paying off of the British bonds. The Newfoundland Guaranteed Bonds being paid off in full at a time when the British Government guaranteed Bonds will be paid off in half only.

#### Blanket Mortgage.

The Newfoundland Government and the British Government will have a mortgage on everything, buildings, machinery, docks, dams, and works connected therewith, and on the whole of the forest areas comprehended in the scheme, not alone the areas which have been acquired from the Reid Newfoundland Company, but also the property of the company, no matter how acquired.

Through the courtesy of the Rt. Hon. Mr. Mackenzie King, P.C., Prime Minister of Canada, I have been furnished with certain figures respecting the development of water-power for the pulp and paper industry of that country, compiled by the Department of the Canadian Government charged with the oversight of this natural resource. This memorandum observes "The manufacture of pulp and paper is one of Canada's outstanding industries and the normal progress during the past few years is an indication of the rapid expansion which may be expected in the future. According to the Bureau of Statistics figures for 1920 the pulp and paper industry in Canada represented a total capital investment of \$347,553,333, found employment for 31,298 persons whose yearly wages and salaries amounted to \$25,232,893,

"while the value of the products totalled \$214,421,546. The export trade of \$120 in 1890 for this industry is often contrasted with the present corresponding figure of over \$100,000,000 to demonstrate the remarkable expansion during this period.

#### Importance of Cheap Powers:

"The question of motive power in connection with the production of pulp and paper is a most vital one, and, in fact, almost as important as that of raw material. In any industry the relative necessity of obtaining cheap and adequate powers may be gauged by the amount required per dollar of product and with the possible exception of certain electro-chemical and metallurgical processes, the requirements for pulp and paper are among the highest. The importance of cheap power may be judged from the fact that it takes practically 100 h.p. to make a ton of paper per day. It is, therefore, little surprising that motive power used in this industry is practically restricted by hydraulic energy and Canada's supremacy in the pulp and paper field rests on adequate and abundant water powers well distributed among extensive forest resources."

The memorandum next describes the various ways in which electric energy is secured for the working of these mills—the power in some cases being developed as here—for the particular purposes of operating the mills; or, as in Ontario and Quebec, where some of the companies purchase hydro-electric energy from outside companies or, as in other cases, where both methods are used in combination. The memorandum points out that the smaller mills are usually located near cities and produce most of the miscellaneous kinds of paper, while in British Columbia and the more northern parts of Ontario and Quebec the mills of large capacity are

in remote areas, require much power, and produce principally pulp and newsprint paper.

#### Canadian Industries

The memorandum supplies also a directory of the pulp and paper industries in Canada showing that they number 3 in British Columbia, 22 in Ontario, 34 in Quebec, 3 in New Brunswick and 9 in Nova Scotia, and full details of each company are also supplied, that is to say, the names of the mills with head offices, its directors, capitalization, power and pulp wood rights, equipment, product and daily output, with a summary of the company's history, so that any honourable gentleman sufficiently interested can inform himself of every detail in relation to these companies and the scope and character of their operations. Altogether these companies exhibit the following details:

"The water power installation for the operation of pulp and paper mills in Canada aggregates 476,503 h.p. while the additional hydro-electric energy purchased for this industry is 160,577 h.p., giving a total of 637,080 h.p. This covers the energy derived directly or indirectly from water power, but does not include mills where steam only is used as motive power. The use of steam as a source of power in this industry is very limited and in most cases is prompted by special conditions such as operation in close connection with the manufacture of lumber where refuse from the latter can be used as fuel under the boilers. The census returns (1920) show a total steam power installation in pulp and paper mills in the Dominion of only 62,400 h.p., and if the capacity of three or four larger steam operated mills where special conditions obtain is excluded, the remaining unit capacity works out to a very small amount."

Then follows a summary of the

mills in the various Provinces, from which I quote certain details relative to Quebec and Ontario, which have large mills like those at Grand Falls. I would merely add that New Brunswick has 3 mills operated by water power, with a total installation of 14,688 horse power and a daily producing capacity of 30 tons of mechanical and 250 tons of chemical, or sulphite pulp, and that Nova Scotia has 10 mills operated by water power with a total installation of 18,000 horse power and a daily producing capacity of about 230 tons of mechanical pulp, no power being produced in either province, and their total water power employed in this industry being less than in our single installation at Grand Falls, which may be stated roughly at 33,000 horse power.

#### Comparative Standard

The Prairie Provinces are not factors in this industry and while British Columbia has come to the front somewhat in late years her five mills operated by water power require only a total installation of 48,800 horse power, while their daily producing capacity is 390 tons of mechanical and 345 tons of chemical, pulp, 445 tons of newsprint and 30 tons of other kinds of paper. The output of these mills goes largely to the Far East and to Australia.

Quebec and Ontario are the areas which form our standard of comparison and the details regarding them are as follows:

**Quebec.**—"This province has 54 mills requiring a total of 312,867 h.p. either installed or purchased. The total daily producing capacity of these mills is some 3,000 tons of mechanical pulp, 1,500 tons of chemical pulp, 1,300 tons of newsprint, and 700 tons of other kinds of paper. There are naturally several large mills in this province where much energy is purchased or extensive

"waterpower installations are required; the three largest are at Grand Mere, where all the hydro-electric energy is purchased; Kenogami, where power is obtained from two hydro-electric plants in addition to that produced at the mill; Shawinigan, where a portion of the power is purchased, each of these mills require some 25,000 h.p. or more. Other large mills requiring between 10,000 and 25,000 h.p. include those at Hull, East Angus, Brompton, Chicoutimi, Clark City and Cap Magdelaine."

Ontario.—"This province has 41 mills where the installed or purchased power aggregates 242,746 h.p. These mills have a total daily producing capacity of some 2,000 tons of mechanical pulp, 1,100 tons of chemical pulp, 1,800 tons of newsprint, and 600 tons of other kinds of paper. The feature in this province is the Iroquois Falls mill requiring 52,000 h.p. including the energy transmitted from Twin Falls; another large mill is located at Ottawa with an installation of 28,789 h.p. Mills requiring between 10,000 and 20,000 h.p. are numerous and include those at Sault Ste. Marie, Espanola, Sturgeon Falls, Thorold, Fort Frances and Fort William."

### Hydro-Electric

It appears that in a representative Canadian mill the production of mechanical pulp requires 73 h.p. per ton of the daily output, of which 67 h.p. is for grinding alone; that the making of sulphite pulp requires about 9 h.p. and that the production of the newsprint paper from the two qualities of pulp consumes 12 h.p. for the same output. The details given in this memo. are very voluminous and I do not propose to go into them very extensively, but I cannot refrain from quoting one paragraph which has a bearing on the recent decision of the

Armstrongs to change the location of the mills. It says: "A well known authority on pulp and paper mill operation in Canada recently stated that the proper way to build a paper mill was to develop the power as a hydraulic electric project and locate the mill at a place most suitable from the operating and shipping point of view." This reference confirms the decision of the Armstrongs to develop the water power at Deer Lake and transmit the electric energy from there by wire to Corner Brook, to be used in operating mills erected at the seaboard, because of the advantages in operating and shipping that this policy affords.

The memo. closes with the following paragraph:

"It has recently been estimated that the present pulp wood demands on our forests consume a very great acreage annually, and following the trend of other commodities this consumption will most probably assume a rapidly increasing rate. While the reforestation methods now being extensively introduced will later on help to remedy this depletion, it must be noted that a period of from 50 to 100 years is required for suitable growth, and until further results are realized it will doubtless be necessary to extend wood pulp operations farther and farther north and the bountiful supply of water power located in these regions will in no small degree facilitate the fullest development of this industry. Pulp wood and water power are the chief factors in connection with future expansion and Table No. 5 shows side by side the proportion of these resources available in each province of the Dominion."

### Cheap Electrical Power

The question of the cost of producing water power in connection with this new development has been very thoroughly investigated by the

Armstrong, Whitworth Company's experts and a statement in regard to this was made 18 months ago when Mr. H. S. Wayte visited St. John's in connection with the matter. I will read what he says:

"Cheap electrical power is now considered one of the best and safest investments. The estimated average cost of this whole development will not exceed \$60.00 per h.p. This is a remarkably low figure, as is shown by comparing it with other similar undertakings, the cost of which is as high as \$300.00 per h.p. The average for all hydro electric schemes in Canada is \$217.00 per h.p. The estimated capital cost for the first 85,000 h.p. to be used for the purpose of manufacturing paper, worked out at the rate of \$77.00 per h.p. which is a very low figure. Included in this figure is the cost of storage, dams, canals, controlling and intake dams for the whole development which reduces the cost of the balance of the power development of this project to \$44.00 per h.p."

#### Cost of Production.

The next question that arises is that of the cost of production of pulpwood. In regard to this it is also possible for me through the abundant courtesy of the Rt. Hon. the Prime Minister of Canada to supply official Canadian information on this subject, showing the figures up to the end of 1921 and I am advised that for practical purposes these figures may be regarded as effective to-day.

In Canada, it should be explained that spruce, balsam (which is known here as fir) hemlock, polar, and pine are all used in the manufacture of pulp and paper. With us spruce, of course, is the chief material used with fir to a smaller extent. In 1921, the cost of spruce and fir was about the same in Quebec, New Brunswick and Nova Scotia,

but spruce ran about \$2.60 a cord higher in Ontario and \$1.12 in British Columbia.

In New Brunswick the cost for that year of spruce, delivered at the mill was \$11.05 per cord, and in Nova Scotia \$12.41. In Quebec it was \$17.85 and in Ontario \$20.46 while in British Columbia it was \$16.09. Stretching across the Dominion, therefore, the average was \$18.07 for spruce and \$17.06 for fir. I have disregarded the figures of the other woods as they are not used by us for paper making. Another statement in this memo shows the average value of pulpwood (a) as cut from the areas owned by the mills (b) as purchased and (c) as exported.

The average value per cord was:

Year	Cut from owned Mills	Pur- chased	Export- ed
1917 .. ..	\$ 8.48	\$10.29	\$ 7.78
1918 .. ..	10.66	12.52	9.65
1919 .. ..	12.23	13.86	12.65
1920 .. ..	15.48	18.44	13.58
1921 .. ..	17.36	17.96	10.25

This table exhibits two outstanding features, first a gradual increase in the value of this commodity during the war years and the boom period that followed up to 1921; and second that the value of pulp wood as exported was about \$3.00 a cord less than when used for manufacture in the country, and that therefore, the logical policy for Newfoundland, as for Canada, is to encourage as far as possible the conversion of its spruce timber into pulp within its own boundaries instead of permitting the export of raw material in the form of unmanufactured wood.

#### Minimum Price

Mr. Waite in last year's statement, published in the local newspapers of January 9th, 1922, puts the cost of producing paper at \$40.00 per ton. His statement continues as follows: "At present the selling price of



"paper, as set by the Newsprint Manufacturers Association, is \$75 per ton, but in calculating profits this has been reduced to \$65.00 so as to be on the safe side. It is impossible for paper to fall below a "ets., and should the price ever fall so low, these mills would have to "cease operations and reduction of "output would of necessity, force up "the price again."

Once more I quote from Mr. Waite, this time to answer the question of whether the product of the mill can meet the operating cost, the overhead charges, and the claims of the debenture holders. He answers the question thus: "In order to pay the fixed charges and make it certain that the Government will not have to pay anything under the guarantee, it is only necessary for the mills to sell paper at a profit of just over \$11.00 per ton, or \$51.00 per ton and it is quite impossible for paper to fall in price unless the cost of living and materials both fall, in which case the cost of production would fall also. There is, therefore, no likelihood of

the Government of Newfoundland ever being called upon for any payments under the guarantee."

#### Cost Confirmed.

This figure as to cost of newsprint paper has been confirmed by the well known expert, Mr. J. Stadler, M.I.F.C., at present General Manager of the Belgo Paper Company. His estimate is slightly less than \$40.00. Mr. Stadler spent some time in Newfoundland during last winter going into this whole matter. In arriving at his estimate of the cost of the production of newsprint he has taken an average of \$7.40 per cord for pulpwood.

There remains another question to be answered and it is as to whether the future outlook for this paper industry is such as to justify Newfoundland in the direct association with it which the giving of the guarantee implies. As already shown from Canadian statistics this industry is of enormous value to that country. Herewith I give a table giving information in detail:

#### RELATION OF THE PULP AND PAPER INDUSTRY TO THE POPULATION. CENSUS OF 1921.

	Capital Invested		Value of Product		Per Capita
	Population	Total	Per Capita	Total	
Quebec . . . .	2,361,199	\$171,477,753	\$72.60	\$ 85,645,077	\$ 36.50
Ontario . . . .	2,933,662	139,666,276	47.60	79,478,538	27.10
B. C. . . . .	524,583	39,152,921	74.60	15,970,864	30.40
N. B. . . . .	387,876	23,394,271	60.30	5,244,302	13.50
N. S. . . . .	523,837	6,121,630	11.70	676,449	13.00
	6,731,156	\$379,812,851	\$56.40	\$187,015,230	\$27.80

#### An American View

Having submitted for your consideration certain Canadian authorities, I now submit an American view of the paper industry. This is an article in the "Commerce Monthly" an official publication of the National

Bank of Commerce of New York, one of the New York's largest banking institutions. Its issue of September last publishes an article on "North Industry," from which I take the following extracts:

"More newsprint is produced and

"consumed in the United States and Canada than in all the rest of the world. The centre of production, formerly in Europe, has shifted within recent years to North America, the largest consuming centre and the source of abundant raw material. Although the United States produces more newsprint than any other country, during the past decade the expansion in the newsprint manufacturing industry on this continent has been in Canada. Within this period the production capacity in that country has been more than trebled while only two new mills have been established in the United States. Moreover, supplies of pulp wood in Canada are being largely retained for the development of the newsprint industry. The future of the mills already established in the United States in good measure depend on replenishing depleted pulp wood areas near the mills. In the east where the principal mills are located, it has been estimated that present supplies of pulp wood will be exhausted within twenty to thirty years, although by the extensive practice of reforestation the cut over areas near the mills could within 30 or 40 years be made to yield more than the present consumption requirements of the United States. Already the pulp and paper mills of some states are importing more than half of their supply of raw material. While considerable quantities of pulp wood are imported into United States from adjacent freehold lands of Canada, the newsprint manufacturing industry in the United States is beginning to feel the economic effect of having to ship raw material over long distances."

#### Demand Will Be Greater.

At this point I stop to interject the comment that as the United States uses up all available supplies of pulp wood and Canada follows in the same

course the demand for our product will become greater and the prospect of still further increasing the number of paper making enterprises in this country. I resume the extracts from this article:

"The dominant position of the United States and Canada, taken as a unit, is shown by the following table:

#### Estimated Newsprint Production, Capacity and Consumption by Principal Countries.

	Production	Consumption
	Capacity	
Germany .. . . .	530,000	300,000
Great Britain .. . . .	300,000	450,000
Sweden .. . . .	185,000	30,000
Norway .. . . .	110,000	10,000
Finland .. . . .	100,000	10,000
Other European States .. . . .	200,000	110,000
Europe .. . . .	1,575,000	1,120,000
United States .. . . .	1,500,000	2,000,000
Canada .. . . .	1,500,000	1,130,000
Japan .. . . .	125,000	.....
Other Countries	40,000	.....
Total .. . . .	4,390,000	

"This indicates the estimated newsprint production capacity and consumption of the principal countries. It will be noted that the combined production capacity of the United States and Canada is 2,650,000 tons while their consumption capacity is 2,130,000 tons. The potential exportable surplus from Europe is about 455,000 tons annually. Actual exports in 1921 from Norway, Sweden, Finland and Germany, the principal exporting countries, were 350,000 tons, while actual exports from the United States and Canada to other countries were 100,000 tons."

At this point I pause to point out that as the growth of the population in America, which is enormous and rapidly increasing continues, and as education, which is supported more

generally there than perhaps any where in the world, continues to spread, the demand for newspapers will increase in the same proportion and thus a steadily growing market for newsprint paper will always exist.

### The Premier Paper Wood.

The article from which I am quoting goes on to say:

It is significant that, in terms of quantity, coniferous wood is now the premier paper making raw material of the world, and its introduction marks the beginning of an era of rapid expansion in the paper industry. More than eleven and a quarter million copies of daily newspapers are now printed annually in the United States. Newsprint manufactured principally from mechanical and chemical wood pulp is the kind of paper used in newspapers and constitutes from one-fourth to one-third of all paper manufactured and consumed in the United States."

"The United States is the largest consumer of newsprint in the world and since 1910 it has been a new importer of newsprint. Newsprint consumption in 1913 was somewhat less than 1,500,000 tons, and in 1921 it approximated 2,000,000 tons. Production in 1913 was about 1,300,000 tons and fluctuated within a narrow range around that figure till 1920, when it increased to 1,500,000 tons. In 1921 (however, it dropped back to 1,225,000 tons. In 1922, production of newsprint in the United States will be about 1,400,000 tons.

"Canada is by far the principal source of supply of newsprint not manufactured in the United States. American capital has gone extensively into the development of newsprint plants near the sources of supplies of pulp wood in Canada. The rapid expansion of the industry in Canada has facilitated the installation there of improved hydro-electric machinery, capable of turning out 1,000 feet of newsprint per minute. Such improved equipment renders obsolete many of the older and less efficient plants in the United States which can be operated profitably only when there is a strong demand for newsprint. Prior to the war imports of newsprint from Canada averaged about 133,000 tons. By 1920 they had increased to 679,000 tons and in 1921 totalled 657,000 tons."

### Dependent on Canada

The Toronto Mail and Empire of May 30th last, quotes Dr. H. P. Baker, Secretary of the American Paper and Pulp Association as prophesying "Canadian control of the entire newsprint industry of the continent. The industry in the United States is now dependent on Canada, and action by this country to protect its interests cannot be foregone." He says: "Within a year or two Canada will be producing more newsprint than the United States. It is entirely within the bounds of probability for us to look forward to an export tax on Canadian newsprint as soon as Canada feels she has that phase of the industry on this continent well under control. Such a tax has already been suggested in Canada. If reports from Trade Journals are accurate, Canadians are now considering following up their successful efforts to control the newsprint industry of the continent by similar campaigns to control other branches of the paper industry."

I might continue indefinitely with quotations of this character, but I will content myself with two more. The first is also from The Toronto Mail and Empire of May 30th, 1923, and deals with the export of pulp and paper from Canada for the first four months of the present calendar year. It is as follows:

"The total value of these exports

"last month was \$9,397,472, an increase of \$2,907,113 over the corresponding month in 1922. Newsprint exports were greater by 338,515 cwts, exports of pulp were larger by over 50 per cent., the increases being particularly large in the case

"of mechanical and unbleached sulphite.

"For the four months from January 1st, to April 30th, the principal exports of pulp and paper have been as under:

Paper:	FOUR MONTHS, 1922		FOUR MONTHS, 1923	
	Tons	Value	Tons	Value
Newsprint .....	295,078	\$21,171,685	359,012	\$26,907,734
Book Paper (cwts.)	1,351	12,308	15,483	101,151
Wrapping (Kraft) ..	5,066	786,205	6,646	1,015,899
Total Paper ....		\$23,129,146		\$29,625,341
<b>Pulp:</b>				
Sulphite .....	43,821	\$ 2,714,569	44,992	\$ 2,916,554
Sulphite, bleached ..	39,176	3,404,241	54,302	4,804,692
Sulphite, unbleached	44,570	2,507,552	66,143	2,521,468
Mechanical .....	67,803	2,287,871	81,882	3,763,584
Total .....	195,370	\$10,914,233	247,319	\$14,006,298

"Our exports of newsprint for the first four months of the current year were greater than in 1922 by 63,923 tons, or nearly 22 per cent.; our pulp exports were greater by 51,949 tons or 26 per cent. Exports of newsprint to the U.S.A. for this period amounted to 348,182 tons, compared with 272,747 tons in the corresponding period of 1922."

#### Canadian Development

The second extract is from an article on "the Pulp and Paper Industry" by Edward Back, Secretary-Treasurer of the Canadian Pulp and Paper Association, in the Montreal Gazette's Annual Review of Canadian Affairs, published January 2nd, 1922. "This extract shows the development of this industry in Canada for ten-year periods in the following terms:

"In 1881 there were five mills in operation, capitalized at \$92,000, employing 68 persons, with an annual production valued at \$63,000. "In 1891 there were 24 establishments, with a capital of \$2,900,907,

"1,025 employees, and a production valued at \$1,057,510. In 1901 there were 25 mills in operation, capitalized at \$11,558,560, employing 3,301 persons and turning out products valued at \$4,246,781. In 1919, the latest census figures obtainable, there were 99 mills in operation, 33 of which manufactured paper only, 39 pulp and 7 both pulp and paper. "Capital employed amounted to \$246,581,300, distributed among the Provinces as follows: Quebec, \$124,101,164; Ontario, \$95,281,040; British Columbia, \$32,030,063; New Brunswick, \$11,960,778; Nova Scotia, \$1,208,225; employees numbered 25,491; exclusive of woodsmen, and salaries and wages paid amounted to \$32,323,789. Production was valued at \$139,925,001."

#### Money Has Cheapened

Before I leave this feature of the matter I may be asked how it is that the present project is based on money at 5½ per cent. interest whereas a year ago it was based on

money at  $6\frac{1}{2}$  per cent. The answer is that money has cheapened to that extent in the intervening period. When Mr. Waite was here in January, 1922, and made the statement from which I have been quoting, money cost in the British markets from  $6\frac{1}{2}$  to 8 per cent. according to the class for investment. I have here a statement of loans for representative undertakings at the end of 1921 and the beginning of 1922, and will read the principal particulars.

On October 13, 1921, New South Wales made an issue of £7,000,000 20-year 6 per cent. Inscribed Stock at £95. 10, which represents an interest yield of 6.44 per cent, approximately. On November 10, 1921, British East Africa, now the Colony of Kenya, made an issue of £5,000,000, 25-year 6 per cent. Inscribed Stock at £95, representing an interest yield of 6.40 per cent. approximately.

On November 17, 1921, Western Australia made an issue of £3,000,000, 20-year 6 per cent. Inscribed Stock at £95. 10 (the same as New South Wales mentioned above) interest yield 6.44 approximately.

On December 15, 1921, the Government of India made an issue of £10,000,000 10 year  $5\frac{1}{2}$  per cent. at £93. 10, representing an interest yield of approximately 6.45 per cent.

#### Averaged Fair Yield

It will be seen that all these were offerings by British Overseas Dominions and that the Interest rate allowing for the discount at which the bonds were sold, average an interest yield of .43 per cent.

As examples of Industrial fluctuations during the same period I would cite the issue by the Harmsworth concern of 8 per cent. second Mortgage Debentures for the Grand Falls mills, to this I have already referred. The following additional illustrations are interesting:

On December 17, 1921, the Llanelly

and District Electric Lighting and Traction Co., Ltd., made an issue of £125,000 of  $7\frac{1}{2}$  per cent. debenture stock at £94.

On December 22nd, 1921, the Sheffield Steel Products Ltd, made an issue of £300,000 guaranteed 10 per cent. cumulative preference shares at par.

On January 4th, 1922, the Buenos Ayres Western Railway made an issue of £2,000,000 4 per cent. debenture stock at £60.

On January 6th, 1922, the Government of South Australia made an issue of £3,000,000 20-year 6 per cent, registered stock at £96 per cent.

On January 11th, 1922, the Union Castle Mail Steamship Co., one of the largest steamship lines in the world, operating mainly to South Africa, made an issue of £2,000,000 of 12-year of  $6\frac{1}{2}$  per cent. debenture stocks at £93 $\frac{1}{2}$  being an interest yield of about 7.30 per cent.

On January 19th, 1922, the Government of the Commonwealth of Australia made an issue of £5,000,000 of 20-year 6 per cent, approximately.

#### Satisfactory Proof.

These figures are satisfactory proof that the rate of  $6\frac{1}{2}$  per cent. sought eighteen months ago for this Armstrong Whitworth enterprise was not excessive. The decline in the cost of money is instanced by the following: On May 15th of the present year the Government of India made an issue of £20,000,000 of 20-year  $4\frac{1}{2}$  per cent stock at £90 which represents an interest yield of approximately 5.33 per cent. about the equivalent of the  $5\frac{1}{2}$  per cent stock that is being asked in connection with the Armstrong enterprise at the present time.

On the same day the South Wales Power Company made an issue of £600,000 of 6 per cent. five mortgage debenture stock at £98 repay-

able at 103 in 30 years, representing an interest yield of about 6.20 per cent. In connection with this company, I might observe that the firm of Baldwins, Ltd., Steel Makers, are among the customers of its power and that the head of this great firm is the Rt. Hon. Stanley Baldwin, now Prime Minister of Great Britain.

#### Project Summarized

Let me briefly summarize the project:

The Armstrong-Whitworth Company have formed a subsidiary concern to be known as "The Newfoundland Power and Paper Co., Ltd." and as such have acquired from the Reid Newfoundland Company of its subsidiary, the Newfoundland Product Corporation, Ltd., a controlling interest in the properties, water powers, forest areas, etc., on the West Coast comprising roughly the valleys of Grand Lake and Deer Lake, and of the Humber, which are designed to be the home of the fertilizer industry projected in 1915.

These properties the Armstrongs, in the capacity of "The Newfoundland Power and Paper Company, Ltd.," propose to use as a means of establishing a paper making industry centred at Corner Brook, Bay of Islands. Here mills will be established capable of producing 400 tons of high grade newsprint paper daily, "newsprint" being the technical term for the paper on which newspapers are printed. These mills will have twice the daily output of the Harmsworth mills at Grand Falls. At Corner Brook, in addition to the mills themselves will be storage warehouses with a capacity of 30,000 tons, in which the greater part of the winter's output can be stored; and piers for the shipping of the manufactured product during the period of open navigation, similar to, but of twice the capacity of the piers at Botwood, by which the products of the mills at Grand Falls are exported to Britain

and other countries. Use will be made of the Newfoundland Railway during the winter months, when Bay of Islands is blocked with ice, to transport to Port aux Basques or vicinity the paper that can be then shipped, and to carry this material will require three-loaded trains every day during the winter season.

#### Cut of Pulpwood

The pulpwood to be used for the making of the paper will be cut in the areas surrounding Grand and Deer Lakes and ferried to the Humber outlet, mainly by the natural flow of the lakes and streams in the vicinity. The power necessary for the operating of the mills will be obtained by harnessing the waterfall of Junction Brook. This means the construction of a dam across the river at a suitable point and the cutting of a canal several miles long to carry the water to the power house, which scheme will obviate the necessity of ten smaller dams at various stages in the downward trend of the stream. In other words, applied science will control the river and use the natural power of the waterfall developed through its drop at Junction Brook as agency, capable of furnishing for its first development, 100,000 horse power, while provision is being made for further later development which will furnish additional 130,000 to 150,000 horse power that can be utilized for various other industries. These it is hoped to establish in the vicinity, because the Company's engineers are confident that the power can be produced at this point at a lower figure than anywhere else in the world. We have but a faint idea in Newfoundland of the immense development of water power in other countries, and the application of electricity to industries.

#### Generation of Electricity

Those of us who have travelled on the Western Continent have seen the lighting of great cities like New

York, Boston, Montreal, Toronto, Vancouver, Seattle San Francisco, will not need to be assured that most of this electricity is obtained from water power.

At Montreal, for instance, the rapids near Lachine have been harnessed and enormous energy obtained therefrom, not only for lighting purposes for that city, but for the operation of its street car system. At the present time projects are in hand or being planned for the utilization of practically all the rapids on the St. Lawrence from Lake Ontario to Montreal, where the rapids cease and where the head of ocean navigation begins; and the electric energy thus obtained is supplied to many cities in the state of New York.

Other cities obtain their supply from the electric power of Niagara Falls, and the same is true of cities like Toronto, Hamilton and other sections of the Province of Ontario. Electricity is actually furnished in posite Detroit and 160 miles west of Niagara. All over that country are huge lattice work, steel towers which carry the electric cables, and it is not uncommon for electric energy to be now transmitted a distance of 100 to 150 miles from the power-houses at Niagara and vicinity.

### Chippawa Plant

Within the past three or four years the government of Ontario has completed at Chippawa near Niagara, one of the greatest electrical installations in the world, with a total capacity of 550,000 horse power in ten units of 55,000 each, or roughly half the power of our proposed development. Therefore I am safe in contending that this industry is based, so far as water power is concerned, upon an agency, the success of which has been demonstrated, not alone at home, but abroad as the cheapest and most effective in use in the world today. Indeed, so marked has the advance been that in this mill at Cor-

ner Brook, the heat needed for drying the paper in the process of manufacture will be created by electricity and not by coal as is done at Grand Falls, because in the 14 years since the Grand Falls mills were set in operation, the scientific progress in the utilization of electricity has been so great that coal is no longer used in the latest types of mills, but electricity is employed to raise the steam for this purpose just as coal was 14 to 20 years ago.

I do not propose to go into details of the various buildings which will compose the mills, but I will say that provision is being made for the mills of the most modern type designed by a professional town-planning engineer and equipped with everything essential to the comfort and happiness of the workmen employed in the mills, in the same way as the plant at Grand Falls has attached to it a town of modern design and embodying every necessary accessory, in order to secure a contented and comfortable working community.

### Financial Position

The financial position may be summarized as follows: The Company proposes to float in the money markets of the world certain construction bonds to a total value of £4,000,000. Of this amount £2,000,000 will be guaranteed by the Imperial Government and £2,000,000 by the Newfoundland Government. No money will be advanced by either government. The interest on bonds will be paid out of principal during the two construction years and subsequently by the Company. During the first five years from 1923 the Company has no liability as to creation of sinking fund for redemption of debentures. At the end of five years redemption of bonds begins.

The Newfoundland bonds only are subject to redemption for the following five years. At the end of the tenth year the English bonds come

in for redemption. At the end of twenty years the Newfoundland Bonds are due for redemption in full. At that date the English bonds are due for redemption to the amount of approximately one million pounds.

#### Paid Off First

In other words the Newfoundland debentures will be paid off in full when but half the British Debentures will be provided for. The interest on the English Bonds is not to exceed 5 1-4 per cent it being probable that the actual flotation will be at a much less rate than that. The interest on the Newfoundland Bonds is not to exceed 5 1-2 per cent. It is probable that they will be floated at that figure, as that is the interest at which our 1922 loan was so successfully floated.

Let me assure you, Mr. Chairman, that I have no intention whatever of urging this proposition upon the Legislature. I merely present it to the Legislature as a business proposition for debate exclusively on its merits. I have given this matter most exhaustive investigation and consideration for a long period, and I am satisfied that it is a program of immense value to Newfoundland and that this Legislature should not hesitate in its adoption. In view of the present conditions as to unemployment, I might feel justified in pressing for the consideration of this matter because of the great advantage it would be for the relief of the difficult situation which unemployment always entails, but I do not urge its consideration for these reasons, as I realize that it is infinitely better in the interests of the Colony to face and deal with our difficulties as they arise, rather than under the pressure of present difficulties to be induced to take any step which in decades to come would be regarded as ultimately injurious to the interests of the Colony. I consequently submit this matter to your careful consideration

purely upon a business basis, and earnestly recommend to your favorable attention.

#### Railway Settlement

This Humber proposition is intimately associated with a settlement of our railway difficulties. Messrs Armstrong, Whitworth & Co., Ltd., made it abundantly clear to me that under no circumstances were they prepared to be identified with a subsidiary company in Newfoundland if that company through its minority shares were involved in litigation with the Newfoundland in connection with railway matters, nor were they prepared to undertake these operations unless they were assured as continuous and efficient a railway service in Newfoundland as was practicable having regard to local conditions. This attitude of Messrs Sir W. G. Armstrong, Whitworth & Co., Ltd., was not only communicated to me but also communicated to the Reid Newfoundland Company, and as a result I found it possible to enforce a settlement of our railway problem, insofar as the Reid Newfoundland Company is concerned on terms which I consider to be enormously advantageous to the Colony, terms which it would be impossible to secure had it not been that the settlement by the Reid Newfoundland Company with the Government of all railway disputes formed a condition precedent to the identification of the Armstrong Whitworth Corporation with this matter, and consequently a condition precedent to the Imperial Government guarantee.

#### Elimination of Relds

This railroad settlement means the entire elimination of the Reid Newfoundland Company and all their interests and connections from transportation facilities in Newfoundland, including the railway, steamships, express company, telegraphs, and also the dry dock enterprise. Resolutions in connection with this mat-



ter I hope to submit to this house tomorrow. That settlement, as I have indicated means the taking over by the Newfoundland Government of all the property indicated above. The Reids own steamships, they own the railway station in St. John's, railway stations throughout the country and certain sidings. They own about half the rolling stock. They own the express company and the dock. I am advised that there is a dispute as to the ownership of the railway telegraph lines. The Newfoundland Government owns the right of way and about half the rolling stock.

The Reid Newfoundland Company claim that they are entitled to submit to arbitration demands which they say they have against the Newfoundland government for many millions of dollars arising out of a multitude of contractual relationships and alleged special transportation services during the war period. In view of the great pressure it was possible to bring to bear upon the Reids because of the attitude taken by the English financiers in connection with this dispute, it has been possible to force the Reids to cancel their claims, huge as they are, give up more than 200,000 acres of land to which they are entitled under the 1904 Transportation of Timber Act, and transfer all their railway equipment, stations, sidings, express company, telegraph lines, dock and eight steamers, to the Government, for no cash payment whatever, but in consideration of the issue to them of twenty-year five per cent. Government bonds of the face value of two million dollars.

#### Criticism Welcomed

When it is my privilege to submit resolutions in this connection to the House I shall welcome for this proposition the most exhaustive and keenest scrutiny, because I am satisfied that the more fully the position is understood, the more accurately the facts are dissected and examined,

the more expert the opinions which are expressed upon this settlement, the more clearly will the astounding success of an arrangement of this sort be made clear to the individual members of this Chamber and to the public generally. By this settlement costly, lengthy and exceedingly uncertain litigation will be avoided. It is not the policy of the Government to undertake railway operations under Government management as political interference in railway operation is in my opinion entirely contrary to the public interests.

I feel that in view of the great possibilities of this Humber development program and the solution of our railway difficulties which is encompassed by it, it is impossible for me to find more fitting words in which to close than the inspiring paragraph of Mr. Fielding, the Grand Old Man of Canadian Liberalism, in closing his Budget Speech in the Canadian Parliament a few days ago. "If we have faith in ourselves, faith in the intelligence, industry and courage of the people of this country, we may justly look forward to an early revival of the prosperity of former days."

MR. HIGGINS:—Mr. Speaker, I must say that we all have been interested in the great Proposition as put before the House this afternoon. In justice to us it is unreasonable to expect us to say much on the proposition this evening at such short notice. May I ask if, as you say the Humber and Railways go hand in hand, you intend to take over the Railway. We would like to have the Railway Resolutions before us before going further, and we ask the Hon. the Prime Minister what really is the situation. Is it the intention of the Government to buy the Railway from the Reids.

PRIME MINISTER:—The Reids will be absolutely and definitely clear of the Railway, Telegraph lines, the

Express Co. and Dry Dock, and steamers. They will have nothing further to do with transportation or Dock after the proposed legislation is assented to.

MR. HIGGINS:—How much do you propose to pay Reids for it?

PRIME MINISTER:—Newfoundland Government Bonds of the face value of \$20000.000. Term 20 years. Interest 5 per cent.

MR. HIGGINS:—I thank you, I agree with the Prime Minister that the only way to look at this matter and deal with it is as a business proposition. The Opposition intends to treat the matter before the House closes from a purely business stand point and a business proposition. These matters will be far reaching in results. As far as the Humber project is concerned it may have advantageous results, or it may have results that will be disastrous. The matter of guarantee as interest on two million pounds, is a large debt for a small Country like Newfoundland. It is very important that full study be made of every detail and the Legislature should be quite sure that it is right before it committed itself. Let us then satisfy ourselves that you have the very best investigation, understanding and information before you proceed too far. It is well enough so long as things turn out in the way we want them or according to the outline given the House by the Prime Minister this afternoon.

MR. HIGGINS:—Mr. Chairman, as on the last occasion when the pronouncement was made on the Humber Proposition I am not in a position to make any comment whatever until we have had a reasonable time to consider the resolution now offered the House. May I ask if those legal opinions are the only ones that the Government has?

HON. MINISTER OF JUSTICE:—There are no others.

MR. HIGGINS:—Next with regard

to the matters that we are considering together, we would ask if the reports on Timber which we asked for a short time back are available.

HON. THE PRIME MINISTER:—There are no formal reports. A digest of a multitude of Reports from various sources will be tabled.

MR. HIGGINS:—The next point is probably the most important of all. I think the Prime Minister has not made it sufficiently clear to the House as to what he is actually going to do with the railway. Is it to be operated by the Government or by other parties?

HON. THE PRIME MINISTER:—For the immediate present and probably for the next two or three months the railroad will be operated by the Government, but all that is humanly possible will be done to get it operated outside of Government control.

MR. HIGGINS:—You cannot say exactly if it is to be operated by the Government or not?

HON. THE PRIME MINISTER:—For the present, no. The Government is making no pronouncement as to what will happen.

MR. HIGGINS:—No, because you have none to make. Here you are in the House months after you knew that the Reids would not own the Road after a fortnight hence and you mean to tell me you have not negotiated with any person to operate the Railway.

HON. THE PRIME MINISTER:—We could not negotiate until we had something with which to negotiate.

MR. HIGGINS:—If by any chance, however, anything weakens in the chain, if anything gives out, there might be a very different story to tell. Now, Mr. Speaker, these are statements that might well be made from the other side of the House. They are, I think it will be conceded, eminently fair and show no prejudicial attitude whatever. It behoves us to

get all the statements and information of any kind that the Government may have in their possession if we are to discuss the thing intelligently and in this connection, if the information I refer to had been tabled some time could have been saved. I think it is unfair to say the least of it that this Colony should be placed in the position where a concern comes in here to start an industry which they cannot start without a guarantee and that the people are refused to be given all the particulars of what that guarantee might mean. How can they be in a position to know what they are giving away unless the Government come in here and lay all their cards on the table. It would be likewise desirable, Mr. Prime Minister, to have tabled any correspondence with regard to the extension of the time of the contract.

HON. PRIME MINISTER:—The extension was till the 30th day of June.

MR. HIGGINS:—As regards the matter of the Railway also, it is essential that, so far as they can do so, the Government should have tabled the particulars of the advice and reports upon which they have acted. The taking over of the Railway and the paying by the Government to the Reids of two million dollars are declarations so serious that we ought to have all the particulars without loss of time. We can quite appreciate the desire of the hon. gentleman to have the discussion on the Humber Contract deferred till the matter of the Railway is also ready for consideration, but we should remember that the people to whom we are going to pay two million dollars are the very people who are interested in the Humber deal. Considering the Government's sudden digression from their attitude of a few years ago on the question of the Reids and the Railway, it is only a fair proposition to lay down that if we are asked to deal with this matter at all we should

have the reasons for the Government's intended action now, and I think the Attorney General will have no hesitation in giving us the necessary information.

If we are to encourage the passage of the legislation concerning the Humber Industry, we should have it first made clear what the policy with regard to the Railway is going to be. Following on that, with the awkward position of the Colony's having to operate the Railway at an immense cost, or our having to pay some one a substantial sum to run it for us, besides the possible burden of the Humber, we have a sure liability no matter how you look at it and at a most conservative estimate, we are in for a big deficit annually. In connection with the Humber Proposition, there is one feature it is only fair to draw attention to. This whole thing is not at all what we had been led to believe it was. We thought it was a new scheme but we find now it is an old Reid Newfoundland Co. scheme which was known at the Carbide Wilson deal and under the Carbide scheme it would have cost the Colony nothing because the ten millions that would have been spent in the Colony could have been got for concessions and would have placed the Colony under no financial obligation whatever. The second point is that it is a pity the Government did not adopt the Blackstead idea of 1919. Taking it even at principal and interest, we had this advantage; that if the project was a success we would have no more liability than we have to-day while in the event of failure we would have still been no worse than we would be to-day, we would only come in for our security after the British Government is satisfied. After all, the Government has nothing to be proud of. I suggest now that when the Committee rises it rise to a date that will give us sufficient time to study the documents that have already been tabled

and the information that has thus far been given us so that we may get down to business as soon as we come in. I think I speak for my colleagues when I say that we come into this discussion in the spirit in which the Prime Minister has spoken. It is our duty to the country to criticize these matters fairly, and if we get all the information there is to be furnished, thus being placed in the same position as the Government or at least in a position as good as theirs, there will be no undue desire to delay the passage of the measure now before the House. Anything that commends itself to us we will do all possible to encourage its adoption, but, on the other hand, if there is anything that we consider objectionable from the standpoint of the Colony's best interests, the Government will appreciate our criticisms, realizing that we are only actuated in the desire to get the best bargain that is possible and avert the disaster of having the country and the people placed under a burden that may be greater than they can bear. I would therefore move that the Committee now rise.

Hon the Prime Minister tabled Report of Government Savings Bank, 1922, also Report of Outport Nursing Committee, 1920-21, and Statement St. John's Municipal Revenue 1922.

Mr. Fox gave notice of question.

It was moved and seconded that when the House rises it adjourn until Monday next, 18th inst., at three of the clock.

The House then adjourned accordingly.

MONDAY, June 18th, 1923

The House met at three of the clock in the afternoon, pursuant to adjournment.

MR. HIGGINS:—Mr. Speaker, I ask the indulgence of the House and the attention of the House while I present a petition of a rather unusual char-

acter. It cannot be said that it is in any way sectional or that in any way it affects anyone beyond the principle involved. With your permission, Sir, so that honourable members may appreciate what is behind the petition, I shall read it to the House:

#### To The Honorable House of Assembly:

It has recently been made known that the Government steamship "Watchful" has been commissioned for service at Stag Bay, Labrador, though the nature of such service has not been clearly understood by the interested public. Be it known that the undersigned interested parties are at present concerned in the personnel complement of the said ship, and are adverse to the appointment of non-certified men to the posts of Master and Mate. Moreover, these appointments were made in defiance of applications and seekings made by certified men for these or other positions of a like nature that may be open in the Government service. It must be known by the Honourable members (or member) who are (or is) responsible for the appointments to such aforementioned posts, that there are to-day in St. John's unemployed certified men who have given their lifetime to the transportation of Newfoundland's staple industry to foreign markets, and the more thoughtfully should these men be considered when the responsibilities and dangers of the foreign trade during the war are remembered. For be it be known that the undersigned are men who suffered all the horrors of submarine warfare, some being torpedoed and left helpless in open boats other captured and taken prisoners of war for three years. Now, finally, after all these hardships, all the years served for experience and study necessary to gain that coveted parchment, the proof of the "holders competency" is to be taken of no account, and non-certified men are

to be appointed instead. Now be it further known that we, the undersigned, consider the aforesaid appointments unjustified men, can lay claim to, and are entitled to first consideration when appointments are being made respecting Masters and Mates in the Government employ. We further agree, that we are justified in protesting and do hereby protest against the appointment of non-certificated men to the posts of Master and Mate of the "S. S. Watchful."

With compliments,

(Sgd.) P. TORRAVILLE,

Master Mariner.

C. BURKE,

Master Mariner.

D. H. ROBERTSON,

Master Mariner.

EDGAR BURKE,

Master Mariner.

S. C. MARSHALL,

Master Mariner.

MARK BURKE,

Master Mariner.

I would like to say that, in presenting this petition to the House, I support it in the spirit in which I have invited honourable members to consider it; I support it because, as I have already said, it is absolutely devoid of anything but the principle involved. We all know that there is a well recognised principle that is adhered to by some private concerns wherein they appreciate a man because of long service; well here are men who have given their lives to train, to become fit navigators and why should they not be given a chance. During the war, as some honourable members are aware, temporary licenses were granted, by special arrangements, allowing uncertificated captains and engineers to operate; but at the present time conditions are such that certificated masters should be given the preference. The only way to encourage and keep our young boys in the sea-going busi-

ness is to give them the assurance that the ultimate reward for their intelligence and ability will not be forgotten at least by the State. Now, if the facts are as represented in the case under review and that there are uncertificated men on the steamer Watchful, I think it is wrong and the position cannot be defended by any honourable member in this House today. There is, further, a broader position involved and which was so properly intimated in the petition before the House, and that is that possibly in no other country in the world did men stick to their posts like the Newfoundlanders did during the war, and who showed such a tenacity of purpose that made it possible for us to have our voyages of fish marketed, despite all they suffered through submarine and torpedo. Surely this country wants this class of man to remain at this kind of work. For the reasons outlined I do commend with all the earnestness possible the most sympathetic consideration for this petition from the department to which it relates. I would like to say that I am not supporting the petition for any personal or political reasons whatever. I trust sincerely that the Government will be promptly rectified.

MR. WALSH:—Mr. Speaker, I wish to heartily endorse the principle enunciated by the Hon. member for St. John's East in presenting this petition. I was a sitting member of this House four years ago when the works and deeds in connection with the War, as referred to by him, were being performed, and the principle was announced in this House and from every platform outside it that we should do all in our power to recompense these men for the work they were doing for us. I well remember that it was my privilege and the privilege of others who got up here to speak a word in behalf of these

men. And I know a dozen of these men who were prominent in war work, but are now in the United States, having been forced to go there through force of circumstances, and who have foresworn their allegiance to the British Empire. The same thing may happen these who have signed their names to this petition. I do not know any of them personally, but I appreciate the reasonableness of their demands. I understand that those employed on the *Watchful* have only been recently engaged, but the men who have taken the time to fit themselves as masters—and on such as these we have to depend for the management of our mercantile fleet—should be given consideration. On the other hand I trust that the Department in charge of the appointments will see that no injustice is done those already on the ship, but will have the principle of the petition carried out. I, therefore, Mr. Speaker, have much pleasure in supporting the petition.

MR. FOX:—Mr. Speaker, I have already asked a question dealing with that point, and with your permission I will now ask the Hon. Minister of Marine & Fisheries if he will give me the answer now. I will then deal further with the matter.

HON. MR. HALFYARD:—My department has nothing whatever to do with the appointment of the master or others on the *Watchful*, and I would ask the Hon. Mr. Cave to answer the question, as I think he can do so.

HON. MR. CAVE:—Mr. Speaker, the name of the captain of the "*Watchful*" is George Bragg, and I think he lives in St. John's East, but I do not know his street number. Whether he is a certificated master or not I cannot say. There were several applications—two from Master Mariners I think. I do not know if Mr. Bragg has a certificate or not, but he was given the position on his

knowledge of the coast. He was practically decided on as master before the applications of the others were received.

MR. FOX:—I would like, Mr. Speaker, to thank the honorable ministers for their replies, but I may say that I am rather surprised to hear that the appointee resides in St. John's East. I think that his is only temporary residence, and from the information that I have received I believe that he comes from some other district. It is a matter of surprise to me that it is not known if he holds a certificate. The voyage of the *Watchful*, as we all know, is not entirely devoid of danger and it ought to be considered if the captain is qualified from the viewpoint of holding a certificate. The safety of the ship on this trip may depend on his knowledge of navigation, and if he has to find his position, as the case may be, to appeal for assistance, how can he do it. I believe the complement of the ship is thirty souls and fear that the Government were not alive to the position in appointing a man to command her without first learning whether he is competent to do so. Applications were received from qualified men and this opens up the question which was thrashed out here a few years ago as to whether we are going to carry out the provisions of the Merchants' Shipping Act or leave our ships sail from port without certificated men aboard. The matter was brought up by the Board of Trade, dealt with at Marine enquiries and urged by the tribunals in connection with the same that ships going on foreign voyages should have qualified men on board. Today we have men walking the streets who did the most meritorious service during the Great War, and it is hard to think that they should have to remain idle while those not nearly so well qualified are appointed to commands.

I know nothing of the qualifications of the man appointed to command of the Watchful, but think that the petition should receive the sympathetic support of this House and have much pleasure in heartily supporting it.

Mr. P. Cashin gave notice of question.

Mr. Woodford gave notice of question.

Mr. Moore gave notice of question.

Mr. Hunt gave notice of question.

Sir M. P. Cashin gave notice of question.

Petitions were presented by Mr. Higgins from Master Mariners Re Coastal Captains.

Hon. the Minister of Marine and Fisheries tabled Annual Report of his Department.

Mr. Cashin gave notice of question.

Mr. Woodford gave notice of question.

Mr. Hunt gave notice of question.

Sir M. P. Cashin gave notice of question.

Pursuant to notice and on motion of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole to consider certain Resolutions relating to the Newfoundland Railway and other matters.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

HON. PRIME MINISTER:—Mr. Chairman, as the late Lord Salisbury once described this country as the spot of historic misfortune because of its unfortunate experience as a pawn in some international disputes, so we might even more truthfully apply the same phrase in describing this country's experience in regard to railway construction and operation. As I explained in my previous address, misfortune has dogged the steps of Newfoundland in her railway enterprise from the outset. The original venture of a railroad from St. John's to Hall's Bay with a branch to Harbor Grace fell into the

hands of an American adventurer, whose finances collapsed by the time the line had reached Whitbourne. The attempt to carry it further had to be abandoned and only the branch to Harbor Grace was completed.

Newfoundland's first serious lawsuit in railway matters arose out of this. The line was to be built in five mile sections, and as they were completed we had to pay a subsidy of \$30 a mile each year for 35 years. When the Company defaulted the Government of that day refused to make payments on that account. The Company took suit against the Government. The decision went against the Government, and the end was that Newfoundland had to pay this subsidy even though the Company had broken its contract with us. (See judgment published in Newfoundland Law Reports 1884-96 at page 147.)

#### Before Privy Council.

We took the matter to the Privy Council. The judgment of the Supreme Court of Newfoundland was upheld with the rider that we had an action for damages against the Comptny. The Company was bankrupt so our right of action was valueless. The similarity of that situation to the present is very apparent. Ten or twelve years later, circumstances forced the Colony to buy back from the British bondholders this section of line from St. John's via Whitbourne to Harbor Grace, and we had to pay therefore the sum of £325,000 for 83 miles of road, approximately \$1,170,000, or nearly 50 per cent. more than it cost. This was necessary to make this section of railway a link in the completed cross-country service.

Following upon the original venture in 1880 the construction of 20 miles of line to Placentia was undertaken. This was in 1887. This was begun as a Government work, managed by a Board of Commissioners,

not been passed some other method would probably have been adopted for saving the situation at the end of June then ensuing, as the Rt. Hon. Sir Robert Bond, P.C., K.C.M.G., the Liberal chieftain, had saved the situation three years before, if indeed the situation in 1898 was ever really as bad as it was pictured by Mr. Morine in his speech in supporting the Railway Deal.

#### **Beginning of Trouble**

I do not propose to enter into a discussion of this question, and will leave it by saying that this Reid Deal of 1898 sowed the seeds of the fatal disease from which Newfoundland has since been suffering in regard to her railway system. The first effect of the passage of this measure was to arouse such a bitter feeling in the country that the Conservative Government was destroyed two years after the passage of the Bill by a vote of want of confidence in which a number of members of that party withdrew from the Government and supported the Liberal Party then in Opposition, and led by Sir Robert Bond.

Sir Robert, on taking office, went to the country on a policy of the repeal of this measure, and in the election the following autumn he was returned with 32 seats against four, Mr. A. B. Morine and his two colleagues being elected in Bonavista and the late Mr. A. M. McKay being elected in Port de Grave. After Sir Robert Bond's accession to office he enforced an amendment to the contract of 1898 which virtually repealed it. Mr. Reid cancelled the clauses by which the reversion of the ownership of the railroad passed to him and went back to his original status of a contractor; his million dollars was paid back to him and the telegraph lines were secured from him under an arbitration. It cost us nearly a million dollars under one arbitration to pay Mr. Reid for betterment made to the railway in excess of his obligation

under contract as he contended, and it cost us another one and a quarter million dollars to get back the telegraphs.

#### **Centre of Controversy.**

Furious controversies have raged during the past twenty years about this Amending Act of 1901, whether it bettered the situation or otherwise. I am not going to attempt to pass judgement upon it. I merely propose to put on record my own experience which is that I have never found a man in any walk of life, who had attained manhood at that time and was familiar with the political and other controversies of the period, who was willing that the Reid Contract of 1898 should remain on the Statute Book unaltered, except a few, a very few, of those who were directly concerned with its passage. Whatever it might have been in theory, in practice it developed into an insufferable monopoly.

Contractor Reid became in some respects a bigger power in the country than the Government itself. Service on the railway, however, inefficient, could not be complained of, because those who complained became marked men. Business men who expressed dissatisfaction with freight services were "black-listed" and lost any Reid trade they might previously have enjoyed. The secrecy of the telegraph system no longer existed, every man's messages were open to inspection by Reid hierlings, and where the messages conflicted with Reid interests the man concerned suffered in pocket if not in person. The coastal steamers were taken off their routes on the flimsiest pretexts and the ships diverted to private business of the Reid Company, the passengers, on some occasions, being put ashore at the nearest ports and left to shift for themselves.

#### **Public Feeling Aroused.**

It was the public indignation aroused by this sort of thing that brought



cash outlay by Newfoundland of over twelve million dollars. According to the average citizen's view of this transaction we were selling this property for one million dollars was really only a figure of speech, because by the new contract we were undertaking to build seven miles or railway from the dry dock in the West End of St. John's to a point near Donovan's on the Topsail Road, to relay the road from St. John's to Whitbourne with 50-lb. rails, to pave Water Street in this city at a cost of \$100,000, and to do other things which would absorb \$450,000, nearly half the million dollars we were getting; this money being paid back to Reids as contractors for the various works.

In addition, Newfoundland was to give Mr. Reid 5,000 acres of land per mile for the operation of the entire system for the 50 years. Taking into account various minor obligations which translated into cash payments added to this, it meant that the million dollars which we would get from him would be largely paid out to him again under these other heads. Then we were giving him what proved to be in its practical application at any rate, a monopoly of the coastal steamship service for a fleet of nine steamers operating around the bays and sections of the coast to Labrador and across Cabot Strait, a monopoly which became so oppressive during the next few years that Sir Robert Bond was compelled to give a contract to the Bowring Company in 1905 for a competing steamship service in order to make it possible for the business people of the city and outports to keep their business enterprises going, because of the heavy charges exacted from them for freight and passage until this opposition service was started. But, in addition, our telegraph line was transferred to him with a provision for his purchase of the same after six years, and the Dry Dock was sold to him for \$325,000 or

about half its cost to enable it to serve as a deep water terminal in the West End for the railroad, which was diverted there from the East End.

### Caused Public Outburst

I do not propose to-day to go into the discussion of the advantages and disadvantages of this contract. Eloquent and skilful pleaders did and could put forward strong arguments on both sides of the question, but the fact nevertheless remains that the introduction into the legislature of this measure was marked by the strongest outburst of public feeling this country has ever seen. Rich and poor, gentle and simple, city people and outport people, united in opposition to it as they never united before or since. One hears latterly comment about the growth of sectarianism in politics, but it is significant that the late Archbishop Howley in St. John's, speaking as a representative Roman Catholic clergyman; the Rev. Canon Temple, in Twillingate, an equally representative Church of England clergyman, and Rev. Mr. James, in Trinity Bay, an equally representative Methodist clergyman, were found lined up against the measure with scores of their fellow ecclesiastics and thousands of their fellow country men of every denomination in the Island.

### Reason for Opposition

At this point it may be asked why did these gentlemen take this stand and my answer must be the words of the late Mr. Joseph Chamberlain in his famous memorandum in connection with this question when it was referred to the Colonial Office by Governor Murray. Here are the words of Mr. Chamberlain:

"I do not propose to enter upon a discussion of the details of the contract, or of the various arguments for and against it, but I cannot refrain from expressing my views as to the serious consequences which may result from this extraordinary meas-

ure. Under this contract and the earlier one of 1893 for the construction of the railway, practically all the Crown Lands of any value become, with full rights to all minerals, the freehold property of a single individual, the whole of the railways are transferred to him, the telegraphs, the postal service, and the local sea communication, as well as the property of the dock at St. John's. Such an abdication of a government of some of its most important functions is without parallel. 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. It will not even have the guarantee for efficiency and improvement afforded by competition, which would tend to minimize the danger of leaving such services in the hands of private individuals.

"Of the energy and capacity and character of Mr. Reid in whose hands the future of the colony is thus placed, both yourself and your predecessor have always spoken in the highest terms, and his interests in the Colony are always so enormous, that he has every motive to work for and to stimulate its development, but he is already, I believe, advanced in years, and though the contract requires that he shall not assign or sublet it to any person or corporation without the consent of the Government, the risk of its passing into the hands of persons less capable and possessing less interest in the development of the Colony is by no means remote.

"All this has been fully pointed out to your Ministers and the Legislature, and I can only conclude that they have satisfied themselves that the dangers and evils resulting from the corruption which, according to the statement of the Receiver General has attended the administration of these services by the Gov-

ernment, are more serious than any evils that can result from these services being transferred unreservedly to the hands of a private individual or corporation; and that, in fact, they consider that it is beyond the means and capacity of the Colony to provide for the honest and efficient maintenance of those services, and that they must therefore be got rid of at whatever cost.

"That they have acted thus in what they believe to be the best interests of the Colony I have no reason to doubt, but whether or not it is the case, as they allege, that the intolerable burden of the public debt, and the position in which the Colony was left by the contract of 1893, rendered this sacrifice inevitable, the fact that the Colony after more than forty years of self-government should have to resort to such a step is greatly to be regretted."

#### A Weak Spot

I digress for a brief moment to invite the House to observe how that distinguished statesman, Mr. Chamberlain, put his finger on one of the weakest spots in this whole measure, the contingency, now unfortunately realized, that in the course of years the enterprise might fall into weaker hands than those which molded it into the attractive industrial structure it then presented and that disaster might thus come, not only on those connected with it, but on the Colony as well, and its whole future be prejudicially affected thereby. We are victims of just that situation of affairs to-day, which Mr. Chamberlain foresaw 25 years ago.

One hears and reads much these days of the need for mandates from the people to authorize the enactment of measures of outstanding importance. In 1898 there was no mandate to the Conservative Government for their Railway Deal. If that party was elected upon any policy it

was on a policy of hostility to Reid, on a pledge to make no further concessions to Reid. That election took place on October 28th, 1897. On February 22, 1898, just four months later, the 1898 Railway Deal, as it has come to be known, was introduced into the Legislature. The country had never heard of this project before, even the members of the Government party in the House never heard of it until a few days before the House was to meet, and Governor Murray records in the correspondence from which I have just quoted that he was kept equally in the dark, because the negotiations were carried on between a few of the leading members of that administration and Contractor Reid and his sons. It was notorious, according to the newspaper reports of the time that the late Hon. W. J. S. Donolly, afterwards Receiver General, was one of the very strong opponents of the scheme.

The British Blue Book issued in connection with the matter and from which I am quoting, shows that this measure, unquestionably the most important the country has ever seen, was introduced into the Assembly on February 22, forced thru all its stages there by March 3rd, or within nine days of the original resolution; and that the Government pressed upon Sir Herbert Murray, the then Governor, that his consent to the Bill be given by March 12th.

#### **"Indecent Haste"**

A study of the correspondence shows that every effort was made to force this Bill through the Legislature with what might fairly be described as "indecent haste" although it involved millions of money, the future of the people of this country, and seriously affected the conditions and prosperity of future generations. In setting out these facts I do not wish to be regarded as in the least degree criticising the good faith of

the Prime Minister of that day the late Sir James S. Winter, K.C.M.G., K.C., his colleagues, and his supporters in the Assembly, because they were led to believe by the Finance Minister of that date, Hon. A. B. Morine, K.C., that this contract was essential if the country was to be saved from bankruptcy on the 30th June next ensuing. Mr. Morine, in his turn, may have sincerely believed that this contract was absolutely essential to the solvent existence of the country. The statement may have been "critically correct," but I submit that the value of this utterance was nullified completely by the facts which did not become public until some months later, namely that Mr. Morine, the gentleman who made the statement, was not alone in his public capacity the Finance Minister of the Colony, but was in a secret capacity the solicitor for Contractor Reid under a 10-year contract at \$8,000 a year without the knowledge of either his associates in the Cabinet or the members of the party supporting the Government in the House of Assembly.

Had the Government known at the time of the dual capacity in which Mr. Morine was acting or had those in the Assembly who voted for this measure known this fact I think it is not unfair to say that they would have thought twice before endorsing the measure on his special advocacy, no matter how powerful his argument in support of it. In the same way, I think it follows, in the light of the storm of criticism which was aroused, not alone at home, but also abroad, by its passage, by the flat-footed condemnation by Mr. Secretary Chamberlain, and by the unwelcome publicity which it gave the Colony and the blow it gave its credit in the markets of the world, that it is easy to believe the passage of this measure did little to help in stabilizing the colony's finances and that if it had

not been passed some other method would probably have been adopted for saving the situation at the end of June then ensuing, as the Rt. Hon. Sir Robert Bond, P.C., K.C.M.G., the Liberal chieftain, had saved the situation three years before, if indeed the situation in 1898 was ever really as bad as it was pictured by Mr. Morine in his speech in supporting the Railway Deal.

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Sir Robert, on taking office, went to the country on a policy of the repeal of this measure, and in the election the following autumn he was returned with 32 seats against four, Mr. A. B. Morine and his two colleagues being elected in Bonavista and the late Mr. A. M. McKay being elected in Port de Grave. After Sir Robert Bond's accession to office he enforced an amendment to the contract of 1898 which virtually repealed it. Mr. Reid cancelled the clauses by which the reversion of the ownership of the railroad passed to him and went back to his original status of a contractor; his million dollars was paid back to him and the telegraph lines were secured from him under an arbitration. It cost us nearly a million dollars under one arbitration to pay Mr. Reid for betterment made to the railway in excess of his obligation

under contract as he contended, and it cost us another one and a quarter million dollars to get back the telegraphs.

#### Centre of Controversy.

Furious controversies have raged during the past twenty years about this Amending Act of 1901, whether it bettered the situation or otherwise. I am not going to attempt to pass judgement upon it. I merely propose to put on record my own experience which is that I have never found a man in any walk of life, who had attained manhood at that time and was familiar with the political and other controversies of the period, who was willing that the Reid Contract of 1898 should remain on the Statute Book unaltered, except a few, a very few, of those who were directly concerned with its passage. Whatever it might have been in theory, in practice it developed into an insufferable monopoly.

Contractor Reid became in some respects a bigger power in the country than the Government itself. Service on the railway, however, inefficient, could not be complained of, because those who complained became marked men. Business men who expressed dissatisfaction with freight services were "black-listed" and lost any Reid trade they might previously have enjoyed. The secrecy of the telegraph system no longer existed, every man's messages were open to inspection by Reid hirlings, and where the messages conflicted with Reid interests the man concerned suffered in pocket if not in person. The coastal steamers were taken off their routes on the flimsiest pretexts and the ships diverted to private business of the Reid Company, the passengers, on some occasions, being put ashore at the nearest ports and left to shift for themselves.

#### Public Feeling Aroused.

It was the public indignation aroused by this sort of thing that brought

about Sir Robert Bond's Amending Act of 1901 and when we hear criticism directed at that measure we should endeavour to put ourselves in the place of the electorate of that day and picture the feelings of a people who were trying to free themselves at any cost from the shackles of what they considered from bitter experience a domination which was threatening their very existence as an Independent Colony of the Empire.

Another criticism since made regarding the 1901 contract is that the action of the legislature in that year, in virtually abrogating the 1898 contract, injured the Colony in the money markets of the world because it indicated a lack of respect for contracts and the sacredness of contracts is the underlying principle on which loans are obtained and the credit of countries maintained. The answer to this must surely be that the circumstances surrounding the 1898 contract were of such a character as to be absolutely dangerous in itself to the colony's credit; to cast a reflection however, undeserved, on the good faith and honor of our legislators and to present Newfoundland to the world as willing to sacrifice its future for mere temporary monetary advantages. It was therefore the bounden duty of the people to retrieve their credit and to dispel the feeling or hostility from unbiased observers which this extraordinary measure unquestionably provoked, as voiced by the press and the public men of the outside world. I venture to say that nothing has done it so much injury abroad, or so much injury at home, as the impression which this 1898 contract gave to the world at large; although I concede most of those who supported it at the time did so in good faith, and in the belief that without it the country would be ruined. Equally, I believe the method of operation of the railroad, especially after Sir Robert Reid's health began

to fail, was decidedly harmful both at home and abroad.

#### Establishment of Grand Falls.

In 1905 as we know the Harmsworths established the paper mills at Grand Falls and in doing so they recognized that it would become necessary for them to depend on the railway system of the Colony for the transfer of most of their incoming supplies and to export all of their product over the railway system. At that time the idea was to use Lewisporte, which was within easy access to their mills, and which would have served all their purposes. Indeed, practically everything for the construction of the mills was brought in via Lewisporte, but owing to their inability to secure satisfactory rates for the carriage of the paper they manufactured, covering a period of years, they were obliged in self-defence to enter upon the construction of a railroad of their own, some 22 miles long, from Grand Falls to Botwood, and to build a shipping port at the latter place. This was a totally unnecessary duplication of the railroad line, it deprived the existing railway of a very large volume of business and it created a most harmful uneconomic competing agency, which was forced into existence only because the Harmsworths found themselves confronted with a monopolistic condition similar to that which prevailed in the coastal steamship service and which as I have already stated, compelled Sir Robert Bond to establish a competitive line of coastal steamers under the Bowring Contract.

By the construction of the Botwood railroad hundreds of thousands of dollars have been lost during the past 17 years to what I will call the "Newfoundland Railway" and by the necessary establishment of the Bowring steamship service equally large sums have been lost.

In 1908, Sir Edward Morris, in offering himself to the electors of this

country as the leader of a political party, went to the polls on a policy of branch railroad construction and this policy being endorsed, he undertook the construction of the branches, some of which have been built, namely, that from Shoal Harbor to Bonavista, that from St. John's to Trepassey, and from Carbonear to Grate's Cove, while work had been started on that from Deer Lake to Bonne Bay. The war began and rendered further progress in that respect impossible. The pre-war conditions of the world greatly stimulated railroad building both at home and abroad, and I would go further and say that pre-war conditions stimulated railway building not alone in Newfoundland but in other parts of the world to an extent that is now proving ruinous to the financial conditions of these countries.

#### Canada's Experience

In the neighboring Dominion of Canada, the Liberal government of Sir William Laurier in 1904, undertook the construction of a second trans-continental railway from the Atlantic to the Pacific to operate as a rival to the Canadian Pacific, and to open up new territory, especially in the west, as the prairies were then being largely settled by immigrants from Europe. Whether, without the war that railroad system would have paid it is idle for everybody to say to-day. The war stopped immigration, the war reduced production, the war took hundreds of thousands of the best and the strongest of young men from Britain and other European countries, young men of the material out of which successful colonists are made. The war killed more than 50,000 of Canada's best and maimed twice that number; the war killed or maimed probably five or six times as many more British boys from overseas who would have settled in Canada, so that it is absolutely impossible to say what would

have happened if the war had not broken out. We only know what has happened since the war broke out.

In a large measure as a result of the appeal to arms made in Europe in August, 1914, we are not alone confronted with the railroad problem in Newfoundland, but Canada's railroad problem is quite as grave as is ours and quite as difficult of solution. This Government has been criticised and will doubtless be criticised further in this debate for having made grants of money to carry on the railroad and for providing stock and other equipment. In Canada they have been compelled to do exactly the same sort of thing, and finally they have had to do what we are now finding ourselves obliged to do; they have been forced to buy out the Grand Trunk and the Canadian Northern railroad systems and consolidate them with the Inter-Colonial as one system of National Railways.

#### Cost Canada Millions

The Canadian Governments, three of them in turn, Borden's Conservative, Meighen's Coalition, and King's Liberal advanced millions of dollars to the Grand Trunk and the Canadian Northern Railways and found themselves confronted with the same problem as ourselves, namely, that if further sums were not provided the railroad would have to close down and the employees remain unpaid. They had to deal with this situation as we had to deal with ours, namely, making provisions whereby they took control of the railways and operated them more or less as Government agencies.

They had to go still further and they had to provide for the submission of monetary claims of the Grand Trunk to a board of arbitration, on which Board ex-President Taft, of the United States, represented the Grand Trunk, and they had to pay \$10,000,000 for certain rights held by the arbitrators to be vested in the

Grand Trunk in respect of certain of its stocks, while in addition to that, the Grand Trunk appealed to the Privy Council against that award and although the decision was against the Grand Trunk, it is recognized as entirely likely that before long Canada will have to make a substantial payment to the holders of this stock, not as a matter of right, but as an act of grace in order to allay the feeling of bitterness which prevails among these shareholders because of their view that they have been unjustly treated.

#### Decision of Privy Council.

The decision of the Privy Council in the Grand Trunk case was published in the London Times of November 16, 1922. It was read by Lord Birkenhead and it discussed exhaustively the whole history of that railway enterprise. I do not propose to read it because it is very lengthy, but my legal friends can find it in the Law Reports. It is merely necessary for me to point out that the recital of the chronological developments on that matter closely paralleled our own and that the steps we have taken here in Newfoundland from year to year to deal with our railway problems were almost identical with those which had to be taken in the neighboring Dominion of Canada about the same time. I would merely add here that whereas the decision of the majority of the Board of Arbitration, namely, Sir Walter Casselle, the judge of the Exchequer Court in Canada, who was the Chairman, and of Sir Thomas White, who represented the Canadian Government, was that the stock was valued at \$10,000,000 the award of Mr. Taft who represented the Grand Trunk valued the stock at \$48,000,000. This means that if the Privy Council had overturned the award the Canadian Government would probably have been obliged to pay the Grand Trunk shareholders

five times as much as they actually paid them.

This is important when we remember that the arrangement we have just made with the Reids is one by which they abandon all their claims and transfer us the railway, railway telegraphs, eight steamers, the express company, the dry dock, etc., for 20 years 5 per cent bonds of the face value of two million dollars, the Reids assuming all expenses and lost in connection with their flotation.

#### Litigation Expensive

We might have undertaken costly protracted litigation before the same Privy Council, but there was the possibility that the Colony might lose and have to pay an enormously larger sum than two million dollars.

On the other hand, it might be argued that we would win and be entitled to receive a large sum of money, but in the first place we were advised by some of the leading lawyers in England that the possibility of winning this action could not be assured and in the second place even if we won we were next faced with the question of how we were to secure payment of our bill of damages from a company which was admittedly bankrupt and had no substantial assets whatever to respond to any claim which we might make against it. That is to say, whatever private resources the Messrs. Reid might possess of their own, these were not liable for the debts of the railway nor for any judgment awarded by the Privy Council against the Reid Newfoundland Company as a Corporation as distinct from a partnership.

Nobody here or elsewhere will seriously dispute that the Reid Newfoundland Company, apart from the private fortunes, if any, of the individual shareholders, is hopelessly insolvent, and unable to meet annual operating losses. It seems therefore a proposition that answers

itself absolutely, that our position would have been hopeless from the outset had we carried this case to the Privy Council, as even if we won we could not collect substantial damages, while if we lost we might be let in for an immense sum in order to satisfy the Reid claims and would also have to settle with them as to their future relations with our railway system.

#### **No Failure By Government**

We have been criticised because it is alleged that we promised to make the Reids carry out their contract and failed to do so. I deny that there was any failure whatever on our part. We have done everything humanly possible to compel the Reids to live up to their contract but we found ourselves in such a jungle of lawsuits and other complications combined with the fact we were dealing with a bankrupt outfit, that the task was hopeless.

These legal difficulties were not of our making—not a single one of them. We inherited every one of them.

They were the outgrowth of 30 years of railroad contracts, amending contracts, and other agreements between the Reid Company and the Governments of Sir William White-way, Sir James Winter, Sir Robert Bond, and Sir E. P. Morris, down to the day we took office.

We had to move very cautiously and we did what I think the judgement of the whole country will approve of our having done—we took the best advice we could get in England as to our position, and acted upon it. One of the gentlemen who advised us on the matter was Sir William Finlay, a son of Lord Finlay, ex-Lord Chancellor, and himself one of the leading members of the British Bar. Another was Mr. Barrington Ward, K.C., an eminent English counsel who has represented Newfoundland in many important matters.

As a special additional precaution we obtained the opinion of Mr. (now Sir) Douglas Hogg, K.C., who shortly afterwards became Attorney General in the Ministry of Mr. Bonar Law and fills the same position in the present administration of Mr. Stanley Baldwin. Sir Douglas Hogg, K.C., is rightly considered one of the most outstanding figures in the British legal world today, and judged to be one of the ablest who has ever filled the important office of Attorney General of England.

#### **Dangerous Situation.**

The opinion of all these gentlemen was that there were grave risks attached to arbitrations and appeals to the Privy Council on the matters in dispute between the Reid Company and this Colony and that it would be better for us, if at all possible, to settle the matter outside of arbitrations and litigation; and, even if it involved substantial expenditure, get rid of Reids and the paralyzing influence which their incompetent management of the railway system has had upon the trade, industry, commerce and general progress of this country for many years past.

It is not possible within the limits of the patience of the House to discuss the details of the immensely complicated situation which from a legal standpoint confronted us in regard to the obligations of the Reids on the one hand and their rights on the other. It will have to suffice for me to say, and I think my assertion will be confirmed by any legal man in this country who has had occasion at any time to study the questions arising out of those contracts, that they are most puzzling, contradictory and hopeless of reconciliation.

I admit that there are those who claim that we have strong claims against the Reids. On the other hand we have to ask ourselves if we are justified, in view of the pronounced opinions expressed by these eminent



English counsels, in taking our dispute to the highest Tribunal of the Empire imposing upon the country a tremendously heavy outlay for legal expenses alone, and taking the risks of heavy damages against us if the decision of that Tribunal was adverse to our interests. Even if we won, we were no better off because they have little of practical value to respond to damages.

#### **Nothing to Recover From.**

Everything the Reid Company possesses is mortgaged to the Bank of Montreal and as to the Bonds which we pay them under this settlement probably the entire net proceeds of their sale will be absorbed by the Bank in liquidation of indebtedness to that institution. Furthermore, even if we secured a decision in our favour there would still remain the necessity of acquiring some of the properties of the company such as the steamers for instance. These are covered by mortgages and we would have to purchase them from the mortgagees or secure other boats to carry on the service.

After studying the problem from every angle, we consequently decided that in the best interest of the country there was no alternative for us but to clear the Reids out at the cheapest figure we could make a clear cut settlement once and for all, between them and the country, and secure for the country the railroad and its allied services—it steam boats, its express company, its telegraphs and its dry dock.

Today, for the first time in almost 35 years, the country can draw a free breath, it can say that it is through with the Reids as a transportation agency in this country. We felt that we could not in justice to the people of Newfoundland and our descendants permit the Reids to continue to manipulate this country in the future as they have in the past, in its politics, in its business, and in every aspect, until their association with it has done

more to discredit Newfoundland abroad than any other combination of circumstances in our recent history.

Lest it be thought that I am exaggerating the seriousness of the situation, let me quote from a report by Mr. R. C. Morgan, who for nearly two years past has been in charge of operation of the railroad system. This report, which is very exhaustive and was tabled here last session as a Parliamentary paper, was summarized in the Canadian Railway Marine World for May, 1922, and I will quote from that report which gives all his facts in condensed form.

#### **Too Many Miles of Road.**

He shows in the beginning that we have too many miles of railway; and the traffic is insufficient; that we have too many non-paying branches; that the more business they do the greater is the loss. He also proves by comparison with Canadian conditions that the freight rates are too low and that the mail subsidies are insufficient. His next point is that the maintenance of the road was starved until the past two or three years, when funds were provided by the Government to make the line safe for life and limb, and that the same conditions applied to the rolling stock.

Other factors which hurt us according to his report, were the abnormal cost of labor and material, and losses on the station agencies three out of every four of which he stated were not paying the cost of their maintenance. I quote here Mr. Morgan's observations on these points as summarized in the publication referred to.

Mr. Morgan's report is based on the assumption that the railway has been a losing venture from its inception, which is borne out by the figures given in an appended table showing the earnings and expenses of the line for the 18 years from 1904 to 1921 inclusive. In each of these years there was a loss, ranging from \$19,162, in

1910 to \$1,681,261, in 1921. The increasing rates of expenses to earnings began to amount up with the bringing into operation of the new branch line constructed in 1910, and to a still greater extent for 1918, when the increased cost of coal, etc., and higher wages due to the war took effect. In 1919 the earnings were 88% of the expenses; in 1918, 80%; in 1919, 69% in 1920, 52%, and in 1921, 45%. The totals for the whole period were:—Earnings, \$14,317,343; expenses, \$20,096,346; loss \$5,779,003. Average of earnings to expenses, 70%. The report discusses the whole situation in considerable detail and assigns seven main reasons for the losses as follows:—

#### Mr. Morgan's Opinion

**“Insufficient Traffic.**—Nearly 1,000 miles of line have been built to serve a population of 250,000 a large proportion of whom live beyond its reach, and the balance live at points directly accessible to water transportation. The main industry of the colony is fishing, and as practically the entire population lives at tide-water there is very little traffic which could not move by water, and a great proportion does not. There are, so far, no producing mines to furnish a large and continuous tonnage for the railway, and the existing pulp and paper mills are as located that they have direct access to ocean transportation. All centres of population are located on excellent natural harbors, and as water transportation is admittedly cheaper than rail transportation, it is not to be anticipated that rail traffic will greatly increase, unless new industries are developed in the interior, where they would be obliged to depend on using the railway facilities now provided. The volume of traffic is also adversely affected by unnecessary and unfair steamship connection fostered by government subsidies. In 1920-21, 20,850 passengers were carried, earning \$737 a mile of road;

and 27,006 tons of freight were carried, earning \$681.68 a mile of road.

**“Excessive Gradients, etc.**—Owing to the light construction of the line, the light gradients, over the entire line, it has never been possible to get an average train-load much over one-tenth of that obtaining on Canadian lines. The railway has a large amount of heavy gradients that most cases on the American continent, and while no high elevations are crossed, the line is a succession of gradients, largely 2½ per cent. A computation of the amount of elevation in feet overcome by a train making a trip from St. John's to Port aux Basques shows the total to be 8,000 feet, a greater climb than is necessary on any trans-continental line in crossing the Rocky Mountains. This handicap cannot be overcome, owing to the physical character of the island making it necessary to touch at water level points, and to cross high ridges of land between such tidewater points. The railway is laid with high rails, and the bridges are of light construction, which precludes the use of anything but light locomotives; the capacity of the cars is low to conform with the narrow gauge of the tracks (3½ ft.) and the light nature of the railway generally. Efficient handling of freight consists of getting a heavy carload and a heavy trainload, or in moving the greatest possible number of tons of freight with the fewest number of train miles. Train mileage cost does not vary greatly on different railways. For 1920-21 the Newfoundland Railway handled its trains at a cost of \$3.06 a train mile, a not unfavorable comparison with the C.P.R. and other lines, but when account is taken of the number of tons handled per mile run the comparison is most unfavorable, being 41, as against the C.P.R.'s 498. The Newfoundland Railway in 1929-21 earned \$1.46 a train mile run against the C.P.R.'s \$4.64. The result shows that the Newfoundland Railway carried on

at a loss of \$1.60 against a profit of 74c, a train mile on the C.P.R., or carrying the analysis still further. It cost the Newfoundland Railway 7½c. to carry one ton of freight one mile, while it cost other countries less than 1c. The revenue per ton mile for 1920-21 was 2.55c, representing about one-third of the cost of operation.

**"Unremunerative Branches**—One of the most oppressive burdens which have been borne by the railway has been the operation of unremunerative branches, which appear to have been built without any reliable estimates as to their traffic possibilities or, if estimated, a gross error was made in assuming that they would produce sufficient revenue to make them self-sustaining. Such branches do, in a certain measure, provide business for the main line, but unfortunately the rates have been so low that the additional business produced has been handled at a loss. In general, it is a fact that the more business the railway handled the greater the loss involved; the years in which the earnings were highest were those in which the largest deficits resulted. The actual operating losses for the various branches is hard to determine, as no division of earnings or expenses has been made in the accounts, but a close estimate has been made from which it appears that the following annual losses may be expected on the four main branches: Trepassay—\$113,000; Bonavista—\$74,000; Bay de Verde \$54,000; Heart's Content—\$37,000. Total —\$287,000.

**"Too Low Freight Rates**—The railway has been operating under too low freight rates since its inception. The basis of freight rates was adopted from a comparison with Canadian rates in force in 1898; but even the low rates authorized by the 1898 contract were not actually made effective until 1918. From 1898 to 1918 a basis of rates averaging 11 per cent

lower than the Canadian rate was in effect. The maximum rates which became effective in 1918, while producing an increased revenue, did not bring in anything like sufficient to meet the increased operating costs. Between 1915 and 1921 the total expenses per train mile increased 227 per cent, and the transportation cost per train mile only increased 10 per cent. Canadian railways have from time to time been granted increase of rates, and while the present local mileage rates on the Canadian National railways are 48 per cent higher than those on the Newfoundland Railway, the C. N. Railways are not earning sufficient to pay operating costs.

**"Insufficient Mail Subsidies**—The Newfoundland Railway was carrying a mail for approximately \$42,000 a year from 1904 to 1912, which was increased from time to time until in 1917 it was raised to \$61,251.49, at which figure it has remained. In 1919 the Board of Railway Commissioners for Canada granted an increase in the mail compensation to Canadian railways, averaging 116 per cent. The mail subsidy received by the Newfoundland Railway is too low and it should be greatly increased by the government.

**"Deferred Maintenance**—Expenditures for maintenance of road and structures averaged \$184 a mile for 1904, and were maintained at a low level until 1918, when they amounted to \$294 a mile. The result was that the railroad reached a condition where large expenditures were necessary to enable trains to continue operating. The expenditures since which ran from \$415 a mile in 1919 to \$575 a mile in 1920, and to \$900 in 1921, have resulted in a great improvement in the physical condition of the property, but this high expenditure must be continued if the ground gained is not to be lost. The question of rail renewal has also to

be faced. Some of the rails have been over twenty years in service, and as no charge has been made against operating expenses for deterioration of rails, new money must be provided for their renewal.

**"Rolling Stock**—Expenditures for locomotives and cars averaged 95 per cent, a mile of line in 1904 and were kept at a very low rate until 1918 when they were \$267 a mile. Owing to the additional traffic diverted to the railway owing to the withdrawal of ships during the war, the locomotives and cars were worn out in service with the result that large additional expenditures had to be made, amounting to \$334 a mile in 1919; to \$530 in 1920 and to \$690 in 1921. The condition of rolling stock is now nearly up to the standard of other lines, and expenditures on this account is likely to decrease rather than to increase.

**"Unremunerative Agencies**—A large number of agencies are maintained at points where the amount of business does not warrant the expenditure. At 44 agencies regarding which figures are given, there are stated to have been no receipts. 10 are not doing sufficient business to pay expenses; 10 are making little more than expenses, and the remainder are doing better.

**"Cost of Labor and Material**—The 1921 wage bill increased by 284 per cent. and the material bills by 283 per cent over 1915, and while the peak apparently has been reached, the downward trend has not yet afforded much relief.

**Increased Revenues and Reduced Expenditures Required**—Mr. Morgan points out that relief of the present condition can only be brought about by increasing the revenue and by reducing expenditures. The government should authorize an increase in freight rates to a maximum at least as high as now authorized in Canada, allowing the management to

meet traffic requirements, , competition, etc., within the maximum, by reducing unnecessary steamship competition, thus diverting to the railway such traffic as naturally belongs to it, and by giving an increased compensation for carrying mails. The railway management should inaugurate a more active and persistent campaign of traffic solicitation; should promote tourist traffic and the provision of accommodation therefor and should secure the co-operation of business men to aid in bringing the traffic to the railway.

Traffic should be restricted on the transinsular line during January and February and March and the traffic to and from Canada should be diverted to St. John's or to the partially completed new terminus at Argentia; only local trains should be operated between certain points, and a weekly mixed train between Millertown Junction and Port aux Basques each way; closing the Trepassey, Bay de Verde and Bonavista Branches, Locomotive and train mileage should be kept down to the lowest maximum; cars should be loaded fully and no freight train should run without full tonnage; trains should be made up on a tonnage basis instead of a car basis; locomotives should be helped to ascertain hauling capacity, and if necessary two locomotives should be used on a train, this being the only method of securing fair tonnage per train apart from securing full car load and maximum train load; every train mile saved means a saving of approximately \$1.25 a mile for actual train operations. Coal, oil and other costs should be investigated, and their consumption placed on a basis of 100 mile runs. the necessary inspectors and instructions and coal-loading appliances should be provided so that savings may be made; agency stations where traffic is insufficient to justify keeping agents or operators should be

closed; train crews should be reduced as traffic declines; monthly estimates of pay rolls be required and they should not be exceeded; and monthly reports for the guidance of the management should be made according to modern practice."

#### Still Applicable

The above is Mr. Morgan's review of the railway situation a year ago, and it has not altered appreciably since. His proposals to remedy the conditions which existed I shall deal with in due course. In the meantime I shall refer to the effect which the war had not alone on our railway situation, but on that of our neighbor Canada. With the coming of the war in 1914 conditions became very complicated in regard to railroad operations both here and abroad. In the United States the government ultimately took over the railways and operated them as a government department. In Canada somewhat similar measures had to be taken. In this country we did not go far, but we had to permit the Reids to increase their rates for passenger and freight traffic and to overlook many inconveniences in connection with the service in the interest of the greater obligation all had in view, namely the winning of the war.

It was not till after hostilities had ended that it became known that the Reids, in addition to extracting from the government every possible concession in these directions during the war, were also piling up huge bills for alleged extra services in the way of running additional trains and otherwise, which to our amazement, amounted to millions of dollars. This was only one bill, and it might be described as a bill of shadowy claims. They also furnished us with another bill for over \$6,000,000 for more direct and specific claims, including their steamers, machine shops, locomotives and other equipment and everything which they claimed they

had provided for the railway and allied services for the past twenty years. These claims are as follows:  
**REID NEWFOUNDLAND COMPANY**

#### LIMITED

#### Memorandum

Buildings, etc.	\$	819,831.15
Sidings and Y's		448,872.13
Bridges and Culverts		147,933.90
Ballasting, etc.		147,946.64
Snow fences		33,303.15
Rolling stock on hand		1,706,557.50
Train Lighting Equipm't		60,359.64
Buildings unpaid for at Port Union		7,445.55
Balance due on 1917 Account Carbonear Terminus		6,458.05
Unsettled claims Branch Railways		255,000.00
Car Shop and Equip- ment St. John's)		72,808.87
Lomotive Shops' Equip- ment		96,204.40
Station and Freight Shed Equipment and Stok		24,138.99
Section and Round House Equipment		131,037.64
Filling done St. John's Yard since 1918		6,380.00
Plans and Drawings at St. John's Offices		23,022.00
Coaling Equipments		10,138.66
Telegraph Lines, 900 miles at \$250.00		225,000.00
Station Supplies Sta- tionery) Estimated		7,024.65
St. John's Office Equipment Estimated		36,694.14
Sleeping Car Equipment Estimated		15,254.52
Stock at St. John's Estimated		100,000.00
Timber Lands (as per Act, 1904)		415,226.00
Express		700,000.00
Steamers		879,800.00
Steamers (Stock and Equipment on hand)		50,000.00
		<hr/>
		\$6,533,687.58

**Reid Proposition, 1919**

In April, 1919 during the Premiership of Sir William Lloyd, the Reid Company made certain proposals, which were published in full in the newspapers of June 4 of that year. They wanted

(1) An advance of a million dollars on account of rolling stock and accommodation supplied to the date of the letter, April 22, 1919. "promising to pay interest on that sum until payment thereof to us is due under the contracts, and to replace any rolling-stock which may be worn out or destroyed in the interval."

(2) An advance of a million and a half dollars "to thoroughly equip the railway for giving the public efficient service; this sum to be expended subject to the supervision of the Government Engineer."

(3) An increase in the mail subsidy for the railroad by \$200,000 a year to meet the interested cost of coal other supplies, and labor in operating the railway.

On May 5, they modified this proposal somewhat and suggested that the Government guarantee the principal and interest of bonds for \$425,000 for equipment, observing that this was what the Canadian Government did for the Grand Trunk Pacific Railways; suggesting also that it would be preferable to have a bond issue of a million dollars backed by the Government's guarantee for these purposes. It should be noted, with regard to this proposition, that the Reids asked for two and a half million dollars to provide equipment for the railroad, but they were to continue in the control of the Railway with the opportunity of piling up further claims against the Government. It was in a large measure because of dissatisfaction due to this proposal of the Reids and to their attempts to secure other concessions that the crisis resulted which over-

threw Sir William Lloyd's ministry, and the succession of Sir Michael Cashin, with the retirement of Mr. Coaker and his friends from that Party into Opposition. In the summer of 1919 the Reids secured from the Cashin Government a payment of \$317,000 in cash in lieu of lands under the 1919 contract for branch lines; based on certain proposals of the Reids for carrying on the railway during the following winter. The balance of their claim under this head was \$46,000, but this is cancelled under the present agreement. Of that amount they undertook to set apart \$100,000 to purchase coal for operating the railroad that winter but instead of using it for that purpose they applied it to reduce their over-draft at the Bank of Montreal and left the railroad without coal, as a result of which the whole system had to be shut down for the winter of 1919-20 to the great inconvenience and serious loss of the public generally.

**Squires Government.**

In the fall of 1919, as everybody knows the party of which I have the honor to be leader was successful in the general election and we took over control of affairs. A few months later we were met with proposals by the Reid Company of a somewhat similar character. The negotiations respecting this took place in July and August, 1920. We declined absolutely to furnish the Reids with any money for any purpose in connection with the railroad over which they would have sole responsibility. Finally as a result of protracted negotiations an agreement was reached which was embodied in a Minute of Council dated 5th August, 1920. Under this a commission was created to operate the railway for the financial year from July 1st, 1920, to June 30th, 1921. That Agreement was as follows:—

Copy of Minute, Executive Council  
(Dated 5 August, 1920.)

Whereas the Reid Newfoundland Company have intimated to the Government that they are unable to continue the operation of the Reid Railway system throughout the country:

And whereas it is in the public interests that the Realway system should be operated and that railroad facilities be improved:

The Deputy Colonial Secretary is authorized to forward to the Reid Newfoundland Company the following letter which has been drafted by His Majesty's Attorney General, the Hon. W. R. Warren, K.C., and approved by the Executive Council:—

August 5th, 1920.

Sirs:—

Following upon the negotiations recently held between your Company and a sub-Committee of the Executive Council, I have the honor to submit to you for your confirmation the following proposals of the Government for the operation of the railroad system of the "Colony:—

1. The railroad system shall be operated by a Commission to consist of six persons, three to be appointed by the Governor-in-Council and three by the Reid-Newfoundland Company.

2. To improve the present condition of the track the Government will provide such splice bars or fish plates as may be recommended by the Commission, but the said bars or plates shall be put on and affixed to the rails at the expense of the Reid Newfoundland Company.

3. For the purpose of increasing and improving the rolling stock and equipment of the system the Commission will provide the following:

6 Engines,

50 Flat Cars,

50 Box Cars.

A freight terminal at St. John's, West.

A freight terminal at Port aux Basques.

4. The cost of the last mentioned rolling stock and shipment will be met by the Government, but the amount thereof will be charged to the Reid Newfoundland Company with interest at 6% per annum from date of payment and the cost of raising the money.

5. While nothing herein shall be construed as any admission by the Government of any claim on the part of the Reid Newfoundland Company against the Government, now or hereafter, the amount so charged against the Reid Newfoundland Company as mentioned in paragraph 4 hereof, will be set off against any claims which the Company may legally have against the Government for improvements or otherwise under existing contracts.

6. The Government will be responsible for any loss sustained by the Commission on the operation of the railroad system exceeding the sum of \$100,000, the Reid Newfoundland Company being responsible for any loss up to but not exceeding that amount.

7. This arrangement refers to and deals with the railway system of the Company only, and not to be the operation of the steamers (except those plying direct between Newfoundland and Canada) or any other branch of the undertaking of the Company.

8. Any member of the Commission to have full access to the right to inspect and take extracts from all books, papers,

documents, etc., of the Company, relating to the past or present operation of the railway, and all amounts charged or to be charged, against railway operating expenses and to admit the books of this Company in so far as any debt or credit relates to the operation of the railway system as defined in paragraph 7 hereof.

9. This arrangement will continue in effect for one year from the first day of July 1920, and it must be clearly understood that this arrangement, or any other arrangement arrived at the present time and anything done under any such arrangement shall be absolutely without prejudice to the rights and liabilities of either party under existing contracts and nothing done hereunder shall in any way effect the present legal position of the Company or the Government under any such contracts.

11. Should the rolling stock and equipment provided for in paragraph 3 hereof not be completed at the expiration of the twelve months herein mentioned, the Commission herein provided shall continue in existence for the purpose of supervising the provision and erection of such rolling stock and equipment unless otherwise agreed.

11. In the event of the President and or Vice President of the Reid Newfoundland Company acting upon the Commission, he or they shall act without salary as shall any number of the Executive Council appointed as a Commissioner.

"I have to ask you to be good

enough to confirm these proposals.

I have the honor to be,

Sir,

Your obedient servant,

(Signed) ARTHUR MEWS,

Deputy Colonial Secretary.

Messrs. Reid Nfld. Co.,

City.

The Hon. W. F. Coaker, Minister of Marine and Fisheries is appointed as the representative of the Executive Administration on the said Railroad Commission, Mr. T. A. Hall, Government Engineer, to be the second Government representative on the said Commission.

#### Resulted In Deficit.

The operating of the railway under the Commission in 1920-21 resulted in a deficit of about \$1,650,000 a somewhat larger sum than the previous year, due to large expenditures for the improvement of the roadbed and of the railroad generally. This additional expenditure was essential for the protection of the public as explained in R. C. Morgan's report already quoted. In addition we furnished the Commission with 1½ million dollars to provide additional rolling stock and equipment, all of which is our property. Even with this additional rolling stock there is not sufficient to handle present traffic requirements and the Armstrongs have ordered on their own account and for their own purposes thirty flat cars and twenty-five dump cars.

In June, 1921, we were confronted with this situation again, further complicated by the fact that Mr. Coaker, the Chairman of the Commission, found it impossible to continue to give the time necessary for that important and responsible work. It was equally impossible for any other member of the Government to assume the position, and his other duties made it impossible for the Government Engineer to properly exercise the functions of manager of the railroad which he had virtually become.



Therefore, as we were determined that under no circumstances should the operation of the road go back into the hands of the Reids themselves, we arranged with the Canadian Pacific Railways to furnish us with a competent official from their staff to undertake the management. Such an official was found in the person of Mr. R. C. Morgan, who came to us in the summer of 1921 and remained with us until a few weeks ago. To his loyal, earnest and whole-hearted co-operation with the Government in the effort to operate the railroad and allied services as effectively as possible I would like to bear testimony here. We also invited Sir George Bury, a former Vice President of the Canadian Pacific Railways, to come here and advise us on the problem. With his report you are all familiar. In our negotiations in June of that year the Reids put before us the following proposition.



#### NEWFOUNDLAND RAILWAY.

(Statement By Mr. H. D. Reid, President of the Reid Newfoundland Co., Ltd.)

As we are meeting the Government for an informal discussion of the Railway Problem, I have thought it proper at the outset to lay before them the financial questions involved in carrying on the operation of the Railway.

The Problem has become one of such magnitude that in our opinion it has become necessary to consider it from two different standpoints,—(1) how to provide **temporary** financing, which is urgent, and (2), how to provide **permanent** financing to put the road on a paying basis, which must eventually be faced.

I desire to impress upon the Government the fact that the Reid interests during their twenty years' operation of the Railway have put into the undertaking **SEVEN MILLIONS** of dollars in **COLD CASH**, upon which **no return whatever** has

been received. On the contrary, they have during that period suffered losses on the operation of the Railway amounting to approximately **FIVE MILLIONS** of dollars **COLD CASH**, not allowing for depreciation, which is very considerable.

It was always our hope that mining and other developments in the Island would take place soon enough to offset the comparatively small losses of our early years when the road was new, and so enable us after a short time to operate at a profit. As you know, the natural resources of the country have not made the hoped-for progress, and our losses continued gradually increasing up to the time when the War broke out, at which time they naturally became very much heavier.

Always hoping that the war would come to an early end, the Company continued to carry on and absorb these heavier losses and in doing so showed an evidence of good faith and intention which is unparallel in the history of railways during the war period. In England and in the United States the Government came to the rescue of the railways, and assumed the staggering losses which could not be borne by the individual companies. In Canada, except the C.P.R., a very wealthy road, the Government were compelled to take over the railway systems permanently and operate them at a heavy loss. We, on the contrary, paid these losses ourselves, and as a result all our available moneys have been spent, and we are heavily in debt.

A review of the figures given in the statement which we are submitting tonight will show that it is impossible to expect any Banking institution to make any further advances for railway operation under present conditions. We have discussed this matter fully with our Bankers, and they advise not only that no fur-

ther advances will be made for railway purposes, but that we must repay to them within a short time our overdraft of over \$1,200,000, which they have already advanced to enable us to carry on.

Our operating loss for the year 1919-20 was exclusive of Depreciation and Interest \$1,334,000.00

On the same basis the estimated loss for the year 1920-21 under the Railway Commission is \$1,650,000.00

And on the same basis the estimated loss for the coming year is at least \$2,000,000.00

It is quite evident from these figures that some plan of temporary financing must be involved to take care of the immediate situation and enable the operation of the railway to be continued while a permanent plan is being considered to provide for the period which must elapse before the road can be run on a profitable basis.

The temporary financing should cover a long enough turn to enable the whole situation to be thoroughly studied, and the essential improvements to the Railway to be decided upon.

We are submitting to-night a statement, the figures in which show in a general way our ideas as to how both the temporary and permanent financing ought to be carried out, the guiding principle being that the Colony shall be called upon to make the lowest possible cash outlay for the next few years covering the period of reconstruction, and it will be noted that provision is made in the plan for the refunding to the Colony out of the permanent financing scheme of any moneys advanced for temporary financing.

The Company will, I can assure you do anything in its power to

assist you in dealing with the problem and will be glad to co-operate along the lines indicated, or consider any other solution that may appear to you of greater merit.

June 17th, 1921.

## NEWFOUNDLAND RAILWAY

### Memorandum Regarding Railway

June 1921.

The most important question before the Newfoundland people at the present time is that of the railway situation. Briefly stated some constructive policy must be adopted in order to meet the situation.

The past history of the road and the outlook is such that no person could consider it possible to have any profit for some years and then only provided the main line, five hundred and forty eight (548) miles be improved, the new rails laid and a considerably increase in traffic.

There is little doubt but that the year from June 30, 1921, to June 30, 1922, will show the largest losses in the history of the road. This is due to present general depression and the difficulties attending operations of the present roadbed.

After June 30, 1922 however, the deficit would be considerably reduced compared with the previous year because of the general reduction in wages and supplies that will take place, the expected increase in traffic receipts and the improvement in part of the road which is contemplated in the plans at present being discussed. It is estimated that of the five hundred and forty eight miles of Main Line about one hundred miles will be improved each year. That is, it will probably be five years before the whole of the Main Line is improved and the new rails put down.

It is to be noted that the road was built to an old standard based on

the traffic requirements of 30 years ago. The grade line which is abnormally steep follows closely to the ground contour. The embankments and cuttings are too narrow, consequently, in the barren and open sections of the country, notably between St. John's and Clarenville, Millertown Junction and Howley and West of Little River, the expense of operation is greatly increased by snow and ice difficulties.

The widening of the cuttings and embankments, the raising of the grades in low places, with additional ballasting and ditching, would greatly reduce the snow fighting costs, and help overcome the difficulty in operating, caused by the alternate freezing and thawing we get during the winter, between the months of December and April.

The Reid interests are desirous of continuing the operating of the road if the Government will give satisfactory financial assistance. They would naturally have a greater incentive than any other interests in bringing the railroad into an efficient and paying condition. They have large present commitments in the enterprise and can only hope to regain their past losses by an efficient and constructive administration.

The Reid interests have spent in cash on improvements and rolling stock about two million (\$2,000,000) dollars, in addition to about \$5,000,000 paid in cash towards deficits.

With the large expenditures on the railroad and considerable loss in operations, it is quite obvious that no bonds could be issued and sold by the railroad unless the principal was guaranteed and the interest payments actually paid by the Government to the Trustee under the Mortgage securing the Bond Issue. The plan, therefore, embodies this provision as to the security behind the Bonds.

The Government Railway Commission has been operating the railroad

since July 1, 1920, and they will terminate their functioning on June 30, 1921. The year's operation under this Government body will show a loss of at least one million seven hundred and fifty thousand (\$1,750,000) dollars.

While the Government has been operating the road for almost a year, which ends June 30, 1921, the arrangement provided that the rights of the Government and of the Reid Newfoundland Company, Limited, would not, in any way, be prejudiced by the intervention of the Government Railway Commission.

Having fully considered the financial position of the Government, the public opinion, the position of the Reid Newfoundland Company, Limited, under the present operating contract the past deficits in operations, the indications, of the future financial results, and other matters, the conclusion reached is, that the plan now summarized, should be followed and commence on July 1, 1921.

- (1) The Reid Newfoundland Company, Limited, meantime continued operating the railroad.
- (2) The Newfoundland Government pay on the first of each month commencing July 1, 1921, and ending December 31, 1921, about \$250,000 to meet the current cash requirements thereby enabling the Company to pay wages coal store and other bills, etc., without inconvenience.

This is a temporary arrangement and will remain in force until the Bonds, later referred to, have been sold, when part of the proceeds of the Bonds will be used to repay to the Government the monthly payments.

- (3) A new company will be formed to be known as the "Newfoundland Railway Company, Ltd.," which will take over the road.
- (4) The capital stock of the new

company to be five million (\$5,000,000) dollars.

- (5) Bonds to the amount of \$11,000,000 twenty five (25) years seven per cent., are to be authorized and sold by the new company as required. The Government would guarantee the principal of the Bond Issue and pay to the Trustee, under the Mortgage securing the Bonds, the amount of interest as it is due, whether the new company should reach a profitable operating basis or not.

- (6) A division of any profits should be on the basis of fifty (50 p.c.) per cent. to the owners of the \$5,000,000 Common Stock and fifty (50 p.c.) per cent to the Government.

- (7) The Government will have access to all the records and be supplied with all necessary information by the new company so that the government will know that all expenditures are applicable to the railroad.

- (8) The new company is to undertake to effect the most economical operation possible. To this end it will reorganize the present organization and out of the proceeds of the Bonds provide such improved equipment etc., as will result in substantial reductions in the present cost of operations.

It is roughly estimated that the \$11,000,000 of bonds will be used as follows—

During 1922	\$3,000,000.00
" 1923	2,000,000.00
" 1924	1,500,000.00
" 1925	1,300,000.00
" 1926	1,000,000.00
" 1927	1,000,000.00
" 1928	1,000,000.00
" 1929	2,000.00
	<hr/>
	\$11,000,000.00

The annual interest cost of the above Bonds to the Government will be as follows:

During 1922	\$210,000.00
" 1923	350,000.00
" 1924	455,000.00
" 1925	546,000.00
" 1926	616,000.00
" 1928	756,000.00
" 1929 and after	770,000.00

The real effect of this plan is that the interest payments in the future will practically be an additional subsidy. In the meantime, however, the railway subsidy for mail carrying should be substantially increased and, if so, the amount of such increase will be deducted from the monthly payments of about \$250,000 to be asked under the tentative plan.

The disposition of the proceeds of \$11,000,000 over the eight years, it is roughly estimated will be as follows:

	IMPROVEMENTS	DEFICITS
Year to June 30, 1923	\$1,000,000	\$2,000,000
" " " " 1923	1,000,000	1,000,000
" " " " 1924	1,000,000	500,000
" " " " 1925	1,000,000	300,000
" " " " 1926	1,000,000	No Loss
" " " " 1927	1,000,000	"
" " " " 1928	1,000,000	"
" " " " 1929	200,000	Probable profit
		(\$200,000)
	<hr/>	
	\$7,200,000	\$3,500,000

**Total \$11,000,000**

It is probable that the Bonds to be sold in 1922 may not be \$3,000,000 but this matter can be better considered when the detailed programme of expenditures are properly mapped out. This has not been properly mapped out. This has not been prepared up to the present moment.

**NEWFOUNDLAND RAILWAY STATISTICS, ETC., JUNE, 1921.****Important Points to be Prominently Kept in Mind.**

Estimated loss 1920-21 (June 30th) excluding depreciation and interest charges .....	\$1,650,000
Estimated loss 1921-22 excluding depreciation and interest charges .....	2,000,000
Estimated loss 1922-23 excluding depreciation and interest charges .....	1,000,000
Loss sustained by Reid Nfld. Company from 1901 to June 30, 1920	6,000,000
Cost spent in Railway operations by Reid Nfld. Company from 1901 to 1920 .....	7,000,000
Loss steadily increased and war conditions increased loss many times prior-war loss.	

Impossibility of continuing on present basis is apparent.

**BONDS GUARANTEED INTEREST PAYABLE BY GOVT.**

Issue \$11,000,000 25 years 7% Bonds.

Bonds to be sold as follows:

	BONDS	INTEREST PER YEAR
During 1922	\$3,000,000	\$210,000
" 1923	2,000,000	350,000
" 1924	1,500,000	455,000
" 1925	1,300,000	546,000
" 1926	1,000,000	616,000
" 1927	1,000,000	686,000
" 1928	1,000,000	756,000
" 1929	200,000	770,000
Total	\$11,000,000	

Annual interest after 1929 .....

\$77,000

In the event of the Railway Company reaching the stage of being able to make a profit, any division of profits should be on the basis of one half to the Government and one half to the Railway Company. If any Sinking Fund should be provided, it should not be accumulated until after, say the tenth year or about 1932.

Tentative revised estimated loss from 1901 to June 30, 1920, also actual money supplied by the Reid Newfoundland Company in connection with the operating of the railroad:—

**ESTIMATED LOSS FROM 1901 TO JUNE 30, 1920.**

Loss in operation to June 30, 1920, before allowing for depreciation and interest say .....	\$4,200,000
Depreciation accumulation should be at least .....	1,200,000
Interest paid to June 30, 1920 .....	600,000
	<hr/>
	\$6,000,000

**ACTUAL MONEY SUPPLIED BY REID NEWFOUNDLAND COMPANY  
FROM 1901 TO JUNE 30, 1920.**

Losses as above .....	\$6,000,000
Less depreciation balance .....	1,200,000
	<hr/>
	\$4,800,000
Expenditure on Capital Account, say .....	2,100,000
Total Cash supplied by Reid Newfoundland Company upon no return whatever has been received .....	\$6,900,000
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**ESTIMATED OPERATING LOSS 1920-1921**

**Loss Before Allowing for Depreciation and Interest**

Loss per accounts 9 months ended March 31, 1921 .....	\$1,200,000
Estimated loss for April, 1921 .....	150,000
Estimated loss for May, 1921 .....	150,000
Estimated loss for June, 1920 .....	150,000
	<hr/>
Estimated loss for year ending June 30, 1921, before allowing for depreciation and interest .....	\$1,650,000

**POSSIBLE ADVANTAGES FOR YEAR 1921-22**

- Cheaper coal.
- Increase due to higher passenger rates.
- Increase due to higher freight rates.
- Saving due to reduction in wages.
- Less severe winter than season 1920-1921.

**POSSIBLE DISADVANTAGES FOR YEAR 1921-1922.**

- Less volume in freight.
- Smaller number of passengers.
- Curtailment of operations at Grand Falls.
- Less pulpwood moving.
- Increased local water competition.
- Increased foreign water competition.
- More severe winter than season 1920-1921.

**LOSS BEFORE CHARGING DEPRECIATION INTEREST PAID AND  
ALLOWING FOR OTHER ADJUSTMENTS FROM 1901 to 1920.**

Period	Loss
21 months to June 30, 1903 .....	\$ 92,000.00
12 " " " 1904 .....	92,000.00
12 " " " 1905 .....	109,000.00
12 " " " 1906 .....	112,000.00
12 " " " 1907 .....	155,000.00
12 " " " 1908 .....	162,000.00
12 " " " 1909 .....	71,000.00
12 " " " 1910 .....	19,000.00
12 " " " 1911 .....	34,000.00
12 " " " 1912 .....	133,000.00
12 " " " 1913 .....	136,000.00

12	"	"	"	1914	206,000.00
12	"	"	"	1915	201,000.00
12	"	"	"	1916	167,000.00
12	"	"	"	1917	141,000.00
12	"	"	"	1918	346,000.00
12	"	"	"	1919	688,000.00
12	"	"	"	1920	1,335,000.00

Total loss 1901 before allowing for depreciation interest  
and other adjustments ..... \$4,189,000.00

Above figures would be greatly increased if all proper charges had been included. The actual loss would be about \$1,800,000 in excess of the total of the above, making a total of \$5,989,000 or say \$6,000,000.

### NEWFOUNDLAND RAILWAY CASH REQUIREMENTS FOR SIX MONTHS JULY 1, TO DECEMBER 31, 1921.

June 1921.

On basis of Operating Cost as per accounts for six months to December 31, 1920 (last year), and allowing for the cash to purchase necessary coal for Railway and steamers to be delivered before December 31, 1921 (for season 1921-22) also for necessary improvements (on minimum basis), the cash requirement will be approximately ..... \$1,512,797.30

Or a monthly payment, commencing July 1, 1921, of ..... \$ 250,000.00

Details of the above computation are attached.

### CASH REQUIREMENTS FOR OPERATION OF RAILWAY (INCLUDING STEAMERS COAL) FROM JULY 1, 1921, TO DECEMBER 31, 1921.

#### SUMMARY

Operating expenses for six months ended Dec. 31, 1920, as per accounts .....	\$1,570,560.67
Deduct Fuel delivered to locomotive during the period .....	404,180.03
Operating expenses excluding Locomotive Fuel .....	\$1,166,380.64
Add Fuel to be paid for during July to December, 1921, 62,540 tons at \$12.00—including steamer's fuel. This fuel has to be purchased and delivered before January and it supplies the needs up to June, 1922 .....	730,248.00
Cash expenses including Fuel requirements .....	\$1,896,628.64
Less Estimated Earnings for six months to Dec. 31, 1921, 50 p.c. of same period during 1920 which were \$958,724.52 .....	479,362.26
Net cash required for operating during six months to December 31, 1921 .....	\$1,417,266.38

Add usual additions and improvements estimated as equal to those made during similar six months in 1920 .....	45,530.92
Add very necessary Bridge Additions and Improvements as per statement .....	50,000.00
	<u>\$1,512,797.30</u>

Monthly payments commencing July 1st, 1921, say—\$250,000.

**STATEMENT SHOWING RAILROAD EXPENSES AND EARNINGS  
JULY 1, 1920, TO JANUARY 1, 1921.**

1920	Expenses	Earnings	Locomotive Fuel Used
July .....	\$266,171.55	\$144,304.32	\$63,187.97
August .....	258,647.80	162,014.09	63,593.72
September .....	248,130.85	152,465.07	62,594.12
October .....	259,166.67	161,071.10	65,797.01
November .....	263,640.62	186,751.91	75,888.89
December .....	274,803.16	152,118.03	71,124.32
	<u>\$1,570,560.67</u>	<u>\$958,724.52</u>	<u>\$404,180.03</u>

**COAL LANDED AT TERMINALS  
July 1, 1920, to January 1, 1921.**

St. John's .....	10,061 tons
Heart's Content .....	14,029 "
Clarenville .....	12,042 "
Lewisporte .....	13,033 "
Humbermouth .....	5,185 "
Shoal Brook .....	3,000 "
Port aux Basques .....	5,191 "
	<u>62,541 tons</u>

**AMOUNT EXPENDED ON ADDITIONS AND IMPROVEMENTS, JULY 1,  
1920, TO FEBRUARY 26, 1921.**

C.O. Train Lighting .....	\$ 667.17
Train Lighting Equipment .....	3,167.55
Office Equipment, two adding machines .....	950.00
895 To build 2 standard sec. class cars .....	1,267.50
930 To build Freight Caboose .....	2,167.98
947 To build 10 30 ft. Wooden Flats .....	3,167.98
963 To put 20 ft. x 6 in. steel span at Upper Gullies .....	36.40
968 To put in Spur Siding at George's Brook Station .....	130.00
951 To construct 1 section Tool House, Donovan's .....	677.10
646 Rotary Plow No. 3 .....	14,839.55
1000 To construct 13 ft. x 8 ft. Tank, Carbonear .....	2,287.33
	<u>\$26,663.31</u>



Station supplies—3 telephones Bishops Falls .....	119.01
Two Turbine Generators, Lamps .....	715.95
	<hr/>
	\$27,698.27
	<hr/>
Government Railway Commission .....	\$17,852.65
Reid Newfoundland Co., Ltd. ....	27,698.27
	<hr/>
	\$45,530.92
	<hr/>

## GOVERNMENT RAILWAY COMMISSION

Amount Expended on Additions and Improvements, July 1, 1920, to  
February 28, 1921.

C.O. Train Lighting Equipment .....	\$1,382.19
942 To build three snow plows .....	844.24
947 Construct 10 50 ft. Wooden Flat Cars .....	177.69
951 Construct Section Tool House, Donovan's .....	334.60
963 Construct Spur Siding Upper Gullies and Foxtrap .....	2.30
971 Construct Spur Siding East of Clode Sound .....	130.00
972 Construct 1200 ft. Siding to Mill at Benton .....	338.88
973 Construct Through Siding, Bishop's Falls .....	260.00
899 Build Dwelling House, Supt. Western $\Gamma$ v. Bishop's Falls ..	165.60
646 Construct Rotary Plow No. 3 .....	6,416.37
944 To make 25th Mile Siding, Heart's Content thru' Siding ..	81.00
949 Construct Sec. Foreman's House at Rantem .....	707.54
982 Tool House Sec. 6 Brigus Junction .....	12.50
985 Construct Thru' Sid. for crossing trains near 237½ mile	631.00
995 Construct Section Foreman's House and Section House at Clareville .....	1,977.45
892 Construct Spur Siding near 291st Mile .....	30.00
Installing batteries, sub-station, for telegraph line .....	409.58
988 Construct Spur Siding near 333½ Mile .....	130.00
997 Construct Spur Siding at 299th Mile .....	430.00
998 Construct Spur Siding at 298th Mile .....	93.75
999 Construct four Boxes 8 ft. x 12 ft. drain, St. John's yard ..	19.51
1000 Construct 12 ft. x 18 ft. Tank at Carbonear yard .....	937.51
To cut down Brigus Jnct. Water Tank two feet and build new on same .....	964.49
Construct Shack for trainmen, St. John's Freight Shed at Harry's Brook .....	200.00
	<hr/>
	\$17,632.65
	<hr/>

BRIDGES REQUIRED ON MAIN LINE DURING SIX MONTHS ENDING  
DECEMBER 31, 1921.

## BARACHOIS:

1. 50 ft. Steel Span 39000 lbs. @ 10c. ....	\$3,900.00
---	------------

	Masonry 45 yards @ \$20.00 .....	900.00	
			4,700.00
<b>LITTLE RIVER :</b>			
1.	75 ft. Lattice Girder 65,000 lbs. @ 10c. ....	6,560.00	
	Masonry 45 yds. @ \$20.00 .....	900.00	
			*7,460.00
<b>SOUTH BRANCH :</b>			
1.	50 ft. Plate Girder 39,000 lbs. @ 10c. ....	3,900.00	
	Masonry Abutment 45 cu. yards; Pier 40 cu. yards: 85 cu. yards @ \$20.00 .....	1,700.00	
			5,600.00
<b>LEECH BROOK :</b>			
2.	75 ft. Lattice Girders 131,200 lbs. @ 10c. ....	13,120.00	
	Masonry & Abutments 90 cubic yards; 1 pier 40 yards; 130 cubic yards @ \$20.00 .....	2,600.00	
			15,720.00
<b>TERRA NOVA :</b>			
2.	70 ft. Plate Girders 78,000 lbs. @ 10c. ....	7,800.00	
	Masonry, abutments 85 cu. yards @ \$20.00	1,700.00....	
			9,500.00
			\$43,080.00
	Add for small bridges requiring renewal (assuming average masonry 12 ft. high)		6,920.00
			\$50,000.00

#### What Proposal Involved

This proposal, stated shortly, was that the Government should allow the Reids to form a new company to operate the railway system, with a capital stock of five million dollars, and raise bonds of eleven millions on the property, principal and interest to be guaranteed by the Government, the profits should any accrue, to be divided equally between the holders of the common stock, who would be the Reids, and the Government. The bonds would run for 25 years, the interest would be 7 per cent. the annual interest cost to the Government would grow gradually from \$120,000 in 1922 to \$770,000 in 1929 and every year after until 1947, when the bonds would mature. There was also the provision for a substantial increase in the railway subsidy for carrying the mails. The existing Reid management would re-

main though we had an assurance for whatever it was worth, that it would be "reorganized," the reorganization, of course, to be carried out by the Reids themselves. I need not say that we declined to consider any such proposal, and resolved instead, upon the policy of putting Mr. Morgan in charge.

In May of last year, as will be remembered, the Reids notified us that from lack of funds they would be obliged to cease operations unless we furnished them with money, and on our refusal to do so they shut down the railroad and left the country for nearly a fortnight without any railway service whatever. But their attempt to extract money from us in that fashion failed as previous attempts had failed, and the utmost we undertook to do was to provide certain sums as certified by the Auditor General and put them in credit

for a special account in the Bank of Montreal, from which they could be drawn only by the authority of the Auditor General whose department undertook audit control of railway operations.

#### Similar Situation

I remarked previously that in every respect I could find an appreciably similar case in Canada's railway problem. Take for instance this matter of the Reids notifying us in May, 1922, that they were without money to carry on and would have to suspend operations in consequence. The debates of the Canadian House of Commons for March 20, 1919, shows that on that day Sir Thomas White, acting premier, introduced resolutions for the appointment of a Receiver for the Grand Trunk Pacific Railway Company. These resolutions are lengthy. I do not propose to quote them in full, but there is one paragraph which is very significant. It sets out that on March 4, 1919, the Vice President of the said Company wrote a letter to the Minister of Finance of Canada in the following terms:

"I am instructed to inform the Government that in view of the fact that the increased rates applicable to the Grand Trunk Pacific Railway have not been sufficient to meet the increased operating expenses, it will not be possible for that company to continue its operations when the present funds have been exhausted, which will be about the 10th inst."

#### Amount In Question

Another paragraph shows that "the present funds" mentioned above, were a sum of \$7,471,393 advanced during the year to that Railway for certain purposes including the meeting of "deficit in operation of the Grand Trunk Pacific Railway system, such sum being in addition to other large sums previously advanced under previous authority for similar purposes." Three years later, in May of 1922, the

Reid Company confronted us with a somewhat similar letter drafted. I have no doubt from this letter of the Grand Trunk Railway to the Canadian Government and with the same idea, namely, that of extracting money from the Government for railway operations. In Canada the Government answered by throwing the railroad into the hands of a Receiver, and ultimately, taking it away from that Company altogether and making it a link in the National system of railways. Here we did not go so far. We arranged for a joint operation of the railroad for a certain period and continued it at subsequent periods so as to cover the twelve months terminating on the 30th day of June instant. In considering this matter we had in view the negotiations then pending with respect to the Humber enterprise, so thought it best to continue the joint control until the fact of the industrial development programme had been determined.

Now let me continue the comparison with the railway situation in Canada. The Canadian Government, when it was faced with an acute railroad problem of its own in the later stages of the War, attempted Commission control as we did and operated the system of Government railroads for two or three years by a commission of twelve gentlemen selected from the different Provinces, the member from Nova Scotia being Colonel Thos. Cantley, for many years President of the Nova Scotia Steel Company and well known in Newfoundland because of his frequent visits to Bell Island Iron Mines. That experiment did not meet the requirements of Canada, any more than it did with us, and the Canadian Government was driven, as were we, to seek an efficient practical railroader to take charge of the undertaking. It thinks it has found such a person in Sir Henry Thornton, previously General Manager of the

Great Eastern Railway in England. He was induced to come to Canada last year, and was given full charge of the railroad system. He is now operating the Canadian National Railways with a free hand from the Government to do anything he thinks well in the effort to make these railways a paying proposition. It may be interesting at this stage to examine some aspects of the problem which confronts Canada in regard to its railways.

#### Canada's Problem

The Montreal Star published during March, 1922, several articles on Canada's Railway Problem. The articles were the work of Mr. J. L. Payne, formerly Statistical Expert of the Canadian Department of Railways, and Canals. Several years ago Mr. Payne was retired under the age limit by the Canadian Government after having spent over 50 years in its public service. Mr. Payne showed that in the year 1920 the Canadian National or Government Railways admitted a deficit of \$70,331,735, but he contended that the amount would be nearly twice that by correct accounting because the official statement omitted charges that would be as genuine and necessary for correct accounting as those which had been included to make up that sum, as, for instance, the interest on the amounts which were raised to meet deficits and to provide betterment.

For those who think that we have been imprudent, injudicious and extravagant in our handling of the railway problem in this country, let me quote from his article. He says of the Canadian Northern, or Mackenzie and Mann system: "In 1918 it had a shortage of \$11,674,187 after all fixed charges had been paid, and then the Government took it over. It was of course hopelessly bankrupt. What happened in the next two years? By the end of 1920 there was a deficit of \$34,074,847. That is, the adverse

balance by nearly 200 percent. By every fair test the Canadian Northern Railway system was in desperately bad shape for five years before the Government took possession of it, and it yielded infinitely worse results afterwards."

Here I would stop to call the attention of the House to the similarity between this situation and ours. The Canadian Northern, he says, has been in desperately bad shape for five years before the Government took it over. That was the position of the Reid Railway before we took it over under Commission control in 1920. Now let us go a step farther. Mr. Payne says "the pinch of trade depression did not set in until early in 1921. As a matter of fact, the Canadian Northern earned \$21,036,090 more in 1920 than it did in 1919. It had been strengthened by a tremendous expenditure of money advanced by the public treasury. Yet it showed deterioration in every department. Its rail load, already ruinously low, declined from 361.4 tons to 353.2 and when that happens, without extraordinary and unconquerable causes, it indicates a fatal defect in management."

#### Uses Strong Language

In his review of the Canadian competent critic used very strong language, and no parallel could be more instructive than that afforded by the example of this railroad in Canada and our own railroad in Newfoundland. Mr. Payne says "the building of the first Canadian Northern Railway was a sound enterprise." So was the building of the first Newfoundland railway, and had the late Sir. R. G. Reid retained the vigor of mature manhood some years longer than he did, we would not, in my opinion, be discussing in this House to-day, any measures in terms like that of the present. The following

is a quotation from Mr. Payne's published statement:

"When our analysis is complete we shall see that both our trouble and our danger have had their origin in a series of blunders. We had just emerged from a period of successful railroad building, and had begun to realize the benefits which the Canadian Pacific had brought to the Dominion, when the notion seems to have become general that the way to promote national growth, swiftly and surely, was to multiply railway mileage with all possible speed. The thought that we might over-build was not entertained. But we did over-build, nevertheless. We constructed thousands of miles of line more than we could possibly assimilate.

"The building of the first Canadian Northern was a sound enterprise. It did not to any serious extent parallel any existing road. Even when it reached a total of 3,000 miles it was still a good business proposition, with a favorable grade and a remunerative traffic. If at that stage some omnipotent hand had been laid on its owners, Canada would not today be confronted by the most puzzling and alarming problem which any country has been called upon to solve.

"The projectors must be judged by performance; for what they did in the succeeding ten years were the acts of men who had thrown reason to the winds. In the history of civilization there is not such another story of folly and blindness, as that which arose out of their subsequent operations. They not only wrecked their own fine promises of success, but they are in a large degree responsible for a situation which has in it all the possibilities at this moment of wrecking a nation.

"What is the frankly told story of the Canadian Northern? It is simply that it was built almost on public money. Its owners had very little

financing to do which called for skill; and such skill as was necessary they could buy. **Theirs was the omnipotence of money, and other people's money at that.** They did not have to go after capital. It was thrust on them in hundreds of millions.

"They did not lie awake at night worrying about what became of this huge system, which in a few swiftly passing years grew from 3,000 to nearly 10,000 miles. That was the concern of the endorsers. The owners let contracts to themselves, and probably saw to it that the difference between the contract price and the actual cost was satisfactory. **No matter how temporary in character were the roads which they built, nor how inadequately they were equipped, it is conceivable that their interest began and ended with earning the subsidies.** The result was that, by 1914, they were at the end of their tether. While it lasted neither conspicuous genius nor business principles were necessary to keep the thing going.

"In 1914 these promoters were at the door of the government begging for \$60,000,000 to keep them afloat. They got it. There was a bludgeon which compelled many a suspicious and hostile member of parliament to support the vote. But why take up more space telling the full sickening story of this road, which was doomed from the moment its owners had their cursed dream of a great rival system to the Canadian Pacific? **We are more concerned at the instant with the awful drain on the public treasury which has been necessary in order to hold up this hastily built system, and keep it from collapsing under its own weight.** The facts in that relation ought to tell every thinking man in the country just what was the character of this railway as laid at the door of government, practically in 1914.

### Huge Railway Loss

"On pages 10 and 11 of the last Public Accounts of the Dominion, will be found the complete facts with regard to what the Canadian Northern has cost the people of Canada since it broke down in 1914. It had cost them something like \$300,000,000 before that in cash and lands and guarantees. But worse was to come. Between 1914 and 1921 it was given advances of \$286,687,833. (He supplies the details, but I have not included them.) This shows:

"Total advance since 1914	\$268,687,833
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"Total cost prior to

1914	\$300,000,000
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"Total cost to people of Canadian Northern system

\$568,687,833
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"Note that no interest to Government is included in these figures.

"One of the first things to arrest attention should be the fact that Government paid \$35,000,000 for the common stock of the Canadian Northern, although it did not represent a penny of investment, and the possession of which carried with it the liability of probably the most bankrupt concern in the world.

"It is only by comparison that one may grasp the significance of these figures. Let it therefore be said that from Confederation down to 1914 when we had 795 miles of railway in operation in the Dominion, the total amount of cash aid given to all roads was \$178,834,529. It took \$90,000,000 more than that in seven years to bolster up the Canadian Northern after it was built and in operation. Yet in 1920 it had receipts \$36,000,000 greater than in 1914.

The original agreement of 1881 gave \$25,000,000 in cash to the Canadian Pacific syndicate, and, through acquired charters, and in every other way, the Canadian Pacific did not receive from the public treasury of Canada \$50,000,000 in aid. Let those

who wish to know the facts measure that sum against the moneys advanced to the Canadian Northern, and they will see that the latter has received enough to construct ten or twelve Canadian Pacifics. And then let them compare what the Dominion has in the two roads—one a bulwark to our national credit, and the other a sink-hole without bottom. Nobody knows nor can know, when we shall be at the end of our losses on account of the Canadian Northern, and nobody now living can possibly live long enough to find out."

### One of Several

The Canadian Northern railway, however, is only one of the four units making up the system now known as the Canadian National railways. The second is the Grand Trunk, operating from Montreal westward through Quebec and Ontario, but as to that there is the evidence of competent authorities that the Grand Trunk of itself was a sound financial proposition. It headed itself for bankruptcy when it undertook the building of the Grand Trunk Pacific railway, an extension of the system from Ontario to British Columbia. This railway and the Canadian Northern were built into Western Canada at the same time, in addition to the Canadian Pacific Railway which already served that section.

Mr. Payne points out that, as with us, "Boom times were on us, optimism ran high, practically everybody believed that we could not build railways fast enough." This Grand Trunk Pacific line was constructed between 1904 and 1914, and he says "It cost the Dominion about \$200,000,000 to build the Grand Trunk Pacific railway and in addition advances were made to that road since totalling \$122,80,700." These advances took the form of loans, investments, interest, receiver's accounts, etc., details of which he publishes. They show, however, that the total

cost of the Grand Trunk Pacific Railway to the people of Canada was roughly \$323,000,000 without allowing a cent for the interest the government had to pay and will have to pay annually on the principal of these loans.

In addition to that, he says, the Grand Trunk has itself got advances of \$28,000,000 up to 1920 and further advances of \$57,000,000 in 1921, making a total of \$85,000,000 given to that railway by the Canadian Government, and that not allowing for any interest charges whatever. He then goes on to say that in order to keep these three railroads afloat, the cost from the beginning of the war up to the end of 1921, the Canadian public had to pay as follows:

To the Canadian North-ern	\$267,000,000
To the Canadian Grand Trunk Pacific	123,000,000
To the Canadian Grand Trunk	85,000,000

a total of \$475,000,000. But he further shows that in addition to these amounts there were capital charges on account of the Government railways from 1914 down to date of \$148,000,000 more and on account of the Inter-Colonial Railways and its subsidiaries a further sum of \$140,000,000 was incurred for the same period.

#### Financial Mess

Although he estimates that \$763,000,000, including interest, was spent in these seven years from 1914 on account of the railways of Canada other than the Canadian Pacific—a sum representing roughly one-third of the entire public debt of the Dominion to-day. I might go on indefinitely quoting figures to show the appalling financial mess into which Canada's Railway system has resolved itself, but I have quoted enough to satisfy the House that the broad sweeping, general criticisms directed against my government for

its alleged failure to more successfully grapple with the railway problem is entirely unwarranted and that the real fact of the matter is that Newfoundland, like Canada, is the victim of a situation for which the direct responsibility cannot be fastened on any one person, one group or one government, but which has grown up within the past 30 years as a result of the development of the country, the demands for railway extension and the expansion of the transport agencies, steam boat facilities and other services, all designed in the best interests of the people, but unfortunately having miscarried as the continued result of undue optimism and great post-war depression. In the United States similar conditions have grown up within the past ten years and I could quote from authorities competent to pronounce on American railroad conditions, but I feel that it is not necessary at this present moment. I may be permitted, however, to quote from the Empire Day Number of the London Times issued under date of May 24th last, a review of the conditions of the South African Railway. It will be found on page 5 under the head of Financial Tasks, sub-head South Africa, where the following statement is made: "The latest estimate of the results for the year 1922-23 indicate a deficit of £1,350,000 of £1,000,000 more than originally estimated. The accumulated deficit now amounts to £2,300,000. The Provinces have also got into the deficit habit. The Cape Province is £145,000 short, the Orange Free State \$126,000, the other Provinces showing smaller deficits. The total public debt of South Africa is now £99,250,000 and increase of over £7,000,000 in a year."

I might explain that the Union of South Africa has a narrow gauge railroad of the same width as ours, 3 feet 6 inches and the total lineage

is 11,000 miles. This railway has been accumulating deficits for some years and its situation is somewhat comparable to our own.

#### Cost In Canada.

The latest official figures respecting the operation of the Canadian National Railways are those which were presented to the Canadian House of Commons on the 27th of March last and reported in the Canadian newspapers of the following day. They cover the working of the system during 1922 and they show that the operating revenue from all sources was \$234,111,090 for that year, a reduction of approximately \$2,000,000 as compared with 1920, while the operating expenses were \$229,917,540, a reduction of approximately \$16,000,000, so that after taking into account non-operating income and deductions from gross income the year's business showed an operating surplus of \$2,638,000. Of course, in this statement no account is taken of the interest on the capital sums which the railway system represents, but it is of importance to note that the condition of the Canadian National Railway for the past year, though serious enough, was \$14,000,000 better than it was the previous year. In con-

nection with this I might remark that Sir Henry Thornton, the new President and General Manager of the system, in a memo, included in the statement of Hon. George Graham, the acting Minister of Railways, "expressed his faith in the future of the enterprise, promised that savings would be made by the reorganization which had taken place since he had assumed office, under which he divided the railway into three regions—east, central and west—for more effective operating of the road, and gave details of plans he had under way to ensure better business on the one hand and increased economy on the other, and he appealed to the Canadian public to exercise patience and afford an opportunity to his organization to make good and justify its expectations."

#### Comparative Statement.

It is gratifying to me to be able to report to-day a somewhat similar improvement in the position of our own railway, even under all the difficulties with which it has to contend. I have had prepared a statement showing comparative expenses, earnings and losses for the 10 months ending April 30, 1922 and 1923, the figures for May not yet being available. This statement is as follows:—

	1922	1923	1923	1923
	Ten Months Ended April 30		Decrease . . . .	Increase
Total Expenses ..	\$2,505,654.45	\$2,150,638.49	\$355,015.96	
Total Earnings ..	1,567,437.38	1,621,618.99		\$54,181.61
Loss .....	938,217.07	\$529,019.50	\$409,197.57	

You will note that there is a decrease in the expenses of \$355,915.96 and an increase in earnings of \$54,181.61, as compared with the same period for the previous year. There has also been a reduction in loss on operation amounting to \$409,197.57. Owing to exceptionally severe winter conditions during the months of

February, March and April of this year, the expenses do not show very much reduction as compared with these months of the previous year, but you will not that, notwithstanding this, there is a total reduction for the ten months of \$409,197. I am informed by the management that business has improved greatly since May



came in and should show considerable improvement over last year.

#### Favor a Trial

The present Liberal Government of Canada has decided to give the policy of government ownership and operation of its National Railways a fair trial, though some of the keenest minds in the country like Lord Shaughnessy and Sir Joseph Flavelle, strongly advocate a return to company ownership and operation. In 1917 Lord Shaughnessy prepared a memorandum analysing the railway situation in Canada as it then existed and suggested a plan of dealing with it. He forwarded his suggestions to Sir Robert Borden, the Premier, for the consideration of himself and his cabinet. Again in 1921, Lord Shaughnessy sent to Premier Meighen a memorandum on the railway situation suggesting a way out of the difficulty. He did so, he said, "to assist if I can in the solution of what is beyond doubt the most serious and menacing problem that faces our country."

This is the attitude of a patriotic Canadian towards his country's railway problem, yet in Newfoundland we have an element which would have the public believe that no other country but our own has such a problem on its hands, and that here it is due solely to the fact that the present government is in charge of affairs.

#### Practical Pronouncement

We have to consider the question as to the program of the government with respect to railway operations. I am of the opinion that the pronouncement of Mr. C. R. Morgan upon our railway situation is the most important practical pronouncement which has yet been made. I consequently again quote from the article which appeared in the "Canadian Railway and Marine World" an article already referred to and from which I have read quotations at

length. Mr. Morgan's line of thought as set forth in that article is as follows:

**"Remedies Proposed:** 'As the experience of about 20 years,' Mr. Morgan says, 'operation of the railway has demonstrated that the contract made in 1898 cannot be carried through its fifty year term, as no private company could possibly absorb the losses involved; the facts should be faced and the old contract should be abrogated on terms fair to all concerned. All claims should be waived in settlement to be made. The ownership of all physical property should be vested in the Government, which now owns nearly all the right of way track, structures and certain of the rolling stock. As the steamships now owned by the Reid Newfoundland Co. are a necessary adjunct to the Colony's transportation system, these should be acquired by the Government, so that they may be managed in complete harmony with its rail system, and rates and routes adjusted so as to best serve the Colony's interest. The present division of the ownership confusing, un economical and unsatisfactory, tending to creation of conflicting claims, which will undoubtedly lead to costly litigation in the future. With the ownership of the steamships and railway consolidated in the Government, they would be free to operate, or lease to any contractor, as would best serve the interest of the people; duplication of service should be eliminated; conflicting rates harmonized; competition of outside steamships met; to the end that traffic on which the people of the Island pay the freight charges shall be carried by the Government boats and railway, so that the money will go to the citizens of the Colony instead of being paid to outsiders and spent in Canada or elsewhere. While it will soon be necessary to face the question of large expenditures for improvements, particularly the relay-

Company shall be deemed to be included in this settlement. The Government shall be entitled to the balances to the credit of the Company's Railway and Steamship Account and Newfoundland Express Company Account in the Bank of Montreal.

7. THE Company shall procure that St. John's Light and Power Company, Limited, hereinafter called the Power Company, shall for itself and its assigns enter into a contract for not less than ten years nor more than thirty years for light and power for the Railway terminus and dock at a discount of twenty five per cent. off its regular rates to ordinary customers or at its lowest rates to any customer whichever shall be less.

8. TO protect such contract and ensure a continuous supply of light and power for St. John's the Government shall

- (a) Subject to existing rights if any introduce legislation authorising the grant to the Power Company of the water powers of Pierre's Brook and Tor's Cove Brook (now held by the Company under an approved application under the Crown Lands Acts) as a reserve supply free of royalty or other charge until developed, after which the same shall be subject to an annual royalty of fifty cents per horsepower used;
- (b) Introduce legislation to enable the Company to assign and mortgage its franchises under the St. John's Street Railway Charter 1896 and otherwise in order that necessary capital for improving the power plant and street railway may be secured;
- (c) Subject to the approval of the Government Engineer or of persons from time to time nominated by him which approval shall not be unreason-

ably withheld permit the Power Company to carry its transmission lines along the right of way of the Trepassey and West End Branches of the Railway; and

- (d) Provide the Power Company with a free site either in the Municipal Basin or on the dump or made land west of the Gas Works for the erection of a new Sub-Station at St. John's and the provision of terminal facilities for the street railway before requiring possession of the present sub-station and street railway terminal.

9. THE settlement contemplated by this Agreement shall be a complete final and absolute settlement of all questions and disputes outstanding between the Government and the Company on railway steamship telegraph express dock and other matters, and is intended to cover every relationship between the parties and exclude all possibility of arbitration or litigation between the parties in connection with anything which has happened prior thereto.

#### Light and Power Company

There is but one feature of this agreement which may call for explanation, and it is that relating to the St. John's Light and Power Company. That company is, like all the rest of the Reid enterprise, in a run-down condition. It is proposed to reconstruct the flume at Petty Harbor, to reconstruct the Street Car system in St. John's and to extend its operations. In order to do this the Company needs money. It can secure that money only by an issue of bonds on the property. These bonds will be sold and with the funds thus obtained the reconstruction will be undertaken.

The power plant at Petty Harbor is now at the limit of its capacity. In the interests of the city it is neces-

tracts or in connection with the railway steamship or express services (including the terminal facilities enjoyed by the Company at North Sydney).

4. The Government and the Company shall respectively be relieved from all claims whatsoever which either party may have or think it has against the other with respect to any matters whatsoever affecting or incidental to the Railway Steamship telegraph express or dock services and from all obligations and liabilities past, present or future, in connection with the construction provision equipment maintenance or operation of the said services or any of them or heretofore imposed upon the Government or upon the late Sir Robert G. Reid, or upon the Company by any statute or by any contract or agreement whatsoever; and by way of illustration only, and so as not to exclude any other items the following matters shall be included under this head:

- (a) The claim by the Company that the Government is under obligation under the Transportation of Timber Act 1904 to provide the Company with over two hundred and seven thousand acres of timber land;
- (b) All claims if any by the Company for transportation or other services over and above contractual requirements either during the war period or at any other time;
- (c) All claims if any by the Company in respect of the competition of the Government in freight and passenger transportation;
- (d) All claims if any by the Company in respect of subsidies unpaid and of moneys due and unpaid on operating account under any contracts

or agreements relating to the operation of any of the said services;

- (e) All claims if any by the Company in respect of moneys due and unpaid on Branch Railway Construction account;
- (f) All claims if any by the Company for damages in respect of breaches by the Government of all or any of the various contracts and agreements relating to the establishment and operation of all or any of the said services;
- (g) All claims if any by the Government in respect of construction and operating contracts including operations under the Railway Commission and subsequent temporary operating contracts and whether for debt default or damages.

5. AS the final and complete consideration for all matters included in this settlement the Government shall pay to the Company in bonds of the Colony at par maturing in twenty years bearing interest at five per cent. per annum and charged upon the funds of the Colony the sum of Two million dollars or at the option of the Company the equivalent of that sum in sterling money of Great Britain calculated at the rate of exchange prevailing on the date of the passing of the legislation hereinafter mentioned. Such payment shall be made within a reasonable time after such legislation as may be necessary for the confirmation of this Agreement and the creation of the said bond issue has passed the Newfoundland Legislature.

6. THE said railway steamship telegraph and express services shall be taken over by the Government as a going concern provided however that all debts due or claimed to be due on operating account to or by the

Company shall be deemed to be included in this settlement. The Government shall be entitled to the balances to the credit of the Company's Railway and Steamship Account and Newfoundland Express Company Account in the Bank of Montreal.

7. THE Company shall procure that St. John's Light and Power Company, Limited, hereinafter called the Power Company, shall for itself and its assigns enter into a contract for not less than ten years nor more than thirty years for light and power for the Railway terminus and dock at a discount of twenty five per cent. off its regular rates to ordinary customers or at its lowest rates to any customer whichever shall be less.

8. TO protect such contract and ensure a continuous supply of light and power for St. John's the Government shall

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The power plant at Petty Harbor is now at the limit of its capacity. In the interests of the city it is neces-

sary that additional power be provided. We are formally confirming to the company their rights to water power on the Southern Shore where they propose to install additional works for generating electricity at a point near these rivers, and to bring that power into St. John's. We propose to give them a right to erect poles along the Trepassey line of railway for the purpose of carrying that power.

By confirming to them this water power and these rights, the proposal will be rendered much more attractive to outside investors from whom they expect to raise the money to reconstruct the system and St. John's will be assured of a certain supply at all times. It may be recalled that two years ago last February the flume was damaged to such an extent that the city was without light or power for several days; and that at frequent intervals following droughts the same thing occurs.

This then is the agreement for the settling of our railway difficulties and assuring efficient electric light and power services for the city. Legislation alone gives it the force and effect of law and provides for the issuing of twenty-year five per cent. debentures for \$2,000,000 which are to be paid to the bids in full and final settlement of all claims and demands. These bonds they accept at par in settlement of all claims and par in settlement.

#### Reid Lands

Some information with respect to the Reid lands may be of interest to the committee.

By the railway operating contract of 1893 the late Sir R. G. Reid was granted 5,000 acres of land per mile of railway in consideration of his operating the railway for ten years from 1893 to 1903. That transaction was closed twenty years ago.

In 1904 (by 4 Ed. VIII. Cap 13, the Transportation of Timber Acts) the

Legislature took back the timber rights on 415,226 acres of the Reid lands within three miles of the sea (Sec. 4) and directed the Governor in Council to issue to the Reid Newfoundland Company in exchange perpetual leases for one-half that acreage or 207,613 acres of timber land (Sec. 8). These lands have not been given to the Company though the Act was passed nineteen years ago. The Te Reids now give up their statutory rights to this land.

The result is that the Reids do not hold and have not since 1904 held all the lands to which they were entitled in respect to the operation of the Railway from 1893 to 1903.

An extra 5,000 acres per mile of railway was granted to Sir R. G. Reid by the 1898 contract (clause 16) in respect to the 50 years operating period, but these lands were taken back for a cash consideration by the Bond Administration under the 1901 contract (clause 5).

Estimated at an approximate mileage of 530, this would amount to 2,650,000 acres, for which they received \$850,000, a payment of about 33 cents an acre.

#### No Lands Granted

No lands have been granted under the 1909 contract (clause 6) though cash has been paid to the contractors in respect of part of their claim, therefore, under the provision of clause 8. As the branches would be operated about 40 years while the main line operating contract was for 50, the land grant for the branches was 4000 acres per mile. The position as to these lands was, however, complicated by the non-completion of the branches and the Reids got from the Government in 1918, after my retirement at the end of 1917, an amount in payment for lands admitted to be due and based upon a figure of 28 cents an acre. The Government contended that this was a payment in full, but the Reids dis-

pute this and say it was only a payment on account, and claim a further sum. That claim for whatever it was worth, is also extinguished by this settlement.

Grants issued to the Reid Newfoundland Company, dated 6th May, 1904, purport to convey to the Company 2,499,770 acres previously granted under the authority of the Railway Operating Contract of 1893, would make a total of 2,558,800 acres to which the Company was entitled under the Railway Acts of 1904 and 1893.

After the issue of the grants in 1904 it was discovered, however, that owing to errors in the plans in the vicinity of Grand Lake there was a shortage in the areas of lots at that place amounting to 28,594 acres, so that the area actually held by the Company at present under the grants issued to them is 2,527,206 acres. All the lands covered by these grants are lands to which the Company was entitled under the terms of the Railway Operating Contract of 1893 which as I have already stated was completed in 1903.

#### **Somewhat Indefinite**

I cannot find it stated definitely in any of the Railway acts that the lands were to be granted as part payment for construction or, if there is any inference to this effect, what proportion was to be on that account and what proportion as consideration for the operation of the line.

It appears doubtful in any case whether the Government can recover any of these lands from the Contractor on account of failure to operate after 1903. The grants were issued under the authority of the Railway Operating Contract of 1893. Section 25 of that contract provided the following penalty for non-performance on the part of the contractor of any of the conditions contained in the contract:

"In the event of the failure of the Contractor to perform the services provided for in this contract, or any of them, the Contractor shall forfeit the security before-mentioned and the government may enter upon and take possession of all railways herein referred to."

The security referred to in this section was the sum of \$250,000 in money or bonds which had to be deposited under the provisions of the Contract of the northern railway.

Sec. 34 of the Railway Construction Act of 1893, which authorizes the construction of the Northern and Western Railways provides that this security deposited under the Northern Railway Contract shall remain, and be accepted as sufficient security both in the said contract and the present (1893) contract.

#### **Impossible Proposition**

I sympathize and am in complete accord with the sentiment which suggests that we should get our lands back, but I regret to say that it is not possible to translate this sentiment into an actuality. The contract which gave the Reids this land is 30 years old. During that time they have parted with much of that land. The Harmsworth enterprise at Grand Falls is founded largely on lands and water powers acquired from the Reids. They have sold lands also at various times to promoters of other enterprises amongst us. The Minister of Justice at last session in a reply to a question from the Opposition, pointed out that previous Governments had permitted the Reids not alone to sell considerable areas of their lands, but also several of their steamers, for example, the Lintrose and the second Bruce, and part with other assets as well.

#### **Matter of Contention**

It may be contended that the Reids were given too much land by those responsible for the contract of thirty years ago. It may be contended

pute this and say it was only a payment on account, and claim a further sum. That claim for whatever it was worth, is also extinguished by this settlement.

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## NEWFOUNDLAND RAILWAY.

## Summary of Rolling Stock on Hand 1901 and Additions to June 30, 1920,

**Rolling Stock**

On Hand 1901	.....\$	333,036.20	
1901-1910	.....	466,353.58	
1910-1914	.....	333,200.00	
1914-1920	.....	477,295.62	
		<hr/>	
		\$1,609,885.40	\$1,609,885.40

**Locomotives**

On Hand 1901	.....\$	236,405.79	
1901-1910	.....	65,000.00	
1910-1914	.....	214,000.00	
1914-1920	.....	125,467.00	
		<hr/>	
		\$ 661,997.79	661,997.79

**Rotary Plows**

1901-1910	.....2	at \$25,000	50,000.00
1910-1920	.....1	at \$25,000	25,000.00

**Steam Shovels**

1914-1920	.....2	at \$17,500	35,000.00
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**Steam Ditchers**

1914-1920	.....2	at \$16,300	32,600.00
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 \$2,414,483.19

TOTAL ROLLING STOCK AS ABOVE, \$2,414,483.19.



Summary of Rolling Stock on Hand 1901 and Additions to June 30th, 1920.

NEWFOUNDLAND RAILWAY.

	1901		1901 to 1910		1910 to 1914		June 30th. 1914 to 1920.	
Sleeping Cars .....	(3)	\$ 46,593.00	(1)	\$ 15,530.00	Nil	(3)	\$ 46,590.00	
First Class Cars .....	(2)	16,784.20	(4)	38,300.00	(6)	\$ 57,450.00	(4)	38,300.00
Combination & 2nd Class Cars..	(12)	75,282.50	(13)	113,750.00	(9)	55,759.00	(2)	17,500.00
Mall and Baggage Cars .....	(4)	23,000.00	(6)	45,000.00	(7)	52,500.00	(4)	11,850.00
Dining Cars .....	(3)	25,176.42	Converting		Nil		(3)	25,500.00
	(3)	323.58						
	(1)	8,500.00						
Box Cars .....	(55)	55,000.00	(33)	51,150.00	(99)	153,450.00	(71)	162,550.00
Flat Cars .....	(85)	42,500.00	(162)	186,300.00	(7)	8,050.00	(32)	55,500.00
Snow Plows .....	(6)	7,200.00	(3)	6,000.00	(3)	6,000.00	(8)	16,400.00
Stationery Cabooses .....	(10)	9,500.00						(1901-1920
House Cars, etc. ....							(40)	43,450.00
Freight Cabooses .....	(2)	2,000.00					(13)	19,655.62
Private Cars .....	(1)	30,000.00	(1)	1,500.00			(1)	40,000.00
Govt. Engineer's Inspection Car	(1)							
	183	\$33,036.20	224	\$400,353.58	131	\$333,200.00	181	\$477,295.62

## NEWFOUNDLAND RAILWAY

## Locomotives.

On Hand 1901 2 Class	8 at.....	\$ 8,137.50	\$ 16,275.00
1 "	10 at.....	4,704.00	4,704.00
3 "	21 at.....	8,400.00 (Nfld. Ry.)	25,200.00
4 "	40 at.....	8,678.25 (1 Pla. Ry.)	34,713.00
3 "	60 at.....	9,599.83	28,799.79
6 "	100 at.....	12,264.00	73,584.00
4 "	106 at.....	13,282.50	53,130.00
Deduct 1 Class 21 at ..... \$8,400.00 8,400.00			236,405.79
Deduct 3 Class 40 at..... 8,678.25 26,034.75			34,434.75
			<hr/>
			\$201,971.04
Added 1901 to 1910 by R. N. Co.			
2 Class 109 at \$13,000.00			\$26,000.00
2 Class 150 at 19,500.00			39,000.00
			<hr/>
			\$65,000.00
Added Ac. Branch Ry. Construction.			
10 Class 111 at \$17,500.00			\$175,000.00
2 Class 150 at 19,500.00			39,000.00
			<hr/>
			\$214,000.00
Added 1914 to June 30th, 1920, by R. N. Co.			
4 Class 121 at \$27,750.00			\$111,000.00
1 Converted (old 105) to 121 Class (difference)			14,467.50
			<hr/>
			\$125,467.50
Improvements—Electric installation, etc.			21,125.00
			<hr/>
			\$146,592.50

## SUMMARY.

## 1920.

19 Locomotives 1901 Stock			\$201,971.04
12 " Branch Railway Contract			214,000.00
8 " R. N. Co. & Converting old Locomotive 105			190,467.50
			<hr/>
			\$606,438.54
Improvements			21,125.00
			<hr/>
			\$627,563.54

## NEWFOUNDLAND RAILWAY.

## Steam Shovels, Ditchers and Rotary Plows.

On Hand 1901			Nil.
Added by R. N. Co. 1901 to 1910 2 Rotary Plows			\$50,000.00
Added 1910 to 1914			Nil.

Added 1914 to 1920 (June 30th) 2 Steam Shovels .....	\$35,000.00
2 Steam Ditchers .....	32,600.00
	<hr/>
	\$67,600.00

**SUMMARY.**

1920.		
2 R. N. Co. Rotary Plows .....	\$ 50,000.00	
" Steam Shovels .....	35,000.00	
" Steam Ditchers .....	32,600.00	
	<hr/>	
1 Rotary Plow added Winter 1921.		\$117,600.00

**Memorandum of Steamers**

I also submit memorandum concerning Reid Newfoundland Company steamers furnished me by Mr. Russell. It will be noted that the present estimated value is £221,000 sterling, and that the amount of insurance carried is £208,000 sterling. In my opinion this estimated present value is very excessive and the amount of insurance carried very

much greater than the present market value of the steamers though it may not be in excess of their replacement value. I cannot conceive it probable that reputable marine insurance underwriters would assume a risk of £208,000 sterling on these eight steamers if the replacement value of the steamers did not reasonably approach that figure.

	Gross Ton.	R.H. Power	Year Built	Where Built	Classification
"Argyle" . . . .	439	99	1900	Glasgow	100 A1 Lloyds
"Clyde" . . . . .	439	99	1900	"	100 A1 "
"Glencoe" . . . .	769	185	1900	"	100 A1 "
"Home" . . . . .	439	99	1900	"	100 A1 "
"Kyle" . . . . .	1055	263	1913	Newcastle	100 A1 "
"Meigle" . . . . .	836	162	1881	Glasgow	Three special surveys, Oct. 20, B.C.
"Sagona" . . . .	808	98	1912	Dundee	100 A1 Lloyds
"Petrel" . . . .	346	80	1892	Collins Bay, Ont.	No Class

As a study of the matter of claims, arbitrations and award between the Reids and the Newfoundland Government may be of interest I submit the following memorandum:

#### Memo. re Reid Arbitrations, Claims and Awards.

7th October, 1902. Award by Hon. Alfred Lyttelton, P. S. Archibald and C. C. Gregory:

Total claim by Reids . . . . .	\$2,022,622.23
Less items in respect of which no award was made and which were left to remain Reid property Hotel at St. John's, \$15,358.94; Quarry property and Benton Mill property, \$136,605.54	151,964.48

Net amount of claim dealt with . . . . . \$1,870,657.85

Amount awarded Reids for rolling stock, stations, etc. or about 45 per cent. of the claim, \$485,130.00.

14th February, 1905. Award by P. S. Archibald, Edward Blake and Donald Macmaster.

Total claim by Reids, re Telegraphs, . . . . .	\$3,188,898.00
Amount awarded as compensation for loss of Telegraphs . . . . .	1,503,100.00
or about 47 per cent. of the claim.	

When the railway dispute came to a head in May, 1922, and it was evident that the parties to the dispute must either arrive at an amicable settlement or become involved in immediate litigation of some kind, it was verbally stated on behalf of the Reids that their claims against the Government in the event of litigation

would including interest, exceed fifteen millions of dollars.

If they had the same success in such litigation as they had in the case of the 1902 Arbitration and the Telegraph award of 1915, the proportionate amount they would recover would be about seven millions of dollars, as against which we would

Date Reclassed	Present Class	Original Cost	Estimated Pres. Val.	Amt. Insurance carried
June, 1921	100 A1 Lloyds	\$100,000	£ 20,000	£ 20,000
May, 1921	100 A1 "	100,000	20,000	17,000
March, 1922	100 A1 "	175,000	38,000	38,000
April, 1921	100 A1 "	100,000	20,000	17,000
	100 A1 "	223,959	50,000	50,000
	Brit. Corporation	71,335	30,000	23,000
Nov., 1921	100 A1 Lloyds	125,554	33,000	33,000
No Class	No Class	47,767	10,000	10,000
		\$943,615	£ 221,000	£ 208,000

have such amount as the arbitrators might award as being due Newfoundland on account of damages and general indebtedness.

Other arbitration proceedings may be recalled:

1904, 1 Mar. Judgement for Reids on special case stated to the Supreme Court under an arbitration respecting the fixing of ports of call for the South Coast steamer (N.L.R. p. 34.)

1904—15 June, Judgement for Reids on similar special case as to right of Government to withhold subsidies from the Virginia Lake (N.L.R. p. 47)

1904—18 June, Judgement for Reids on appeal to Supreme Court from order of a judge appointing a third arbitrator for the Telegraph Arbitration. (N.L.R. p. 48.)

1908—12 Feb., Judgement against Reids on their application to appoint *ex parte* a third arbitrator on a proposed arbitration as to the alleged wrongful withholding of subsidies for the Ethie and Dundee.

This matter of subsidies has been a fruitful source of trouble. The records of the Colonial Secretary's Department and the Department of Posts and Telegraphs are full of letters of protest from Reids against

what are claimed by them to be breaches of the railway contracts on account of the withholding of subsidies, and generally it may be said that ever since 1901 the Reids have been continually putting themselves on record as protesting against numerous matters which they alleged were breaches by the Government of its obligations towards them.

I recommend this solution of our railroad problems to the Committee as one of outstanding success, a settlement which it would have been entirely impossible to secure had it not been for the fact that no satisfactory progress could have been made in connection with the Humber development program in which the Reids are largely interested had they not been prepared to come to these terms in the matter of railroad settlement. When I addressed the Committee on the Humber resolutions, I pointed out that the resolutions then laid before the Committee were a business proposition pure and simple for acceptance or rejection on their merits and without any regard whatever to present or past political history and associations. I now submit these railroad resolutions in the same spirit.

No one realizes better than myself the bitter personal and political controversies which have raged around all matters with which the Reids have been associated during the past thirty years. It may now be difficult for some of the older members of the Legislature, gentlemen who were themselves associated with the debates and controversies of the past thirty years, particularly in connection with the '98 and 1901 contracts, to get down to the consideration of the settlement with the same freedom of thought as those of us to whom the '93, '98, and 1901 contracts are matters of history only, but I feel quite sure that my honorable friends of the Opposition will deal with this program purely as a business proposition without marring the discussion and prejudicing sane business judgement with the personal and political bitterness which the '98 and 1901 contracts particularly have left in the minds of those both inside and outside the House who have taken a continuous active interest in political affairs during the past quarter of a century.

**Copy of Opinion of Douglas MacGorel  
Hogg, K.C., with respect to Railway  
Question.**

London, October 18, 1922.

The first question submitted to me is whether the Government is bound to pay to the Railway Company one million five hundred thousand dollars, although the actual loss in operating has not amounted to that sum. In my opinion they are not so bound. Clause four of twelve Geo. V. C. Sixteen imposes on the Government the obligation of paying the actual loss incurred operating the Railway up to a maximum of one million five hundred thousand dollars. It is impossible to construe this as imposing an obligation to pay one million five hundred thousand dollars, unless and until a loss of that amount is incurred. Nor does it impose any ob-

ligation on the Government to make advances in order to finance the working of the Railway. By its refusal to operate the railway unless the Government advance funds for that purpose, the Company has committed a breach of its obligations under clause four of the eighteen hundred and ninety-eight agreement, and my opinion is that this is a breach going to the root of the agreement between the parties, and amounting to a repudiation by the Company of its obligations thereunder.

2. The Government has in these circumstances two alternative courses open to it. It can (one) accept the repudiation and treat the contract as thereby determined, or (two) refuse to accept the repudiation and to treat the contract as still alive; the rights of the Government vary according to the alternative which they may select.

3. If the Government elect to treat the contract as determined, it is at an end for all purposes. There is therefore no obligation to go to arbitration; there is no obligation to buy the Company's rolling stock or improvements. The rights and interests which the Government sold in eighteen hundred and ninety-eight and re-purchased in nineteen hundred and one remain in the Government, freed from any claim by the Company, but the Government has no right to the rolling stock or improvements added by the Company, since its only right to these would be by virtue of the forfeiture clause of the agreement, and the agreement is at an end. The Government could bring an action for damages. The measure of damage is discussed later in this opinion.

4. If the Government elect to treat the agreement as still in existence, their rights are regulated by its provisions. These rights would seem to be (one) forfeiture, under clause thirty-eight of the eighteen hundred

and ninety-eight agreement; (two) penalties under clause twenty-seven of the nineteen hundred and one agreement; (three) damages to be assessed by arbitration. These remedies require careful consideration.

5. An important point arises under the forfeiture clause. In my opinion the property forfeited to the Government by virtue of that clause is the railway as it exists at the date of forfeiture, including all additional rolling stock and other improvements provided by the Company since eighteen hundred and ninety-eight. By clause two of the eighteen hundred and ninety-eight agreement the term "railway" includes all rolling stock, buildings and structures, "provided and to be provided, and all other materials, accessories, and equipments, the property or to become the property of the Government, in connection with all or singular the line or lines of railway." The definition is obviously copied from clause one of the operating agreement of eighteen hundred and ninety-three, and is not very apt, but in my opinion the effect is as I have stated. By clause eight of the agreement itself, additional rolling stock and equipment, etc., as required by the development of the traffic, is "to be provided" by the Company, and under clause eight of the eighteen hundred and ninety-three agreement, which is to be read in connection with the eighteen hundred and ninety-eight agreement, such additional rolling stock, etc., "was to become the property of the Government." As I read the agreement, the railway is to be forfeited and to revert to the Government on the happening of certain events in the state in which it then is, and I think it is stressing the word "revert" too much to suggest that its effect is to limit that which is forfeited to such part of the railway as belonged to the Government at the date of the agree-

ment. This construction would involve the further difficulty that probably many of the tools, cars and other equipment which existed in eighteen hundred and ninety-eight have become worn out before nineteen hundred and twenty-two, and yet, if the word "revert" has the effect claimed, it would seem that all these ought to be returned to the Government. I see no inconsistency in reading clause thirty-nine as transferring all the Government's interests in the railway at the date of sale to the Company, and clause thirty-eight as transferring all the Company's interests in the railway at the date of forfeiture to the Government, even though the railway has been improved between the date of sale and the date of forfeiture, nor do I regard clause eleven of the nineteen hundred and one Act as modifying this construction. That clause seems to be intended to prevent the suggestion that the effect of the sale to the Government in nineteen hundred and one was so to modify the interest of the parties in the railway as to render the forfeiture inapplicable. I do not regard clause thirteen of the nineteen hundred and one agreement as presenting any difficulty. It provides for a sale of certain assets on the termination of the agreement, whereas clause thirty eight, on my reading of it, forfeits these assets to the Government in a particular event before the agreement terminates, and thereby prevents the sale.

6. Although the Government may claim penalties if they keep the agreement alive, in my opinion it is clear that these penalties are not limited to the two hundred and fifty thousand dollars security. It is not the law that when a man gives security for the due performance of his agreement, he thereby limits his liability to the amount of such security, and I see nothing in any of the pres-

ent agreements to justify the implication of such a term. Nor do I regard the penalties under clause twenty-seven as liquidated damages. The use of the expression "not exceeding" renders it very likely that they were liquidated damages, and when one observes the varying importance of the provisions of the clauses to which the penalty attaches, it seems to me impossible to regard the penalty as a genuine pre-estimate of the damages which a breach of any of these clauses would inflict. The Government must claim the actual damage which it has sustained.

7. Whether the agreement is treated as ended or is kept alive, the assessment of the damage will present considerable difficulty. The measure of damage would be the extra cost to the Government of operating the railway or procuring it to be operated in accordance with the provisions of the agreement for the remaining years of the agreement. Allowance would have to be made for the fact that the money would be payable immediately on assessment, while the loss would be spread over nearly thirty years. If, as would seem advisable, the Government treated the agreement as alive, allowance would have further to be made for the profit resulting from the acquisition for nothing of the Company's improvements under the forfeiture clause, as compared with the obligation under clause thirteen to pay for them at the end of the agreement. In estimating the damage, nothing could be claimed for the cost of any service on the railway beyond the minimum which the Company was bound to provide, and, while the passenger rates and the rates for car loads of freight are fixed, clause thirteen A provides for variation of freight in lots less than car loads, and due allowance would have to be made for this in estima-

ting the loss in operating the railway. The probable traffic and cost of operation would have to be estimated for the remaining years of the agreement. From these considerations it is apparent that any damages which the Government may be entitled to recover will be extraordinarily difficult to prove. I can also see great difficulties arising in enforcing the forfeiture clause should the Company refuse to acquiesce. It seems to me, therefore, that the case is eminently one in which every effort should be made to arrive at a friendly settlement, if reasonable terms can be found. I am confident that my construction of the agreement is correct, but the litigation necessary to establish it will be protracted and expensive, and the outcome of the question of damages is impossible to foresee with any certainty. I gather that the Company has certain claims against the Government for services rendered and for other matters outside its obligations under the agreement, and I trust I am not exceeding my duty if I suggest that with reasonableness on both sides a settlement would be effected which would dispose of all matters in controversy, and that such a settlement is very desirable in the public interest.

Sgd. DOUGLAS MacGOREL HOGG:

#### Opinion of F. T. Barrington-Ward, K.C.

I proposed in this opinion to state as definitely as possible what my views are upon the several questions raised, but I desire to say in the forefront of this opinion that nearly all these questions turn upon points of construction as to which nobody can ever be confident that another mind may not take a different or indeed an entirely opposite view. Further, the earlier part of this opinion must be read subject to my observation at the end.



1. The first question is whether there has been a default on the part of the Railway Contractors (hereinafter referred to as "the Company") by reason of their ceasing to work the Railways. The Company contend that upon the true construction of the Agreement of 30th June, 1921, they are entitled to be paid in advance the whole sum provided for in the Agreement before the actual loss is ascertained. The Government contend that they are not bound to finance the undertaking in advance, but only to recoup ascertained losses in manner agreed upon between the parties.

In my opinion the contention of the Government is correct. The Government have an obligation under ss. 4 to pay the "actual" loss of operating the Railway during the term of the Agreement, and there is a proviso that if "such" loss exceeds one and a half million dollars, "such" excess shall be borne by the Company. The words actually used refer only to ascertained and not estimated losses, and it would be ultra vires the Government to hand over public monies to the Company, except upon a basis of actual loss from time to time ascertained. The section gives power to the Government to make interim recoupments but not interim or indeed any advances. In this view it follows that the Company had no right to cease railway operation and that they are in default.

2. The rights and powers of the Government depend upon: (a) Whether the default is a breach of contract "going to its root" and constituting an entire repudiation or merely a subsidiary breach, giving rise only to a claim for damages.

Cessation of operation is such a vital matter that I have no hesitation in saying that it amounts to entire repudiation.

(b) Whether, assuming the default amounts to entire repudiation, the

Government elect to treat it as such or not. They may do so, but they are not bound to do so. If they do, then their only claim is for damages flowing from the breach. The contract is fully and finally over and none of its terms remain. If they do not do so, but continue to treat the contract as subsisting, then in addition to a claim for damages to be assessed by arbitration they can exercise their special powers under the agreement itself, i.e. forfeiture, and claim for penalties.

3. I defer advising as to what course or steps the Government should take to preserve its rights or to provide for the continued operation of the railway until a later stage of this opinion. (See paragraph 12 below.)

4. In my opinion the powers of the Government under ss. 38 of the 1898 Agreement are wide enough to enable the Government to seize the Railway as a whole and in the state in which it is at the date of the forfeiture. The Government by ss. 39 sold to the Company their reversionary interest as at that date, but by ss. 38 the Company charged to the Government the entire Railway as a continuing security for its proper operation by the Company during the term of the Agreement and did not limit the subject matter of the charge to the Railway as then existing. All subsequent additions of every kind covered by the definition clause (ss 2) in my opinion become subject to and embraced by the charge—from the moment that they are appropriated to the use of the Railway. It is true that if the agreement had been carried out to its conclusion, the Company would have got payment by valuation for subsequent additions (1901) Agreement ss. 13). But the Company have repudiated the agreement and ss. 38 of 1898 in the events which have happened overrides the rights otherwise

conferred by ss 13 of 1901. It is to be borne in mind that by ss. 1 of the 1901 Agreement the 1901 Agreement is to be read in connection with and as part of the 18'8 Agreement, and also by ss 11 of the 1901 Act the forfeiture clause is expressly preserved.

5. Railway in ss 38 of 1898 in my opinion means the aggregate of property and rights covered by the definition section (ss 2), from time to time subsisting and employed in the manifold operations of steam-road transportation. It is not limited to the things provided or rights acquired before any given date; it includes everything covered by the definition clause subsisting in the undertaking on the date of forfeiture.

6. In my opinion Rolling Stock and equipment, provided under clause 13 of the 1901 Agreement do "revert to the Government, not as individual chattels, but as forming part of the undertaking charged by ss 38 of the 1898 Agreement. It is an easy criticism to say that was not in existence in 1898 and has never been owned by the Government cannot "revert." My answer is that what reverts is the whole railway as at the date of the forfeiture, and if things have become subsequently comprised in it they go too as part of one entire system.

7. If my views are correct, it follows that the Government can under ss 38 of the 1898 contract and ss 11 of the 1901 Act enter upon and take possession of rolling stock and equipment provided pursuant to ss 13 of the 1901 Agreement.

8. The Government can obtain damages from the Company if they cease to operate the Railway (a) if the repudiation is accepted, by action (b) if it is not accepted, by arbitration.

9. The manner of ascertaining the damages I deal with below.

10. In my opinion the penalties provided for in ss 27 of the 1901 Agreement are not "liquidated damages." As a matter of construction they are sums provided in round figures to ensure performance by the Company of several different clauses varying considerably in importance and not sums provided by the terms of the contract as a prequantification of damages likely to flow from specific breaches thereof.

11. In my opinion the damages recoverable by the Government in any event are unliquidated and not limited by any of the provisions of the 1901 Agreement. The Government of course would have to give credit for the 250,000 dollars security held against any damages they might recover. The measure of damages would be the ascertained amount of the actual loss to the Government by reason of the Company's failure to continue the maintenance and operation of the Railway in accordance with the several contracts. The main problem would be to ascertain the extra cost resulting from the maintenance and operation of the system under substituted arrangements based upon the requirements of the contracts. The circumstance that nothing was being paid for the additional equipment, etc., would have to be given effect to by way of discount from the total sum awarded, because this release from payment operates to reduce the total loss.

12. The question as to what course the Government should take in this matter is really one calling for a practical business answer. I have indicated above that in my opinion the Government have in substance a good claim both to take possession of the railway and to recover damages, but when one descends from the calm of theory to the firmer ground of practical affairs, I see the gravest possible difficulties in substantiating the case.

In the first case the Company will offer the most determined resistance if the Government attempt to seize the railway system (and by the way how do they propose to do it ?) ; the Company will go forthwith to the Courts (not forgetting appeal to the Privy Council) for injunctions, and, even if the Government are there first, what possible directions could be given by the Courts to a recalcitrant Company for securing the continuance of railway operation. The Company will consent to nothing and I really do not see what steps the Government could take to get effective control and then maintain proper services.

The steamship and express services of the Company are wholly outside the forfeiture clause.

How do the Government propose to correlate them with the forfeited railway system ?

Further, when it comes to an ascertainment of damages, it is all very well to say that this must proceed on the basis of the extra cost entailed or the loss sustained in consequence of the Company's failure to continue railway operation.

It must alarm any reasonable lawyer to reflect how such a claim could be adequately framed or presented.

One must also bear in mind that the Company has in all probability certain sound cross claims, e.g. for extra services rendered at the express or implied request of the Government during the war and otherwise, and it may conceivably turn out that the courts take a view in the Company's favour of some of the contentions passed under review in this opinion. In any event it must be remembered that one is dealing with an arterial service in the national life, and not allow technicality to obscure practical judgment. Any litigation would be protracted, uncertain, exceedingly costly, and in the last resort would, in my opinion, in-

evitably become the subject of a compromise. If this view is correct, it seems to me plain that, notwithstanding the forensic strength of the Government's case, steps should be taken to effect an early settlement. I have naturally taken into account the views of those who favour the forfeiture of the railway and the institution of legal proceedings, but, after weighing the matter most anxiously and deliberately, I have come to the conclusion that it would be only consonant with the public interest to reach by negotiation at the earliest possible moment a proper basis of settlement.

F. T. BARRINGTON-WARD.

Temple, E.C., 27 Sept., 1922.

#### Opinion of William Finlay.

There would appear to be no question that the Reid Newfoundland Company have ceased to operate the railway and are in default under the contract. This being so the Government have two courses open to them. They may treat the contract as at an end with the result that they would be entitled to claim damages, but would not be entitled to rely on any of the terms of the contract. Or they may treat the contract as still subsisting with the result that they would be entitled to claim damages and also to rely upon any of the terms of the contract. If the Government elect to treat the contract as subsisting, the mode of procedure would be to take possession of the Railway under Clause 38 of the 1898 Contract and give the Company notice that this had been done and that the Government held the Company liable to penalties and damages for their breach of contract. In the event of the Company offering any physical interference or opposition to possession being taken, the Government should apply to the Newfoundland Court for an injunction to restrain such interference.

I cannot doubt that in the events which have happened to treat the contract as subsisting will be the most advantageous for the Government and the main question upon which my opinion is desired is as to what is the position of the parties under certain clauses of the contracts.

I should preface what I have to say by pointing out that the questions are not questions of general law but are questions on the construction of a series of difficult and in some respects obscure contracts. It is possible to say what in my views is the right construction, and this I propose to do, but matters of this sort strike different minds in different ways, and it is quite impossible to advise with confidence or certainty that the view which I think right will ultimately prevail.

In my opinion, as I have said, the Reid Newfoundland Company is in default. Admittedly it has ceased to operate the railway, but it sets up, as I understand, that it was justified in so doing by reason of the failure of the Government to observe the terms of Clause 4 of the Agreement scheduled to Act of 1921. In my view this contention of the Company fails altogether. Clause 4 does not impose an obligation upon the Government to pay \$1,500,000 or any other sum. It does not impose an obligation to pay losses up to \$1,500,000. This the Government have been willing to do. It accordingly follows that the contention of the Company on this point fails and the stoppage constituted default by the Company.

In these circumstances the Government is entitled to damages. The general principle is laid down by a great authority, Baron Parke in *Robinson v. Harman* 1 Ex. 850 at p. 855. "The rule of the common law is, that where a party sustains a loss by reason of a breach of contract, he is, so far as money can do it, to be placed in the same situation,

"with respect to damages, as if the contract had been performed." If, as I suppose, it is essential that these railways should be worked, the Government ought to work them or to make a contract with some other contractor for working them. The Government then adopting whichever of these courses appeared better would then be entitled to claim and recover damages based on the financial differences between the financial position if the Company had fulfilled their obligation and the position under the arrangement necessarily made in view of the default of the Company.

The general principle is free from doubt but the application of that principle in the facts of the present case will be very difficult, and it is not rendered easier by the fact to which my attention has been called that developments in the Colony, which are at least possible, would probably render the railway more remunerative and the damages therefore very much less. In any event it is obvious that the estimation of the damages would be a long and complicated business.

I now come to the main point in the case, viz.: that which depends upon the construction of Clause 38 of the Agreement of 1898 and Clause 13 of the Agreement of 1901. I do not think it necessary to set out the history of the matter as it is familiar to those hearing me and can be collected fully from the papers before me.

Before approaching the contracts actually in question it is desirable to look at the Operating Contract of 1893. That contract contains in Clause 1 a definition which ought to be compared with that in the Contract of 1898. It contains provisions for operating the railways, and in Clause 8 a stipulation for the provision of rolling stock, etc., which on the termination of the contract was

to be taken over and paid for by the Government. Clause 25 provides for the forfeiture of a security in case of default and also provides that in such case the Government may enter upon and take possession of all the railways. What is to follow upon their taking possession is not defined, but this much appears to me to be clear—that the railways referred to must be the railways in their actual condition at the time of default and that the contractor could not claim to exclude from Clause 25 rolling stock, etc., upon the ground that it had been provided under Clause 8. If this is sound it throws a certain amount of light upon the construction of the Agreements of 1898 and 1901.

In the Agreement of 1898 the Clauses most important to be considered are 2, 3, 8, 38, 39, 40. By Clause 39 the Contractor agreed to purchase "the rights, interest, reversion and property of the Government under and subject to the provisions of the foregoing contract." By Clause 3 the Contractor was to take possession and operate for 50 years. It is upon Clause 38 read with the Agreement of 1901 referred to below that the question mainly turns. This Clause is in two parts. The first part makes the railway security for the performance of the Contract. It seems to me that in this Agreement, as in that of 1893, the meaning must be that the railway as it exists at the date of breach is to be security. Any other construction would lead to most serious practical difficulties. The argument against the view I take is based mainly upon the definition in Clause 2. The construction of that Clause is not easy. Grammatically I think the words "the property of the Government" are applicable to the "other materials" and not to the various matters set Government authorities I offer my forth in the earlier part of the

Clause. The argument against my view if pressed to its full extent lead, as it seems to me a complete impasse. If the railway as defined is bought and if the words "the property" govern the whole definition, then there is it would seem nothing upon which the charge in Clause 38 could operate, because *ex hypothesi* no part of the railway is the property of the Government.

I therefore think that the charge in Clause 38 extends to the railway as it exists at the date of the breach. If this is so it is difficult not to construe the second part of Clause 38 as also extending to the railway as existing, because whatever "railway" may mean it is hardly possible, I think, to suppose that it means something different in the first and second parts of Clause 38. The consequences are rather drastic it must be admitted, but as Lord Summer pointed out in a recent judgment, "we are concerned not with consequences but with construction." I also admit that the word "revert" is awkward. But this word is not sufficient to induce me to alter the view which, after considering the matter as carefully as I can, I think the correct view of the section as a whole.

It now remains to consider the Agreement of 1901. Clause 2 of the Act of 1901 is important. Whatever may have been the motive with which it was inserted full effect must of course be given to it. Its importance resides in this, that when once the construction of Clause 38 is established, then that construction must continue to prevail even if there is something inconsistent with it in the Agreement of 1901.

The main object of the Agreement of 1901 was to effect a re-sale to the Government of what it had sold in 1898. Clause 13 is the most important clause for the present purpose, for the real point is whether that Clause operates to take the roll-

ing stock dealt with by it out of Clause 38 of the Agreement of 1898. I do not construe it and I do not think it necessary to rely upon, s. II, of Act, for I think the Clauses quite consistent with each other. The provision as to the Government taking over the rolling stock is a provision for the benefit of the contractor, and it is a provision to operate on the effluxion of time or by mutual consent. It would be a very startling result if a party who has wrongfully repudiated a contract could rely on such a case as this. See **General Bill Posting Co. vs. Atkinson**, (1909) A.C. 118. So read Clauses 38 of 1898 and 13 of 1901 appear perfectly consistent. The one deals with what is to happen in case of default; the other deals with the termination of the contract by effluxion of time or consent. The Contractor has repudiated his contract and that is all. My attention has been called to the Agreement of 1909 scheduled to the Railway Extension Act of 1910. These agreements relate to the construction and operation of certain branch lines and Clause 9 of the Operating Contract has a bearing upon the point now under consideration. That Clause strongly suggests that there must have been discussion as to the correct interpretation of Clause 13 of the Contract of 1901. Under the Clause of the 1901 Contract it is impossible to suggest that the Government would be bound to take over and pay for the rolling stock except upon the termination of the Contract by effluxion of time. This in my opinion supports the view I take of the Clause of 1901, because it suggests that the parties were expressing in plain language what they conceived to be the right construction of the Contracts of 1898 and 1901. If it were otherwise it will be observed that the rights of the parties would be entirely different with regard to rolling stock provid-

ed under the Contract of 1901 and rolling stock provided under the Contract of 1910. This is the result which I find it difficult to suppose was intended by the parties.

In my opinion, therefore, while I fully recognize that the point is both doubtful and difficult, the Contractor is not in the events which have happened entitled to rely on Clause 38 of 1898 as extending to the railway rolling stock, etc., as existing at the date of breach.

There is another and an entirely difficult point which arises in the case. I understand that the Contractors rendered a number of services outside the Contract during the war as by running additional trains, heavier engines, and other matters of that sort. No claim has yet been made in respect to these matters, but I understand it is practically certain that the claim will be made and will be very large. It is of course useless to deal with the matter at length in the absence of all detail, but it may be useful that I should say that if it be the fact that services have been rendered and material supplied outside the Contract at the request, whether express or implied, of the Government—then in accordance with well settled principles of law the Government would be liable to pay a reasonable price for those services and that material. I base this opinion upon general principles of law, but I may observe that there is in the Agreement (Clause 7 of 1898) a Clause expressly providing for compensation for running of special trains.

I do not upon the facts as they were outlined in conference entertain much doubt that the Contractors have a real claim under this head. To ascertain the amount of that claim would obviously be a long and complicated task.

The above is my opinion upon the matters which seem to arise. I hope

that I shall not be considered presumptuous if purely by way of suggestion for the consideration of the view upon the course which regarding the matter practically ought to be pursued. I think that the matter is one which it would be desirable if possible to settle. Some of my reasons will be obvious from what I have above written—the doubt and difficulty of the main point—my view that the Contractors probably have a good claim for special services, the long and complicated and difficult proceedings (whether by arbitration or in court) which must result if the whole matter is fought out. To these I will venture to add a consideration of a more public nature the elaborate report of Mr. Morgan. If his view is generally correct, it is obvious that this Contract was from its inception impossibly onerous. This does not effect the legal position. The contractors having entered into the contract are in law bound to fulfil it, onerous or not. But I think that a Government may well have some regard to such matters as are adverted to by Mr. Morgan and may properly take into account the fact that this was not apparently a wilful breach but was rather a breach due to circumstances outside the control of the parties.

Upon the precise stage at which a suggestion of settlement should be made and the precise amount to be offered I do not feel that I can offer any opinion. I will only say that the sums which were tentatively mentioned to me as possible figures of settlement did not in all the circumstances strike me as impossibly excessive.

I must apologize for the length of this Opinion, but I did not feel that I could express that general view of the case which was desired, except by writing at length.

25th Aug., 1922. WILLIAM FINLAY.

### Notice of Question

(1) Mr. Higgins asked Hon. the Prime Minister if it is the intention of the Government to have allocations for public works under the direction of the Dept. of Public Works and the Dept. of Marine and Fisheries made upon the recommendation of the elected representatives of the various districts.

HON. THE PRIME MINISTER:—The Head of a Department may or may not take recommendations from any person. In fact anybody has a perfect right to make recommendations and it is for the Minister in charge of the Department to decide.

MR. HIGGINS:—We have irresponsible people in our district, people who tried to be members, and who are taking charge of district matters.

(2) Mr. Walsh asked the Rt. Hon. the Prime Minister to lay on the Table of the House the following statements: (a)—The number of men given employment at construction or any other class of work in connection with the Humber Valley Proposition between May 3rd, 1923, and June 10th, 1923. (b)—If any men were so employed during this period, by whom were they employed? (c)—How many Newfoundlanders are now employed at this work. (d)—If the passing of the Humber Bill will give immediate employment to four thousand men including those already employed? (e)—If each Electoral District is to be given its proportionate per capita share of the work. (f)—Will the passes or employment tickets be given on recommendations of elected representatives?

HON. THE PRIME MINISTER:—The answer are: (a) 223 (b) they were employed by the Armstrong Whitworth Corporation through the regular employment representative of the Company (c) There are 1050 Newfoundlanders at work there; (d) It will give employment to four thousand

and men as soon as work accommodation is ready; (e) and (f) Yes, in so far as members do not send out men at their own risk.

(3) Mr. Walsh asked the Rt. Hon. the Prime Minister in the absence of the Hon. Minister of Agriculture and Mines, if it is the intention of the Government to give or make any distribution of seed potatoes the present spring?

HON. THE PRIME MINISTER:— There has been some small quantities of seed potatoes given out to farmers who made application for same. They were paid for by the persons receiving them, but there has been no charitable distribution.

(4) Mr. Walsh asked Hon. the Prime Minister if the seat of Hon. Dr. Campbell, in the Legislative Council was vacated on his becoming a candidate for the House of Assembly, according to the terms of Section 8 of the Legislative Disabilities Act, Chapter 4, Consolidated Statutes, and if not, why not; also if it was so vacated has that gentleman been reappointed to be Honourable, and if so to lay on the Table a copy of the Commission reappointing him; and if he has not been reappointed, to state by what authority he took his seat in that House at that sitting last Thursday.

HON. THE PRIME MINISTER:— Hon. Dr. Campbell's seat was vacated by resignation in due course. He was sworn in as a Member of the Legislative Council on the same day that the Hon. Member for Placentia and St. Mary's was sworn in as a Member of the House of Assembly.

(5) Mr. Cashin asked Hon. the Minister of Marine and Fisheries to lay on the Table of the House statement showing the amount of money allocated to Ferryland District by the Department of Marine and Fisheries, from March the 20th, 1923, to May the 31st, 1923; to give the names of the parties to whom allocated; the

amounts allocated to each; and what work was performed. Also the original returns sent in.

HON. THE PRIME MINISTER:— The original copies cannot be tabled, as the Auditor General advises that cheques ought not to be put on the table of the House. I would suggest that the Hon. Member call at the Department where he can get the desired information, and personally examine the originals.

(6) Mr. Moore asked Hon. the Prime Minister, in the absence of Hon. the Minister of Agriculture and Mines, to lay on the Table of the House the original copies of all returns for all monies allocated from his department to the district of Carbonear since January 1st, 1921, until May 31st, 1923. Also copies of the appointments of the Special Commission for the spending of same.

HON. THE PRIME MINISTER:— The simplest way would be for the Hon. Member to call at the Department and examine the returns, as the Auditor General objects to original vouchers being let out.

(7) Mr. Moore asked Hon. the Minister of Marine and Fisheries to lay on the Table of the House copies of all returns for all monies allocated to the district of Carbonear for Marine works or Special works since January 1st, 1921, until May 31st, 1923.

HON. MINISTER OF MARINE & FISHERIES:—The answer to that question will take some time to prepare.

(8) Mr. Moore asked the Minister of Public Works to lay on the Table of the House the returns, or copies of same, for all monies allocated from his department for the district of Carbonear since January 1st, 1921, until May 31st, 1923: Also the copies of the letters of authority to the special Commissioners for the spending of same.

MINISTER OF PUBLIC WORKS:—



The answer is in course of preparation.

(9) Sir M. P. Cashin asked Hon. the Prime Minister to lay on the Table a statement showing the amount expended in this Colony up to date on account of the Humber enterprise and a copy of the Order, or Orders in Council in connection with the same. A copy of the agreement with the Bank of Montreal for the loan of the said money, and a statement as to terms of repayment, etc., also a statement of the amount expended in England to date on account of the same enterprise; a copy of all correspondence with the British Government or any department thereof and with the Trade Facilities Board in relation to the same.

HON. THE PRIME MINISTER:—The answer has not yet come down. It will be tabled when received.

HON. THE PRIME MINISTER:—In reply to Mr. Walsh's question, I beg to state:

(a) Between May 3rd, and June 10th, 1923, 223 men were employed through the regular employment agent of the Armstrong Whitworth Corporation, Major Butler.

(b) The men were employed by Sir W. G. Armstrong, Whitworth and Company, Limited.

(c) The number of Newfoundlanders now employed in connection with the works on the Humber is 1050.

(d) My honourable friend must be aware that the question is quite absurd if the word "Immediate" is used by him in its ordinary acceptance. Men can be employed only insofar as there is work for them to do. It is impossible to immediately send —any large number of men to any undertaking in a wilderness until arrangements are made for house accommodation and provisioning. Men will be taken on to the required number as the machinery

is installed and as housing, food and other necessary accommodation can be provided.

(e) An effort will be made to maintain some reasonable balance.

(f) It is not the intention of the Armstrong Whitworth organization to turn each of the thirty-six elected representatives of the House of Assembly into labor agents. If any elected representative does interfere, with the result that men are sent on for whom work cannot be provided, who are unsuitable or who quit work, the representative might be making himself liable for considerable expense in the matter of board and lodging and return passages. The Armstrong Whitworth Company are contractors, who have to do certain work for a certain figure, subject to certain supervision, and are liable to a very large weekly penalty for failure to perform the work within the specified period. There is no intention, whatever, of the Government's interfering in the matter of the employment of labour in any way which could relieve the Armstrong Whitworth Company from their obligations and cast upon the Government the responsibility in this connection.

MR. WALSH:—Mr. Speaker, in proposing a motion for an adjournment, I want to refer to a question I put on the Order Paper a day or two ago, concerning the Humber, and to explain why I asked that question. In the first place myself and colleagues supported the Humber with the understanding that four thousand men would be employed in the course of a few days after the elections were over; that each Electoral District would be given its proportionate per capita share of the work and that passes or employment tickets would be given solely on recommendations of elected representatives. Now the

elections have been over a month ago and the Prime Minister informs the House that it is almost impossible to employ that amount of men. That is not what people expected, and I take it that that is not the only answer by which the people are going to be deceived; I take it that employment on the Humber is going to be only by the gentlemen who occupy seats in the Government and by defeated candidates of the Government as well. Be that as it may, it is my bounden duty, as a duly elected member for the district of Placentia and St. Mary's, to do all in my power in order that my constituents may share to some extent at least in the distribution of the money that is being expended on the Humber; and there is no reason why the labourers and other industrious people of St. John's should not share in the distribution of that money. Why it is pitiable in this city, the steamship wharves and railway depot and see almost daily the best of our manhood flocking out of the country. Now, if the Prime Minister wants to get the co-operation of the Opposition he will have to treat Opposition members as they should be treated, and he will have to give passes for employment on the Humber to elected members and not to a Bonia, a Bindon or a Browne. I know already that a large number of men have sent to the Humber on recommendation of defeated candidates; while I have made repeated calls on the Armstrong Whitworth representative, but did not get one pass. Now if you are going to give passes only to men who supported you, so far as my district is concerned, for goodness sake try and give Bonia and his associates 900 passes. I was a strong supporter of the original Humber Deal, as can be seen by looking through the back records of this House, when men now on the other side of the House strongly opposed it. However, I hope that Govern-

ment supporters inside and outside of the House will see that every district will get its just and proportionate share of work on the Humber because, after all, every district is called upon to pay its per capita share of taxation.

SIR M. P. CASHIN:—Mr. Speaker, on seconding the Motion for an adjournment, I would like to remind the Prime Minister again about the marine slip for the benefit of the fishermen of Petty Harbor. The slip that was used by the fishermen for hauling up their trap boats was carried away by a storm last year. It was to be repaired during the past winter and the material for the purpose was put there on the site. The cost of the material was a matter of only \$200. I drew the attention of the junior member for St. John's West about this matter some time ago and he particularly told me that he was going to have this important and necessary public work attended to. Since then, the Prime Minister has apparently decided not to interest himself in the matter at all on the grounds that the people in that settlement did not give him that strong political support that they might have. Now surely goodness, he does not mean to seriously contend that he is going to treat the fishermen of St. John's West in that form. The slip was drawn to my attention twice and on each occasion I got in touch with the Prime Minister about it. Now I have ordered that the work of repairing the slip be proceeded with and if the money is not forthcoming from the Government, I suppose we will have to raise the funds through a Garden Party. Now, Mr. Speaker, this is not a business like way for a Government to act.

Another matter I wish to draw the attention of the Prime Minister to is that of Fire Wardens in the district of Ferryland, who are not appointed yet for this season. Two years ago

I drew the attention of the House to this same matter and two weeks later a conflagration occurred along the shore and hundreds of thousands of dollars worth of property was destroyed. I understand that the reason that the Fire Wardens are not yet appointed for this season is because they did not vote for the present Government. Now is that a right and proper way of doing business.

The honorable Minister is not here in this house but I wrote him twice and he had not even the courtesy to answer me. Is this thing to be child's play—you won't play in my yard and I won't play in your yard. If that is to be so I serve notice right here and now that we will not get out of this House till after the caplin school. Why is there only six men to be appointed. Now take the conditions applying in St. John's West. If a man voted for Cashin he cannot get work, and if he does and is reported to have been with that party he is dismissed. Before polling the order was given to help the workmen along but what happened afterwards—weren't they told to go to Hades. What I am sorry for is that the people are becoming demoralized—but they would not stand for that kind of treatment 40 or 50 years ago. And now what happens: the man going with a note to beg employment. No wonder the Red Cross boats are overloaded every trip going out of here. Now Mr. Speaker, in regard to the fishery, that appears to be a thing of the past as far as the present voyage is concerned and where will we be in the Fall. There are hundreds of young fishermen who can get out of the country and will do so, but what about those who are left behind. And in the face of all this we have come here and listened to the nest egg prepared by a student as to railway matters. What odds is it to us what happened in Canada. But no doubt some of you

gentlemen of the Government may be interested in it. I would again Mr. Speaker, call attention to the fact that this is the critical time for fires along the railway and that to prevent such, the necessary wardens should be appointed. I thank you Mr. Speaker, for directing my attention to the time, as I do not know whether we are to adjourn for 20 hours or two months, but can you blame us for speaking at length in criticism of the Government's conduct. Sudden adjournments were sprung before and to-day the railway is on our hands. I am not so much concerned about the Humber and do not think that any here have any great need to worry much about it, but the man who is now afraid to come here in connection with the railway is the one who made a mess of it. The cause of his absence is given as heart failure—and I suppose I will be blamed for giving him that disease. The railroad was taken over by the Government and is now only scrap iron from end to end. The hon. the Prime Minister is the one who promised to do everything in connection with that railroad and ridiculed the man who was sitting under his wing to get into power. When we got to listen to such camouflage as has been handed out here this afternoon, and then Mr. Speaker, when you think of the day when your revered father's name was on the records which the Hon. Prime Minister could not find to-day, it is time for you to say your prayers.

MR. WOODFORD:—Mr. Speaker, I wish to draw the attention of the Prime Minister and the Government, to the unfair discrimination that is going on in the District of Hr. Main, especially along the South Shore. Considerable public monies are being expended on the roads and it appears that only those who voted for the Squires Party need apply for a job, despite the fact that a large number of families, who supported

the Opposition Party, are very badly off. I have letters in my possession from people intimating that they are in a starving condition and who were definitely refused work. Now I think that the man in charge of the road work ought to be given instructions out not to discriminate so extensively. When I was in charge of the Public Works Department, I never allowed such wholesale discrimination to be practised and especially now when such a large amount of money is being expended, it is not good enough for not to recognize a man because he happened to vote for the Opposition. Now I hope that the present Minister of Public Works will see that this sort of discrimination is stopped. As an elected member for the district of Hr. Main, it is my duty to bring the matter under the notice of the Government and I hope and trust that instructions will be sent out to give a man work, no matter what side of politics he was on.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again to-morrow.

On motion this Report was received and adopted, and it was ordered that the Committee have leave to sit again on to-morrow.

Hon the Minister of Finance tabled Customs Returns for year 1921-22.

Hon. the Minister of Finance gave notice that he would on to-morrow move that Supply be granted to His Majesty.

Hon. the Minister of Finance gave notice that he would on Monday next move the House into Committee of the Whole on Supply.

It was moved and seconded that when the House rises it adjourn until Thursday afternoon at three of the clock.

THURSDAY, June 21st, 1923.

The House met at three of the

clock in the afternoon, pursuant to adjournment.

Mr. J. H. Scammell, duly elected member for the District of St. Barbe, and Mr. Harvey H. Small, duly elected member for the District of Burgeo and LaPoile, having been duly sworn, were introduced to the House by Hon. the Prime Minister, and Hon. the Minister of Education, and took their seats.

Hon. the Prime Minister tabled report of Registrar of Births, Deaths and Marriages, 1922.

Hon. the Prime Minister tabled report of Minister of Agriculture and Mines.

Hon. the Prime Minister tabled reports of Agriculture and Mines Department.

#### Notice of Question.

MR. CASHIN asked the Hon. Hon. the Prime Minister, in the absence of the Hon. Minister of Posts and Telegraphs: (a) if a Government Telegraph Office is to be opened at Ferryland; (b) on whose recommendation; (c) what is the estimated cost of installation; (d) who is to be appointed as operator and on whose recommendation; and (e) to lay on the Table of the House a copy of said recommendation.

HON. THE PRIME MINISTER:— I have no personal knowledge of the matter and have not yet received any report from the Postal Department. I will table it as soon as I do so.

SIR M. P. CASHIN:—Mr. Speaker, before we get away from that question, I may say that I am surprised to hear from the Colonial Secretary that he knows nothing of such an office at Ferryland. I may tell him. Mr. Speaker, that such an office was opened there a few days ago on the instructions of the Government. I would also like to tell the House that this is a waste of money of the worst kind. I have had the honor to represent that District for thirty

years and I know that the receipts of the Anglo office there, which go to the operator, amount to only \$180 a year. I may also say that the operator is a woman and the mother of two gallant sons whose bones are now bleaching in France. In the face of that, this step is being taken by the present Government to remove from this lady her only means of support, and we are expected to sit here and take it from the Prime Minister that he knows nothing about it. The office was put here by his orders, and I protest on behalf of that mother that this conduct should be stopped. It was put there in answer to the one and only vote the Government got in Ferryland. Here we are being inflicted with an office costing \$600 while the receipts of the one established are only \$180. This is how the Government are starting their campaign of economy, and the Prime Minister has the cheek to tell us that he knows nothing of it. I wish to serve notice right here and now, Mr. Speaker, that I for one am not going to stand for this kind of legislation. Are we all to become degenerates to stand for this kind of thing? Here is the case of this woman who receives only \$180, and whose sons are bleaching in France, while this outrage is being perpetrated upon her. And we were slackers while her sons were men in every sense of the word. Are we to stand for it like degenerates, I ask? Again I serve notice, Mr. Speaker, that I will not stand for it.

MR. CASHIN:—In reference to this matter, Mr. Speaker, I would like to make a few remarks. The question was asked a few days ago and there has been plenty time, Mr. Prime Minister, for you to get the answer.

HON. THE PRIME MINISTER:—What matter do you refer to?

MR. CASHIN:—I say you know all about it. And you cannot expect

people to sit here and swallow your statement that you know nothing whatever concerning it.

HON. THE PRIME MINISTER:—If my honorable friend continues to talk like that I will have to challenge the propriety of his speech. I cannot answer the question as I have got no word from the Department yet. It may be among the papers lying on my desk. You are talking of an Anglo office that we have nothing to do with.

MR. CASHIN:—You are putting in an office that will cost hundreds of dollars to replace one the receipts of which are not much more than a hundred, and here to-day, no doubt, we will hear a lot of talk about the economy of the Government. It may be a simple matter, I grant you—the erection of a telegraph office—but are we going to stand for this kind of treatment to this woman. I had the honor of knowing her fallen sons personally. The father is now an old man, past his labor, and you are taking a living from her, indirectly, if not directly. The new office was put there at the request of one or two who are now here and using their dirty tricks to get even with her. And we are told by the Prime Minister that he knows nothing of it, although the office was put there several days ago by the Government. I do not think, Mr. Speaker, that we as members of this House should stand for such conduct, and I wish to enter my strongest protest against it.

MR. MOORE:—Mr. Speaker, I would like to add my protest to that of my colleague and to that of Sir Michael Cashin. I know Mrs. Farrell quite well and I also know her two sons who were killed in the war. Under her present circumstances her case is a very deserving one and it is most unfair for the Government to wage a petty spite attack of this nature by singling out this woman, in order that

a few heelers of your party in our district may be fed and pampered by public money. We have one telegraph office in Ferryland already, and with communication with town by train and road in a few months by telephone, there is absolutely no necessary for another. At the very most there will be \$70,000 in receipts from this office so why spend \$600,000, for the sake of forcing a poor dependant woman out of her only means of livelihood. I, therefore, sincerely ask the Government to reconsider what has been done in this district, and to turn their activities to a settlement that is in greater need of a telegraph service, and where there is not an office open already. At the present moment it is a most wanton waste of public money, and there is nothing to justify the Government in maintaining such an office.

MR. CASHIN:—Asked the Hon. the Colonial Secretary to lay on the Table of the House a statement showing the amounts paid to Mr. Irving Parsons for provisions and groceries supplied the Government between January 1st., 1920, and May 1st, 1923: and to lay on the Table of the House the original vouchers for same.

HON. THE PRIME MINISTER:—This information is not yet ready, but I will table it as soon as it is prepared. I would like to know if the Hon. gentleman requires the lump sum, or the full details.

MR. CASHIN:—I would like the details.

MR. CASHIN:—Asked the Hon. the Prime Minister if it is a fact (a) that a considerable number of men are now out at the Humber and unable to get work; (b) that from each point along the Bonavista Branch, ten men receive passes for the Humber on return trip of that train from Bonavista; and (c) if this is a fact, what is the reason that no passes are being issued for other Districts.

HON. THE PRIME MINISTER:—I beg to table the reply.

MR. WOODFORD:—Asked the Hon. the Minister of Marine and Fisheries for statement and copies of returns of all allocations expended on marine works in the District of Harbor Main for the months of March, April and May, 1923.

HON. THE PRIME MINISTER:—Would you please let this stand over until the minister arrives.

MR. WOODFORD:—Asked the Minister of Public Works for statement and copies of returns of all allocations of main road, and Special Grants expended in the District of Harbor Main for the months of March, April and May, 1923.

HON. THE PRIME MINISTER:—In the absence of the Minister of Public Works, I beg to lay on the table of House the reply to question No. 15 asked some days ago, and beg to say that the answer to this question will be ready in a few days.

MR. HUNT:—Asked the Hon. the Prime Minister, in the absence of the Hon. Minister of Posts and Telegraphs: (a) The total amount of revenue derived by the Postal Department for the tax levied on newspapers at the last session of the Legislature, to June 16th instant; (b) the list of newspapers taxed; (c) the weight of each newspaper carried; (d) the amount each was taxed; (e) what amount, if any, is now owed the Department by each newspaper.

HON. THE PRIME MINISTER:—I beg to table the reply.

MR. HUNT:—Asked the Minister of Public Works to lay upon the table of the House a detailed statement of all moneys paid by or charged to St. John's West account in his Department from January 1st, 1922, to May 1st, 1923, giving names, dates and objects of each payment.

HON. THE PRIME MINISTER:—In answer to No. 7 the accountant

says that it will take a little time to get this information prepared.

SIR MICHAEL CASHIN:—In the absence of Mr. Hunt, I ask that this question remain on the Order Paper.

MR. HUNT:—Asked the Hon. Minister of Finance and Customs to lay upon the table of the House a list of the names of all persons in the District of St. John's West, who are receiving Old Age Pensions.

HON. MINISTER OF FINANCE AND CUSTOMS:—Tabled answer.

SIR M. P. CASHIN asked the Prime Minister to lay on the Table of the House statement showing if any amounts are yet due to the Government on account of the salt cargo of the "Tuckahoe" which was inquired into by a Commission; if so what is the amount and to give the name of the party by whom it is owed; and if more than one, the names of each party and the amount; also what steps the Government are taking to collect this amount and what portion of them it is hoped to collect.

HON. THE PRIME MINISTER:—The Department of Shipping submits the following reply to Question of Sir M. P. Cashin, No. 9, Order Paper of June 21st. This Question reads as follows:

"To ask the Hon. the Prime Minister to lay on the Table of the House statement showing if any amounts are yet due to the Government on account of the salt cargo of the 'Tuckahoe' which was inquired into by a Commission; if so, what is the amount and to give the name of the party by whom it is owed; and if more than one, the names of each party and the amount; also what steps the Government are taking to collect this amount and what portion of them it is hoped to collect."

Total amount due is \$1,736.00 made up as follows:

Messrs. J. T. Swyers and Company, Bonavista . . . . \$1,672.00

Mr. Albert Fradsham, Bay

Roberts . . . . . 66.00.

Re Swyer's amount:—

We have had several notes at varying periods from Messrs. Swyers for this amount, but when presented for payment at due dates they have in each case been returned to us as unpaid, followed shortly after by a renewal note with interest added. Their last note which we are now holding and which will be presented within the next week is for \$1,722.16 plus interest for the intervening period. Re Fradsham's amount:

When this order was filled we took from Mr. Fradsham, in settlement, a note which was drawn in his favor by Mr. Wilfred Dawe, at four months from July 12th, 1921, for \$66.00. This note was properly endorsed, but when presented for payment it was returned to us unpaid. In spite of repeated appeals to both Messrs. Fradsham and Dawe, we have to date been unable to get any satisfaction as to when they intend to lift it.

Re hopes of collecting:

We believe that Messrs. Swyers intend to make settlement in full when the financial strain on their business lightens a little. As to Fradsham's amount, we think that settlement for this will need to be forced through other channels.

SIR M. P. CASHIN asked the Prime Minister to Table statement giving in detail the amount of able-bodied relief supplied to individual persons by the Relieving Officers in the Districts of Harbor Grace, Bay de Verde, St. John's East, St. John's West; the names of the Relieving Officers issuing supplies; the names of the parties to whom supplies were issued; and the amounts and value in each case.

HON. THE PRIME MINISTER:—I have a memo. from Mr. Brownrigg inquiring the period for which it is desired to have these particulars cover.

said road and the amount paid for said road; and (3) full details to be given.

**MINISTER OF PUBLIC WORKS**—We are getting this information as speedily as possible.

**HON. THE SPEAKER**:—Gentlemen, I beg to inform you that I have a communication from His Excellency the Governor under date of June 21st, 1923, which I will read to the House:

June 20th. 1923.

Under the provisions of Sec. 4, Cap 7, Consolidated Statutes, Third Series, "Of the Internal Economy of the Legislature," the following to be the Commission of Internal Economy, namely:

The President of the Legislative Council.

Honourable R. K. Fisher.

Honourable George Shea.

The Speaker of the House of Assembly.

Honourable Sir R. A. Squires, K.C. M.G.

Honourable W. R. Warren, K.C.

Honourable Sir William F. Coaker, K.F.E.

Certified True Copy,

(Sgd.) ARTHUR MEWS,

Deputy Colonial Secretary.

Mr Speaker informed the House that he had received the following correspondence from His Excellency the Governor, which he then read.

The Governor has the honour to communicate to the Honourable House of Assembly the appointment of the Commissioners of Internal Economy of the Legislature in accordance with the provisions of Section 4, Cap 7, Consolidated Statutes (Third Series) as set forth in the accompanying certified copy of a Minute of the Honourable Executive Council approved by the Governor on the 21st. June

(Sgd.) W. L. ALLADRYCE.

Governor.

Government House,

St. John's, Nfld.,

21 June, 1923.

Pursuant to order and on motion of Hon. the Prime Minister the House resolved itself into a Committee of the Whole to consider certain Resolutions respecting Industrial Development.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

**MR. HIGGINS**:—Mr. Chairman, when these resolutions first came before the House at the opening, the House was not moved into Committee of the Whole for the consideration of the Humber Contract, and this is the first occasion that has been taken to bring this matter before the Legislature. I take this opportunity to give expression to these few facts that are born in upon me from a cursory reading of this matter, as I have it here before me. Now, Mr. Chairman, it goes without saying that, at the present day, one of the most important matter that we have to deal with is the industrial development of our country and any practical move in this direction should be given all possible assistance and encouragement by the people and Government of Newfoundland. We must be prepared to accept the principal that to induce outside capital to come to Newfoundland we have to offer some particular advantage, because I think we cannot expect exactly ideal conditions for the opening up of our industrial works. Right here near is Canada like ourselves with vast water power and timber resources and circumstances such as the Armstrong Whitworth Co. and the Government of Newfoundland have to face and practically nothing of importance has been done in this direction. Therefore, in considering this proposal we must begin by being prepared to make some sacrifice. But admitting this, it is our duty to see to it that no more is given than is necessary, that the sacrifice we make is not greater than is necessary. The greatest assets of Newfoundland are her water power and her timber



The remaining orders of the day were deferred.

Sir M. P. Cashin gave notice of question.

It was moved and seconded that when the House rises it adjourn until Monday next at three of the clock.

The House then adjourned accordingly.

MONDAY, JUNE 25th. 1923.

The House met at three of the clock in the afternoon pursuant to adjournment.

Mr. Hunt gave notice of question.

Mr. Cashin gave notice of question.

Sir M. P. Cashin gave notice of question.

#### Notice of Questions.

(1) MR. HIGGINS Asked the Hon. the Prime Minister whether the Government in view of the present relations of cost of materials to the earning power of coasting vessels propose to continue the present bounty of Thirty Dollars per ton on locally-built vessels after the end of the present month.

HON. THE PRIME MINISTER:—The amount which has been included in the estimates covers the bounty as now being paid for 1923-1924, but it has not been considered at any meeting of Committee of Council whether the rate will be continued for next year.

(2) MR. HIGGINS Asked the Hon. the Minister of Justice whether his department has received any reports since 1918 from the Justice of the Peace at North West River, Labrador, and if so to lay on the Table of the House copies of all such reports.

HON. THE MINISTER OF JUSTICE:—Mr. Speaker, the Justices of the Peace do not hand in regular Reports like the Stipendary Magistrates but there are certain letters received from the Justice of the Peace at Indian Harbour. If the Honourable Gentleman desires to see them I shall show them to him, but I do not wish to

table the letters on account of their being of a private nature.

(3) SIR M. P. CASHIN asked the Minister of Finance and Customs to lay on the Table the Annual Report of the Auditor General for the fiscal year ended on June 30th, 1922, and also his Special Report under Section 33 B, of the Audit Act.

HON. THE MINISTER OF FINANCE:—The report is in the hands of the printers and will be ready tomorrow.

(4) SIR M. P. CASHIN asked Hon. the Prime Minister to lay on the Table a statement of all expenditures for relief purposes, such as stone-breaking, snow-shovelling, etc., in the districts of St. John's East and West from the date of the closing of the last Session down to the present day.

(7) SIR M. P. CASHIN asked Hon. the Prime Minister to Table statement giving in detail the amount of able-bodied relief supplied to individual persons by the Relieving Officers in the Districts of Harbor Grace, Bay de Verde, St. John's East, St. John's West, from 1921 to date; the names of the Relieving Officers issuing supplies; the names of the parties to whom supplies were issued; and the amounts and value in each case.

HON. THE PRIME MINISTER:—I have a memorandum here from Mr. Stirling, who is First Clerk in the Department of the Colonial Secretary, in regard to questions Nos. 4, 5, and 7, saying that it will take considerable time to get this information prepared. One question refers to the Department of Public Charities, and I am advised that additional assistance will have to be secured to get this information promptly.

(6) SIR M. P. CASHIN asked the Minister of Public Works (1) by whose orders a new road was opened from Grace's Lane to Freshwater Road; (2) who performed work on

said road and the amount paid for said road; and (3) full details to be given.

**MINISTER OF PUBLIC WORKS—**  
We are getting this information as speedily as possible.

**HON. THE SPEAKER :—**Gentlemen, I beg to inform you that I have a communication from His Excellency the Governor under date of June 21st, 1923, which I will read to the House:

June 20th. 1923.

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**MR. HIGGINS :—**Mr. Chairman, when these resolutions first came before the House at the opening, the House was not moved into Committee of the Whole for the consideration of the Humber Contract, and this is the first occasion that has been taken to bring this matter before the Legislature. I take this opportunity to give expression to these few facts that are born in upon me from a cursory reading of this matter, as I have it here before me. Now, Mr. Chairman, it goes without saying that, at the present day, one of the most important matter that we have to deal with is the industrial development of our country and any practical move in this direction should be given as possible assistance or encouragement by the people and Government of Newfoundland. We must be prepared to accept the principal that to induce outside capital to come to Newfoundland we have to offer some particular advantage, because I think we cannot expect exactly ideal conditions for the opening up of our industrial works. Right here near is Canada like ourselves with vast water power and timber resources and circumstances such as the Armstrong Whitworth Co. and the Government of Newfoundland have to face and practically nothing of importance has been done in this direction. Therefore, in considering this proposal we must begin by being prepared to make some sacrifice. But admitting this, it is our duty to see to it that no more is given than is necessary, that the sacrifice we make is not greater than is necessary. The greatest assets of Newfoundland are her water power and her timber

areas. The products of these resources are in greatest demand all over the world at the present day. In the United States of America, for instance, there is a great demand for paper at the present time and this demand is going to increase because her forest lands are nearly exhausted and the various uses of paper are becoming greater every day. Therefore, since this is so, it is well that we should be there in the beginning and do all possible to get this and other markets for our forest products. Our great prospects is water power development and the principle with regard to state guarantee has been the necessary encouragement for that class of work. The procuring of coal is a matter that has always been important in Newfoundland. It is an important factor in the running of the railway and on Bell Island and we must remember that if this project is finally put through, the harnessing of our waters will do away to a great extent with the demand for coal that at present exists in Newfoundland. But before making this contract, we must satisfy ourselves that we are making the best possible bargain. This is the principle of the debate and I take it that Newfoundland's position with regard to the proposition is what counts. The Prime Minister said that the scheme had received the endorsement of the people of the country. Even so this House need not consider itself obliged to accept the proposition without due consideration. But the people of Newfoundland have not endorsed the scheme at all. All the people were told was that this was a proposition that the British and Newfoundland Governments had gone into hand in hand. The Prime Minister said this and it was left to the people to think out what it was for themselves. Not even the members of the Government party, with the exception of the Executive, knew what it consisted of, and men walking about the

streets, hungry, anxious and eager for work were left to decide, but they did not know what they were to make a decision about. This proposition was used for a political end by the leader of the Government party. This should not have been done. It is big enough and good enough to stand on its own merits instead of being used as it was. In this proposition as I read it here Newfoundland must stand in the back ground, while the British Government is secured by first mortgage. Of course it may be contended that Newfoundland gets all the benefits of the industry but the British Government gets the benefit from the \$9,000,000.00 for which they guaranteed because this money is to be spent in England for the purchase of machinery, etc. If this proposition is a success the matter is of no importance, but we must not forget that the British Government insisted upon this as a safeguard for their money and we don't blame them for it. If on the other hand the industry is not a success a second mortgage will be of very little use to the Government of Newfoundland, because after the British Government has secured its \$9,000,000 of mortgage there will not be much for anybody from the balance of the proceeds of the sale of the plant. I must say that to me one element of success seems almost destroyed. Because the two Governments have been induced to guarantee the enterprise the people who own the money have no longer to rely upon their own efforts for returns from their money and for its security. They are relieved of anxiety and their enthusiasm is somewhat curtailed. As I see it, we have no definite guarantee or assurance that the Armstrong Whitworth Co. with whom we are dealing, are really going to be the managers and the directors of this industry when it has once been put in operation. The Armstrong Whitworth Co. are reliable people, but I see no reason why they

should continue permanently in charge of this industry if they should not wish to do so. This matter has reached a very advanced stage and it does seem a pity that our Government could not get the British Government to go in on this matter with us on an equal basis. The British Government did not want to take too many chances with their \$9,000,000. They said, 'Let your \$9,000,000 stand behind us.' They have, it is true, allowed us a margin of five years in the matter of a sinking fund. They guaranteed for \$9,000,000 on condition that all this should be spent in England and what is more they will not advance one dollar before this is done. The one million dollars already spent, was put up by the Newfoundland Government. This shows a not too great optimism on the part of the gentleman in charge of the treasury on the other side. Of course, I do not blame them for that. They are doing perfectly right. But I do not accept the statement that the people of Newfoundland endorsed the proposition without this full knowledge of the contract. Nobody knew that the passing of the Humber Contract was conditional upon the passing of the railway resolutions. There was not a word from the Leader of the Government to the effect that in addition to the guarantee of nine million dollars for the Humber proposition, we had to pay an additional two million dollars to the Reid Newfoundland Co. for the railway. For that reason then, it cannot be said that the people of Newfoundland sent the Government back here to pass this agreement. Until the House opened the other day, no one knew that the Humber proposition was coupled with the settling the railway in this way. This was not candid enough. Why? Because it was used as political proposition pure and simple. The contract is big enough to be discussed upon its own merits. If we had come here a few

months ago, before the election, we would be in a better position to go into this matter and we would have been able to attribute to the Government the fact that they were acting for Newfoundland's interest. As it was, the deal was closed before the Prime Minister and the Minister of Justice came back from the Old Country. They decided to use the Humber to cover over their sins of the past three and a half years. They held out to a people eager for work, the bait that if the Government was returned it would mean plenty of employment on the Humber. It is a pity that the Government did not tell the country that the railway was going to be settled in the manner it is going to be settled.

The Government's conduct has not shown the slightest indication of initiative. It is nothing more or less than a case of getting people to come in and do their worst, it is nothing more whatever. In 1915 the Products Corporation went to work with the Armstrong Whitworth Company, and the Armstrong Whitworth Company persuaded the Prime Minister that it could be put through. The Products Corporation found that they could not get the money without the Government's guarantee, they persuaded the Prime Minister, and they got it. But, Mr. Chairman, I might remind the House there has not been anything tabled to show that the Armstrong Whitworth Company has anything to do with the railway. There is certainly nothing before the House to show that the Government was even to consider the two propositions together, and so the only conclusion one can come to is this, that the Reid Nfld. Co. saw that it was a good opportunity to throw in this Railway question as a tit bit. I cannot help remarking what a great pity it is that the two things are put on the table together now. The Government did

not go to the country with anything whatever about the Railway or its resolutions, not even the members themselves knew anything of it.

Take the next point. We are asked to embark upon this proposition without a word or sound in the report on Timber, in fact there has not been a check put upon the report of the Products Corporation. The reports that we have before us are from the late Mr. Scott, of Grand Falls, and Mr. J. P. Powell. We accept these reports because we know that they are reliable, and we would not question the reliableness of these men in the least. But that is all we have. Scott is dead, but we have this position—Powell was working at that time for the Reid Nfld. Co., although he is a good man, yet he could only naturally be expected to make as favorable a report as possible in the interest of his company. They were made for the people who subsequently came to us for a guarantee, the people who knew most about those water powers should be the ones to come forward to seek the assistance of the Government on a proposition like this. Surely if a Company of the standing of the Armstrong Whitworth Co. were really convinced of the possibilities and success of this venture they could surely, with their standing, get capital without having to appeal to the Government of this country. They knew the value of the Timber there, it is a fallacy to think that they could not get money without a Government guarantee.

I do not for one moment say that this guarantee is not one that should be embarked upon. From the digest of the resolutions which the Prime Minister put upon the table of the House we see that since the war it is quite common to have state guaranteed industries. This can be seen from the Trade Facilities Act of England. I do not deny the princi-

pal; it is a sound basis. If you have water powers in a country and the capital cannot be obtained, it is all right to be fostered by a state, but I intend to show that as far as the Government is concerned they seem to be making sure that the state makes as small a profit as possible.

We next come to this position. The Government having given the guarantee, we ask ourselves the question, what are we to do to see that the Newfoundland Government gets the best possible results out of the combination? I realize that in Newfoundland, situated as we are today, circumstances do not favor us. We should make sure that the people taking hold of these water powers should contribute substantially to the revenue of the country. And what we want is, of course, employment. Royalties do not make or would not make any great difference in the revenue. We want to be assured that the work will be continued. The capital does not quite satisfy that. The Armstrong Company are only prepared to go to the extent of half a million dollars. As far as that is concerned, every business man knows that that is a very small amount for working capital. They will, of course, continue to build the plant, but what about working the plant after it is built? We want to be assured that there will be sufficient working capital; we want some one to assure us as to what will be the amount of working capital when the plant is built and ready to produce. We see cause for amendment here. I said that, apparently, the Government had done as little as possible to assure the best they could from this venture for the country.

In 1905 we had a Paper and Pulp Act, known as the Harmsworth Agreement, that, fortunately, has been very successful. Now take the case as regards to taxation. In the Harmsworth Agreement there was

only certain small exemptions, but under the present agreement of 1923 everything is exempt from taxation—the provision is in section three, page two, general agreement. In the Harmsworth Agreement of 1905 they were given no guarantee or exemptions, excepting only Municipal tax; but in 1923 they are not only exempt from Municipal tax but from all taxation; they do not even come under the Income Tax Profits. Surely, having got the guarantee, they ought to pay the Business Tax after they are working. Even the Bell Island Co. pays the Business Profit Tax.

HON. MINISTER OF JUSTICE:—No, they do not.

MR. HIGGINS:—They did, only now you do not collect it. Why is Income Tax there in the Agreement? Income Tax means the same thing now as Business Profit Tax did before. Why is it put there at all? If you should enforce or enact a tax later you certainly cannot collect it from this Company. Now to go back to the first position, this Company got such exemptions as no other company has.

Now for the second position. The Harmsworth Act of 1905, section four, only give exemption for twenty years, under the present agreement with the new Company section four provides that all material can be brought into the country free of duty. It may be all right to exempt them for a short time, say thirty years, so as to protect the English Bond holders. The Company should surely be taxed after thirty years. In section seven of the Harmsworth Agreement of 1905 there are provisions made concerning fishing and shooting over their holdings, and some provision should have been inserted in this Agreement of 1923.

We propose an amendment to this effect: After two or three years this plant will be capable of devel-

oping some 200,000 horse power; the Company itself will only need about 90,000 horse power; therefore after a few years there will be some 100,000 or more horse power of this Company in the market. It is not impossible that we in this country may be able to electrify our Railway. We all know that the great deficit in the running of our Railway is the great cost of coal. In the interest of those who are likely to be operating the Railway we make the suggestion, and propose an amendment to the effect that the Company operating the Railway be given the option of using that horse power for running our trains.

We intend to vote on the Humber proposition separately, and not together with the Railway proposition or resolutions. The statement in the Prime Minister's Manifesto says that the Reids were to be relieved of all operation of the Railway, and that it would be operated by a strong English Capitalist Co. Now that is what the Prime Minister offered about two months ago. Now, if this thing is not a myth we ask the Prime Minister who are these capitalists? Who is this enormously strong and wealthy corporation? Now on those words and statements the people sent the present Government back to this House. I think it is a fair question and not outside of the boundaries of debate to ask who this corporation is.

We are unfortunately in a position that we have got to take risks probably greater than we would like to take; but I believe that even to-day, if the Treasury Department made an effort, the British Government would have done better for this industry. The Prime Minister's Manifesto says that the British Government does not want to inflict burdens upon the Newfoundland Government, and they insist in putting this through or giving a guarantee. I do not for one

moment think that the British Government wants to stand ahead of us in this venture. We are a small Colony, and I am sure that they would, if approached rightly, share the burdens equally with us.

MR. DOWNEY:—Mr. Chairman, when the Hon. Member for St. John's East, Mr. Higgins, closed his remarks on las. Monday the clock was pointing ominously to the hour of six—the usual rising hour for Committee; and as there were notices of Question and Motion to be given. I did not feel warranted in then prolonging the sitting.

I therefore desire at the present time to say a word to disabuse the mind of the Hon. Member of a misconception he evidently entertains as to the non-dependence of the Grand Falls Pulp & Paper Company upon the services of the Newfoundland Railway.

Not alone, Mr. Chairman, is the Grand Falls Company dependent upon the Newfoundland Railway for the performance of the many services that makes it possible for their operations to function regularly and continuously, but they are vitally so.

The Hon. Member stated that the short line of railway built by the Harmsworth Company sufficed to meet their requirements. This is very far from being the case. The short line of railway built by the Harmsworth Company sufficed to meet their requirements. This is very far from being the case. The short line that the Hon. Member refers to was built for the sole purpose of transiting their manufactured products, pulp and paper, from Grand Falls and Bishop's Falls to Botwood, where its shipping piers were located.

Incidentally, this railway has been used to a very limited extent for two seasons for conveying to Grand Falls and Bishop's Falls a quantity of timber delivered in booms at Botwood, and this is the only way in which it

has ever undertaken to be contributory to the Company's general operation.

The Grand Falls Company and the Newfoundland Paper and Pulp Company are both very dependent upon the Newfoundland Railway, and the railway must be so equipped as to give both these Companies continuity of service throughout the year.

The Grand Falls Company have been for some time hauling pulpwood to Grand Falls from as far West as the Codroy Valley, a distance of 136 miles, and from as far East as Bambo, a distance of 86 miles, thus making a total mileage of the Newfoundland Railway largely devoted to the use of the Papar Company, equal to 222.

Millertown, the chief logging centre of the Grand Falls Company, is some 60 miles from Grand Falls and is only come-at-able over the Newfoundland Railway, and but for the fact that the Newfoundland Railway enables the exploitation of the timber limits there, the locality would still be in the primeval condition of years back.

Again, within the past few months the Grand Falls Company have acquired the partly-constructed pulp plant at Angle Brook, near Glovertown, that was in course of construction by a Norwegian Company, and this property also is absolutely dependent upon the services of the Newfoundland Railway for its operation.

There is at Grand Falls, one business concern that has 50 or more men behind its counters and whose annual turnover of goods amounts to many hundreds of thousands of dollars. There are, besides, a large number of minor businesses whose turnover in the aggregate must also run into hundreds of thousands, and every dollar's worth of the prodigious quantity of goods that all these firms turn over in the course of a year are landed at either Port aux Basques or St. John's and can only reach Grand Falls

over the Newfoundland Railway line.

It is inconceivable to think that either of the Paper Companies could continue to operate for a single season, or even for a single month, but for the fact that the Newfoundland Railway is at their disposal, and as the years go by they will be coming increasingly dependent upon it.

It would not be at all pleasant to picture in one's mind's eye the condition of things that might result should it happen that the Newfoundland Pulp and Paper Co. or the Grand Falls Co. should find themselves cut off at both ends from all communication with outside sources of supply, and unless we take steps—immediate steps—to so improve the condition of the Newfoundland Railway as to make continuity of service throughout the year a matter of certainty, such a contingency may very possibly arise.

Some amongst us fear that we are assuming a certain responsibility in guaranteeing the bonds of the Newfoundland Pulp and Paper Company. I am absolutely convinced that we shall never be called upon to pay a single dollar on this account, unless we are directly contributory to the Company's becoming a non-profitable project by depriving it of the services of a railway which is of such vital consequence to its well being, and this we will be doing if we fail to take the steps which I have just stated are so necessary to the conditioning of our railway system.

I think I am safe in stating that I was the first to advise the Government to take over the coastal steam services. I do not know how these are working out financially, but I do know that if the results have not been quite satisfactory there is no justifiable reason for their not having been so.

I am not at all frightened at the bug-bear that many people are con-

jecting up over the proposed taking over, even temporarily, of our railway. It is true that we have had difficulty in keeping up continuity of service, but I am quite confident that the causes leading to this can be removed. We have only to reflect that each year the railway is kept open from St. John's to Millertown Junction and from Port aux Basques to Kitty's Brook, and that the intervening link of 36 miles is the one that offers the insuperable difficulties to inter-traffic.

There is but a single reason why the road should have been located across this difficult stretch of country known as The Topsails. As a matter of fact, if the contractor for construction had known when the road was being built that he was also to become the contractor for operation, the road would never have followed its present alignment between these two points. The location followed gave the maximum of the features that ensured minimum cost of construction—in fact, for long distances the sleepers could be thrown down upon the natural formation, the rails spiked thereto, some ballast thrown in, and a very slight lift brought the metals up to grade. This was a procedure that any keen business man would have followed in his own interest, but had the man in charge of the country's interests at the time had the experience that he should have had to qualify him for that position, I think I am quite safe in saying that the location in question never would have been chosen.

To ensure continuity of service throughout the year it will be necessary to connect Kitty's Brook and Millertown Junction with a line that will run around rather than across the Topsails. This may increase the length by a few miles, but it will cut the difficulties that have been so fatal



in the past to winter operations of the line.

I welcome the Humber project. I welcome it in all its moods and tenses. I welcome it as being the means of creating a revolutionary industrial era in the country, and I welcome it for the many advantages that it will give the District that I have the honor to represent.

There is but one feature—and that of but a passing kind—that is not giving the satisfaction at the present time that I believe it can be made do. I refer to the fact that when I was at Grand Lake early in March there were about 200 men employed. A day or two since the Prime Minister stated in the House that there are to-day in or about 1,000. Now, as a matter of fact, since March I have secured employment for only nine individuals, and that measure of employment was furnished by Mr. Russell at my special request. I am at a loss to understand from whence the 700 and odd men recently employed have come. I take for granted, Mr. Chairman, that they must have come from districts represented by Hon. Members on the other side of the House.

There is nothing, Mr. Speaker, that I can see to debar the Government from taking over the railway. It is true that it cannot be made a paying proposition from the start. It will cost something to equip it as a railway; the road-bed requires lifting from end to end, and the installing of many features that will be necessary to equip it for the increased volume of work that it will have to perform in the future. The rolling stock will have to be augmented and other features will require to be attended to, but I am absolutely certain that, in the very near future, the road can be equipped so as to render a measure of service that it has not in the past been able to perform, and all this may be done with-

out an additional burden being imposed that the country will appreciably feel.

M. S. SULLIVAN—Mr. Chairman, I must congratulate the Prime Minister on the very thorough biography of the Sir W. C. Armstrong Whitworth Co., Ltd., which he gave this House when introducing the resolutions now under discussion. He certainly deserves credit for the tremendous amount of research work that must have been entailed in securing the interesting and valuable information contained in his speech. As to the necessity of taking up so much time of the House in giving us the history of this well-known company, there is probably a diversity of opinion.

I am sure that every man in public life in this country to-day is well aware that any contract that this firm enters into, they are financially able to carry it out to a satisfactory finish. Speaking for myself, I think it is unnecessary for the Prime Minister to use up valuable time in practically apologizing for having to guarantee the interest and principal on the amount of \$9,000,000 which this country is called upon to guarantee.

The British Government has made very thorough inquiries as to the soundness of this undertaking and as to its commercial possibilities, and after the most searching examination into every detail by the best experts obtainable in Canada and Great Britain, they have come forward and offered to guarantee the principal and interest on a similar amount of \$9,000,000 which will only give temporary employment in England. If this proposition is good enough for the British Government, then, I, for one, am prepared to take a chance on a similar guarantee for Newfoundland. The expenditure of this amount in Newfoundland will not only give employment, as in Great Britain, for a few months, but it will mean employ-

ment for the next half century at least.

Mr. Chairman, the Prime Minister went to the country on May 3rd; the Humber Scheme was THE plank in his manifesto. The electorate sent him back with a good working majority to carry out their mandate, to put the Humber Proposition through, and the people of this country are looking to him to-day to get a move on and see that the work of construction is rushed so that some of the thousands who are looking for work may get it.

The Opposition also promised to pass the Humber Scheme if elected, and I pledged my support to this measure to my constituents, and that pledge I am prepared to carry out provided my constituents are not discriminated against, and get their share of work on this big development scheme.

I fail to see, Mr. Chairman, how any man on either side of the House, who knows the conditions of the people in this country to-day, can jeopardize the passing of the necessary legislation to legalize this development scheme or even to delay it. If there is any one, I would like to hear what alternative they can put forward to take its place. We must ask ourselves, "Would we be justified in doing so under the present conditions?" I think not!

Since this Humber proposition was first mooted, I have been a consistent supporter of the measure. I feel that the government is to blame for not bringing this matter before the House at the last session, and enacting whatever legislation was necessary to get this great industry established in Newfoundland. If this had been done eighteen months ago, three thousand men would be at work to-day on construction work, and probably last winter, the Company would have been able to take on an extra two thousand men in the lumber

woods. Never was labor wanted worse than it has been for the last eighteen months.

We all realize that the fishing industry can no longer be looked upon as being sufficient to take care of our people. Look at the condition of the fishermen and laborers of this country to-day and contrast it with conditions four or five years ago. Then they were happy and prosperous; while to-day, people in many parts of the country are hungry and half naked, and every young man who can get sufficient money to take him out of the country is leaving the home-land.

Every member sitting in the House must realize the conditions under which the people are trying to exist, because they are not living, it is only existing. Members who went thru the last election campaign saw sights that could hardly be credited in what was once a prosperous country, and it is because of the condition of the people to-day that we should all be prepared, irrespective of party, to take a chance if necessary in developing our resources, so that a portion of our countrymen at least, will regain some hope of being able to keep their families once again in comfort, if not in luxury, and get rid of that feeling of hopelessness and misery which unfortunately exists in many parts of Newfoundland to-day and is demoralizing the people.

Although I do not anticipate that the Humber development is going to cure all our misfortunes, still, it will be a great asset to Newfoundland.

We know what the establishment of that great industry by the Anglo-Newfoundland Development Company at Grand Falls, meant to Newfoundland in her darkest hour. What we want in this country to-day, is more Humber, more Grand Falls, and we should do everything in our power to induce capitalists to come into this country and develop our resources.

I would like to ask you, Mr. Prime Minister, what is the reason more men are not being employed at construction work on the Humber at the present time? The people were told that within ONE WEEK of the return of the present government, work would start up on the Humber, and that some thousands of men would be employed. Why the delay? There is lots of preliminary work that could be done, and it is now the people who cannot get supplies need work. Why not put on large numbers of men on the 10 1-2 miles of railway that has to be made across the low lands, which will be flooded when the dam is completed? I understand a number of men are working on this piece of railway at the present time, but from what I can learn, there is room to employ some hundreds more. Sidings are required at the dam site and at the canal. A water supply line could be opened up for a distance of 2 1-2 miles at Corner Brook, a siding could be put into the Quarry and the Quarry opened up so that the crushed rock necessary for the construction of the buildings and the main dam would be available when required. A limestone quarry in connection with this plant, and sidings are also required there.

Perhaps it would be of interest to the House to know that 380 pounds of limestone will have to be used in making every ton of sulphite. The amount of sulphite required will be about 40,000 tons annually, that is, assuming that you have 30 per cent sulphite and 70 per cent groundwood. This means that 12,000 tons of limestone will be used at the Humber Plant annually, in making sulphurous acid which is required in the manufacture of sulphite; in other words, 600 carloads containing 20 tons each will be required annually. This limestone will be quarried on

the Humber not very many miles from the mill site.

In connection with the manufacture of 40,000 tons of sulphite, about 300 lbs. of sulphur to each ton of sulphite is required, which means that 6000 tons of sulphur will be required annually. The quarrying of the Limestone, loading and discharging, and handling sulphur will mean that considerable money will be spent annually on these two items alone. When we consider that thousands of tons of china clay, large quantities of alum, soda ash, aniline dyes, coal, grindstones, felts, wires, spare parts and the other thousand and one things required in a plant of this size, one can easily understand what a benefit this will be to even the ordinary laborer or longstoremen in providing labor.

It seems to be that the season is slipping away and this is the time when the contractors should have every man available working on the job. It is all very well to say "They are waiting for the steam shovels, and it takes time to assemble the necessary plant." Work which I have mentioned could be done with pick and shovel; possibly some steel, dynamite and striking hammers may be required. It is up to the government to urge the contractors to get a move on and to employ as many men as they can, as soon as they can. This would be to the mutual benefit of the contractors and the people. The summer is short and conditions in winter are not ideal for construction work.

State guarantees to industrial enterprises is now generally admitted in most countries, more particularly since the war, and curiously enough, state guarantees have been mainly given to develop power resources, since it is recognized that abundant and cheap mechanical power is essential to national prosperity.

Under the Trade Facilities Act,

where state aid was given in England, twenty-nine of the projects were for electric or hydro-electric work, and included proposed development overseas. One project promised assistance under this act, is a large water power development in Scotland, under the Grampian Electricity Bill, and it is stated that the Company obtained the promise of a guarantee of the principal and interest on \$2,000,000. If the British Government is prepared to guarantee this large power development in Scotland without royalties, I think we are perfectly justified in guaranteeing an industry which will mean so much both directly and indirectly to the people and the government of Newfoundland.

In the case of the Humber development we get a royalty on the developed water power, we get an export tax of \$1.00 per ton on paper, which, on an output of 120,000 tons per year, means an addition to the revenue of \$120,000 annually for all time, and we receive indirectly, at least \$325,000 per year on the duties collected from this industry on the materials used in the manufacturing of newsprint. Indirectly we receive from the purchasing power of the people, \$900,000 per annum. This figure is arrived at by estimating

	Per Annum
Pay Roll of Plant . . . . .	\$2,000,000
Pay Roll of Woods Operators . . . . .	900,000
Pay Roll of Real Estate and indirect labour, such as Lime Stone Quarry . . . . .	100,000
<b>Total Pay Roll</b>	<b>\$3,000,000</b>

The people who earn this money must spend it to buy food, clothes, etc., 30% of this amount will certainly come back into the Treasury.

Many people seem panicky about guaranteeing the principal and interest. Let us analyze this and see what

it means. Look at it in the worse light and assume we will be called upon to provide the interest of \$450,000 after the first two years, then after a further three years the sinking fund of £89,252 or roughly \$446,000. In all we are liable for \$896,000 per year until the Sinking Fund provides for the redemption of the bonds in twenty years.

If we had to pay this amount of \$896,000 annually, what do we receive in return? In the first place we receive a Tax of \$1.00 per ton on the Export of paper,

	Per Year.
Which is estimated to be about . . . . .	\$120,000
We received on account of Royalty on water power development . . . . .	30,000
We receive duty on material used for manufacturing . . . . .	325,000
We receive indirectly from the purchasing power of the employees 30% of \$3,000,000, which is	900,000

This makes a total estimated receipt of charges . . . . . \$1,375,000  
Interest and Sinking Fund 896,000

Leaving a credit balance in our favor of . . . . . \$ 479,000 besides going a long way to make our people contented, happy and prosperous once again.

My estimate of the amount that will be collected in duty on materials that are used in connection with the manufacture of paper, has been arrived at by taking the average duties collected at Grand Falls, Bishop's Falls and Botwood from 1909-10 to 1921-22 which figures out at \$163312 annually, as the Humber Mills will have twice the capacity of the Grand Falls Mills, it is fairly safe to assume that there will be twice the amount of duty collected which should be in the

vicinity of \$325,000 annually. This does not take into account considerable duty that must have been collected at Millertown as this will probably offset duties collected at Bishop's Falls which might have been paid in connection with A. E. Reed Company Plant.

Now let us look at the other side of the picture. Why should the Government of Newfoundland ever be called upon to pay interest and principal on \$9,000,000? Personally, I do not anticipate such an event, why? Because I have faith in the sound commercial possibilities of this enterprise—you may ask what makes me so optimistic. I will tell you. We should make paper in Newfoundland as cheap as anywhere else in the world, tariff conditions being equal. In fact we would have to make it cheaper because we have to compete with Canadian and American mills, who have practically no duties to pay on material used in manufacturing paper. On the other hand paper manufacturers in this country have to pay duties equivalent to \$3.00 per ton on every ton manufactured, which is unfair and should not be.

According to the figures quoted by the Prime Minister the promoters of this big paper making plant, figure they can make paper at a cost of \$40.00 per short ton, and that they can sell same for \$65.00 per short ton F.O.B. the Mill, this gives a profit of \$25.00 per short ton, which on an output of 120,000 tons per year is a clean profit of \$3,000,000 annually; assuming that the maximum interest and sinking fund charges for Newfoundland and the British Government amount to \$2,000,000, the company should show even then a profit of \$1,000,000 after providing for all interest and sinking fund charges.

Mr. Chairman, I believe the Company's estimated cost of manufacturing news print at \$40.00 per ton and selling at \$65.00 per ton is most

conservative and I have no hesitation in saying that it can be manufactured for less than \$40.00 and sold for at least \$75.00 per ton.

In 1912 in properly equipped Mills run in business like manner, newspaper was made for considerable less than \$30.00 per ton, but let us agree that \$40.00 manufacturing cost is correct, the F.O.B. price should be \$75.00, this would mean a profit of \$35.00 per ton of 2000 lbs. and on an output of 120,000 tons annually, it would give a profit to the Company of \$4,200,000. Under those circumstances and with labor conditions as they are, should we worry over the possible chance of having to pay the guarantee? I think not.

The next question is what about the water-power and timber resources connected with this development scheme? It is to be supposed that the Engineers who reported on the water-power of the Humber Valley, know what they are talking about, and no Company of the standing of the Sir W. G. Armstrong Whitworth Company Limited, would accept a report from any group of Engineers unless the data submitted was absolutely reliable, so I do not propose to take up any more time in dealing with the water power development scheme, more especially as the Prime Minister informed us that all data submitted has been verified by the best experts obtainable.

As to the timber lands included in this scheme—what is the area of it? How is the land acquired? What number of cords per acre will it yield and in how many years will a mill of 400 tons of paper daily capacity be assured of sufficient wood supplies to keep that Mill operating? Reliable answers to those questions are very necessary if the country is to be protected against having to pay interest and sinking fund charges.

In the first place we must bear in mind, so far as the Newfoundland

Government is concerned, it is only necessary that they should have an absolute assurance, that there is sufficient Pulpwood on the Timber properties controlled, to keep the Mills operating for twenty years after the Mill is completed; this means that an assured Pulpwood supply of at least 3,600,000 Cords is on the land, because the sinking fund will redeem the bonds in 20 years and this country will be free from any other obligations of interest and sinking fund charges.

No sane business man would go ahead with a development scheme of such magnitude unless they knew they had or could acquire sufficient Timber for seventy to one hundred years. By reference to the Map tabled one can easily see the holdings controlled and under option and also the large areas that can be acquired, by the company.

I have spent sixteen years in the interior of Newfoundland, I know our timber resources I think, as well as any man in the country, and I am absolutely certain that the timber limits controlled by the Company will give them sufficient Pulpwood if never another tree grew for fifty years. I have been over several large tracks of this area, and while I have not cruised nearly all, still I am convinced that some of the very best timber areas in the country are included in this scheme.

There is every reason why this should be so, because the timber areas were systematically and intelligently selected by competent engineers between 1895 and 1900; under the 1893 Railway Act all lands adjacent to the Railway Line were reserved until the Reid Lands were selected, consequently the Reids had the best lands in the country to select from, and they certainly had the two best men that could be secured to make the selection, and events have since proved, that the

late W. Scott, Vice President of the Anglo-Newfoundland Development Co., and J. P. Powell, C. E., who made the selections, were worthy of the trust and confidence placed in them by the Reids.

Roughly I understand the lands from which the Pulp-wood would be cut for the paper mills are situated and yield as follows:—

In the Humber River Water Sheed area 520,000 acres containing 3,700,000 cords. This figures out at a little over 7 cords to an acre.

Along the Railway from Little River to Curling 660,000 acres, containing 3,500,000 cords. This only figures out at a little over 5 cords to the acre.

On the Northern Peninsula 530,000 acres containing 2,250,000 cords. This figures out about 4 cords to the acre.

Adjacent to Bay of Islands and Bay St. George on the Coast, 150,000 acres containing 263,000 cords. This figures out at 1 3-4 cords to the acre.

This makes a total of 1,860,000 acres yielding 9,750,000 cords of Pulpwood.

Allowing about 1½ cords of Pulpwood to the ton of newsprint and a production of 120,000 tons per year, the consumption will be about 180,000 cords of Pulpwood annually; the yield from the above areas will supply the Mill for fifty years.

The intervening and surrounding lands available in the same vicinity as well wooded amounts to fully another 2,000,000 acres. his land should easily yield 10,000,000 cords, and the combined yield of the two areas should supply the Mill for about 100 years, without taking into account natural growth during that time, and there is no reason why the Mills should not be so constructed so that this output could be increased 50 to 100 per cent. a short time after the present Mill 400 ton capacity is completed.

We have only to go back and review what happened when the Anglo-Newfoundland Development Company

started in 1905: first they only acquired the timber limits owned by the Timber Estate and the Reid-Nfld. Company and what was known as the Martin area, later they purchased large areas from H. J. Crowe, J. B. Miller and other large holdings, today they have unlimited timber resources for their Mills and need not worry about timber supplies for the future.

The estimated yield per acre which I understand the Company is counting on, is in my opinion a conservative estimate. Reports made by the most reliable Cruiser in Canada on land immediately North and adjoining the Humber Valley lands, show a production of 40 to 50 per cent. more per acre than the figures of the estimates which I have quoted; surveys in other parts of the country over Reid lands, included in other properties generally show a greater yield than the other lands in the same vicinity; this is no doubt accounted for by the careful selection made by the Reid engineers when they were locating the Reid blocks.

For the information of the House I am giving you the average Pulp-wood cost per cord for five years in Canada.

Per cord.

In 1917	the average cost was \$ 8.50
In 1918	the average cost was 10.64
In 1919	the average cost was 12.00
In 1920	the average cost was 15.23
In 1921	the average cost was 16.16
In 1922	the average cost was 12.38

Wages cost in every Province of Canada were increased last winter, and the average cost of Pulp-wood this year will probably be somewhere between the cost of 1921 and 1922, or roughly, Pulpwood this year will be costing in Canada about \$14.24 per cord.

I should think that the cost of rough wood delivered at the Plant Humbermouth for some years will not exceed \$6.00 per cord. If another thirty per cent. be added and the cost

of wood be placed at say \$8.00, the cost of Newfoundland wood will even then be fifty per cent. lower than Canadian cost, so that there is every reason to hope, with the advantages of cheap wood, with a surplus of cheap electric power and with mills at tide water that the paper mills at the Humbermouth will turn out newsprint at the lowest possible cost, the cheaper paper can be made the less chance there is of ever being called upon to pay the interest or the sinking fund charges. Improvements in paper making machines are reducing the quantity of wood per ton used. Mills with modern machinery to-day are using 20 per cent. wood less than machines manufactured even ten or fifteen years ago, therefore the Mill with the most up-to-date machinery cannot but make cheap-paper provided the management is what an industry of this kind should have, namely, the very best that can be obtained.

As to selling price of newsprint:—the F. O. B. price today at the mills in Canada and the United States is \$75.00 per ton and instead of the price of newsprint falling, I would not be surprised to find five years from now that the F. O. B. price of newsprint will be in the vicinity of \$100.00 per ton.

SIR M. P. CASHIN—Before the House rises, Mr. Speaker, I would like to say a few words and place myself on record, fearing that we may not meet again for a week or so. We have been open now for a fortnight or three weeks and have not yet got very far with the business of the House; and lest we forget as some of us may get in the woods and not come back again. I remember that this House adjourned before for a short while, and when that time was up adjourned again, and then finally prorogued. I fear the same thing may happen again if we do not say something to jog the memories of

those outside the House to whom so much was promised. This proposition has been before the House six months, and a great deal can be said about it now that we know what it is. I would like to go and remind the people that when we last adjourned we received promises that certain legislation of great interest would be brought before us. When it was rumoured that the House was to adjourn I was one of the Committee that went to Government House and interviewed the Administrator, who was then in charge there, and we were told that the House would only adjourn for a few weeks. The Administrator had it on reliable information that the Prime Minister and Minister of Justice were then in England, but this House would deal with this matter about which they were negotiating, but the Prime Minister could not reach here before the date set for the adjournment. He told and promised us from his inside information that the House would adjourn at a certain date and open again on the return of the Prime Minister from the other side of the water. In all honesty he assured us, and I believed it and he believed it himself. But what happened? The House is now open and the people seem to have forgotten the history of the past few months. The Prime Minister returned in January; the House has prorogued and dissolved; now it has already been three weeks open, and neither the Prime Minister nor any of the other ministers has told us the reason for all this. They were elected by the people, and when the arrangements were finalized he could have called the House together in the interests of Newfoundland and of the working people in whom he professes to be so much interested at election times. He came back and kept this information to himself and colleagues, and discussed whether it was best to open

the House and lay the measure before it or go to the country on a special election on it. Now, Mr. Speaker, they kept this proposition to themselves, went to the country, and had a special election; but how much has Newfoundland and the people suffered in the meantime. There is no reason why when he came back from England he did not come here and pass the legislation that we are discussing now. No reason was given by him. He was afraid then to tell the story that he is telling now. The story he told before the election and the one he is telling now do not go side by side at all. He issued a Manifesto in April. I thank you, but when he was writing it he forgot he had written one in 1919.

Mr. Chairman, I challenge the Prime Minister right here and now that that statement is not correct; I tell him right here and now that he lied when he made that statement. No man in this House or in the whole Island has the interests of Newfoundland more at heart than your humble servant, and I defy the Prime Minister to prove his statement which was written for the express purpose of deceiving the electorate. Instead of spinning all this kind of thing to the people, why did he not come out in the open like a man and tell them the full particulars of his policy? Did I not challenge him to come out on any platform or in any hall and discuss it for the benefit of the people that wanted to know something about the Humber before they voted for it. But he did not have the courage or the pluck to do it. Instead he comes out like a coward and stabs in the back. During the night you wrote your Manifesto and sent it widespread through the country, stabbing those you did not have the courage to meet in public. Every bit of your Manifesto was a lie. What is your policy? The



policy before the House was here in 1915. It is the Reid policy. It is their negotiations with the Armstrong Whitworth Company. You allowed them to put their policy over on you. You allowed them to put their policy over on Newfoundland. Why did you not come out then as a young rising Newfoundlander with independence and assert yourself; but instead you sat at your round table and went to the country with this deal as your own policy. Not another person except yourself knew about it. I defy any of the rank and file of your party who went to the country as the Humber candidates to get up now and tell me that they knew what the Humber Deal was and what it meant. Not one of them knew because you were afraid to tell them, and you were also afraid to tell the country, because you knew the people would not elect you. And they did not elect you on your Humber policy. The country knows now how you won, and the Minister of Education will be able to write an essay on the effects of his speech at Upper Island Cove the night before polling day. I am not afraid to tell you what you won on, because I am here to call a spade a spade, and to tell why you put M. P. Cashin on every page of your campaign literature. Now we want to know where the Saviour of the Underdog is, and what he is doing for the poor people who are being driven out of their country to seek a livelihood elsewhere. What did you say you were going to do for the poor man and the fisherman? Here, I'll read it to you:—

(Reads from Manifesto.)

What do you know about the Tory Party? What are you? If I am a Tory, what were you when you sat in the same Executive with me under the Morris Government? To-day, what do you do when the poor, hungry men of the district you and I

represent are starving? To-day, what do you do for the seven hundred laborers in our district who are unemployed? For two months, in the hope of catching votes, you spent money freely on them. On Nomination Day, when all relief work was of necessity closed down, you were so interested in these men that you went to the Governor and told him they would starve unless the Government looked after them and helped them. The result was that the Governor, being kind and new and not knowing you, ordered that they be supplied with \$12.00 worth of food each. What have you done for these men since the 3rd of May? Have you even raised your little finger to give them work or assistance? Of course you are in power now for another four years, and you have nothing to worry about except enjoy your fine soft jobs. Yet you tell the people that you are working in their interests; yet you tell the people that your fishery policy is going to save the country from ruin brought upon it by the Tory Oppositionists; and now, after ruining half the country and driving our people away to other lands, you have the impertinence to come down in your Manifesto of April last and blame M. P. Cashin. It is past me to believe that the people swallowed your bait on the strength of your policies, but the way you worked things you put the issue to them as a case of vote for Cashin or vote for Squires. Certainly not a case of policy, but a matter of one man adoring at one altar and the other at another. Take your use of the Public Telegraph Service, and the messages you sent over them to the districts of Burgeo, Harbor Grace, Bay de Verde. You did not talk about your fish policies in those, but you talked religion.

(Reads from 1919 Manifesto of Sir R. A. Squires.)

Now we shall have a look to see

how far you have carried out your much-talked-of programme.

**PUBLIC HEALTH:** Have you done anything with your policy in this line?

**WORKINGMEN'S HOMES:** You tacked \$60,000 on to the public debt of this country for a commission to build a dozen unsuitable houses, and which are now mostly unoccupied, and yet who have the audacity to say you carried out your policy to provide Workingmen's Homes.

**PUBLIC CHARITIES:** Have you added any more names to the list of Old Age Pensions as you promised. Have you provided pensions for widows?

**TUBERCULOSIS:** You have done nothing in this respect. The institution on Topsail Road was undertaken by the Lloyd Government and has since been built and carried on.

**EDUCATION:** Just a Department tacked on to the public expenditures, with ten or fifteen gentlemen drawing large salaries. Nothing to justify such a large grant; but just enough to justify the Minister in not going back to his own district.

**TRADE AND COMMERCE:** What did you promise in this way? A new department and every encouragement and assistance for industry and development. What have you done except ruined the fishery and antagonized the merchants? You pulled the wool over the eyes of the fishermen when you downed the merchants, now you refuse to do anything for the men you fooled. Your Marine and Fisheries Department is a disgrace. Mr. Piccott, who did good work in that department a few years ago is here now, and for his benefit we shall look to see what the Prime Minister said about his department when Mr. Piccott and I were in it together.

(Reads from Manifesto.)

Now, isn't that funny. All this happened three and a half years ago,

and I ask the Prime Minister how much of this Manifesto he has carried out. Taxation! This is what he says (Reads from Manifesto). What have you done about it? Has the commission appointed by you made any report yet? No. It has not reported yet on the tariff. I have read half a dozen of the things you promised three and a half years ago, and you have not carried out one of them. And now the House has been open for over three weeks and you have had only two or three sittings of two or three hours' duration. There is no reason why you should not go on with the legislation of the Colony. You want to adjourn the House now until to-morrow. Why not come back to-night? I am ready to come back after tea. Things were not like this when Sir W. F. Coaker was on this side of the House. The whole thing is a frightful joke. The people of the country want to know what is being done. They are starving. The fishermen have no means to earn their living. Is any one interested? Now we come to the five thousand people who are to be employed at the Humber. Some department issues tickets for the members of the House of Assembly to give to their constituents and some of these tickets go to the defeated candidates. The Humber proposition is all right. Some parts I intend to vote for and some parts I will not vote for. I would like to read the balance of the Manifesto. We are going to take over the railway. Here again we have the same old story, and he asks to pass this in conjunction with the Humber contract. This means another two millions to the Reids and another million to meet the deficit on the railway, and still another million and a half to meet the deficit in our own income, and before the end of this session we will have the Finance Minister looking for another loan of five or six million dollars. And now

we have to guarantee nine million dollars for the Armstrong people. We know that these people hold over fifty per cent. of the stock in this enterprise, but who are the other people. To speak candidly, the opening of this House shows a frightful mess. Poor old Newfoundland is going. Her people are going. The independent young man who should remain is going, because he can get no encouragement to remain.

MR. CASHIN—I would like to draw the attention of the Prime Minister to questions one and two of the order paper of June 21st. These have not yet been answered.

HON. THE COLONIAL SECRETARY:—The answer to question two is nine thousand dollars, and it gives me much pleasure to lay this on the table of the House. With regard to the opening of the telegraph office at Ferryland, I don't know at whose recommendation this is being done.

MR. CASHIN:—When I asked the question as to whose was the recommendation upon which the telegraph office was to be opened at Ferryland, you promised to have an answer for me as soon as possible. You have not answered it yet. Now, with regard to question number two of the same date, besides the lump sum which was paid to Mr. Parsons, I want to know what charge he received from the Government. The man to whom I refer is not in business for himself, and it is quite possible for him to buy a barrel of flour for five dollars and to sell it to the Government for ten dollars. This man works in Bowring's grocery department which was a committee room for your party during the election, and I want to know what he sold to the Government and what he received for what he sold.

HON. THE COLONIAL SECRETARY:—You haven't asked.

MR. CASHIN:—(Reads question two of order paper of June 21st.)

HON. THE COLONIAL SECRETARY:—I have no intention of laying any original vouchers on the table of the House.

MR. CASHIN:—Well, then, I want copies of them.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again to-morrow.

On motion this Report was received and adopted, and it was ordered that the Committee have leave to sit again to-morrow.

The remaining orders of the day were deferred.

It was moved and seconded that when the House rises it adjourn until to-morrow afternoon at three of the clock.

Mr. Fox gave notice of question.

MR. MOORE:—Mr. Speaker, in seconding the motion to adjourn, I want to draw the attention of Sir William Coaker to the telegraph office that they are forcing upon us up in Ferryland. This office is going to cost the Government six hundred dollars a year to keep up and the income will not be more than seventy or eighty dollars. Now, we don't want this office, and I ask Sir William to use his influence and have them put this office some other place down north where it may be of some use.

The House then adjourned accordingly.

TUESDAY, June 26, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

MR. HIGGINS:—Mr. Speaker, I have to present a petition from the fishermen of Ouidi Vidi concerning the clearing out of the channel. This petition is made on behalf of thirty

or forty hook-and-line fishermen, three or four trap crews, and some others, and since this channel is the only means of entering the harbor it is important that this matter should be given attention as soon as possible. I would like to ask the Minister of Fisheries to take a personal interest in this matter.

MR. SULLIVAN :—Mr. Speaker, I beg to present a petition from the people of Rushoon concerning the matter of a ferry. Formerly there was a ferry there, but the Government, in an attempt at economy, cut it out at the last session. Now the people of Rushoon and adjacent places have to depend upon somebody else to ferry them back and forth. This matter would only mean the expenditure of fifty or a hundred dollars, and I would like the Minister of Public Works to give the matter his attention as soon as possible.

MR. SINNOTT :—I beg to give this petition my hearty support.

MR. CASHIN :—Mr. Speaker, I beg to present a petition from the people of Caplin Bay protesting against the use of trawls. I wish to give this petition my hearty support. Practically all the inhabitants of this place and Calvert are hook-and-line men, and trawls can only be used for about two months a year. This petition is signed by every man in the place, and when the Fishery Board meets I would like them to do something in this matter.

MR. MOORE :—Mr. Speaker, I beg to give the petition my hearty support.

MR. WALSH :—Mr. Speaker, I beg to present a petition from Mr. Peter Gibbons and others, of St. Vincent's, concerning a ferry from Trepassey to the West Side. This ferry was cut out last session of the House and has caused considerable trouble to the people of these places. When the inhabitants of these places are coming to or going from St. John's they

have to cross or walk around this long indraft. At present there is no ferry, so they have to travel a distance of eight or ten miles whenever they wish to go from one shore to the other. This petition is signed by all the residents of St. Vincent's, and it would only mean a small matter of about two hundred dollars outlay by the Minister of Public Works. I wish to give this petition my hearty support.

MR. SULLIVAN :—Mr. Speaker, I wish to support this petition.

MR. SINNOTT :—I wish also to give my hearty support to this petition.

MR. WOODFORD :—I want to call the attention of the Minister of Marine and Fisheries to a question I asked some time ago. I have not as yet received any answer, and I would like to get one.

#### Notice of Questions.

(1) MR. HUNT :—Asked Hon. the Minister of Marine and Fisheries to lay on the table of the House a detailed statement showing number of beaver skins purchased from January 1st, 1921, to date; from whom they were purchased; at what prices; to whom they were resold, and at what prices.

HON. THE MINISTER OF MARINE AND FISHERIES :—The answer to that question will take some little time to prepare. As soon as it is ready it will be tabled.

(2) MR. HUNT :—Asked the Minister of Public Works if an amount was paid Mr. J. C. Tucker, Manager of the British House, by his Department during March last. If so, to state for what the amount was paid and to what account was it charged, and to lay on the table of the House a copy of the original voucher.

MINISTER OF PUBLIC WORKS :—This is in course of preparation. We are very busy, and it will take some little time, but it is all coming.

MR. P. J. CASHIN :—Asked the

Minister of Public Works if road grants for the District of Ferryland have been sent out for the various settlements in the district within the last six weeks, to whom allocated, and at whose request.

**MINISTER OF PUBLIC WORKS**—This is being prepared.

**MR. P. J. CASHIN**:—Asked the Prime Minister, in the absence of Hon. Minister of Posts and Telegraphs: (a) If a Way Office has been opened at Ferryland. (b) who is appointed in charge of the office; (d) what is the salary; (e) in what building is the office located; (f) what rent is being paid for the use of the building; (g) what is the necessity for this outlay of public money.

**HON. THE PRIME MINISTER**:—There is to be no Way Office to be opened at Ferryland. Consequently nobody will be in charge; there will be no salary; the office will be located in no building; there will be no rent, and no outlay of public funds.

**MR. P. J. CASHIN**:—Asked Hon. the Prime Minister, in the absence of Hon. Minister of Agriculture and Mines, if it is the intention of the Government to re-appoint the fire wardens in the District of Ferryland for the coming season; if so, when shall they be appointed.

**HON. THE PRIME MINISTER**:—The information sought has not yet been received.

**SIR M. P. CASHIN**:—Asked Hon. the Prime Minister to lay on the table: (a) Copy of the Agreement of October 27, 1922, guaranteeing an advance by the Bank of Montreal of \$1,000,000 to the Newfoundland Products Corporation Company, and of all letters, cablegrams or other correspondence in relation thereto. (b) A copy of the letter of the Secretary of the Newfoundland Power and Paper Company, Ltd., dated January 11 last, asking that payment be made direct to Armstrong, Whitworth and

Company, instead of through the Newfoundland Power and Paper Company, and also of letters, cablegrams, or other correspondence in relation thereto. (c) Copies of all letters, cablegrams or other correspondence in relation to the agreements of October 27, 1922, and March 13, 1923. (d) The name of the representative in England of the Auditor General as provided in the Agreement of March 13, 1923, and a copy of all letters, cablegrams, and other correspondence in relation to his appointment. (e) Copy of all letters, cablegrams and other correspondence in relation to the abandonment of a guarantee by the Government of a loan for the Company, and the substitution of a cash advance of \$2,200,000, and (f) why Newfoundland had to provide funds for expenditures in England as well as in this country.

**HON. THE PRIME MINISTER**:—The answer to this question is contained in about sixty pages of foolscap which I am having prepared at my office.

**SIR M. P. CASHIN**:—At what time?

**HON. THE PRIME MINISTER**:—At the end of whatever time it takes to type sixty pages of typewritten matter and compare copies with the originals.

**SIR M. P. CASHIN**:—How long will that be?

**HON. THE PRIME MINISTER**:—About four hours' continuous work.

**MR. FOX**:—Asked Hon. the Prime Minister: (1) Upon what basis is the sum of \$2,000,000 proposed to be paid by the Government to the Reid Nfd. Co., Ltd., in purchase and settlement of their railroad interests and claims made up. (2) To give particulars in writing showing how this figure was arrived at.

**HON. THE PRIME MINISTER**:—The answer to this question was included in my speech on the railway

resolutions. If any part of the subject matter of this question is not fully understood or not detailed sufficiently I shall be only too pleased to furnish any further information desired.

Pursuant to order, and on motion of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole to consider certain Resolutions respecting Industrial Development.

Mr. Speaker left the Chair.

Mr. Jones took the Chair of Committee.

SIR M. P. CASHIN :—Mr. Chairman, when the Committee arose on yesterday afternoon I was going to point out to the committee my opinion on the resolutions now before the chair, but before coming to them I made an attempt, and still am making an attempt, to point out what has happened to the country during the past six or twelve months. I may remind the House that we were told when we were to meet last November, the proposition now before us would be brought down in a very short time, as the Prime Minister and Minister of Justice were in England making arrangements. I wish to point out especially the insincerity of the Government. We were told the other day by the Prime Minister that it was a proposition thought out by the Government. Well, now, before taking my seat, I will show that the proposition now before us is not theirs at all. It is the proposition of the Reid Nfd. Co., and I congratulate the Reid Nfd. Co. on that proposition. It was before the House in 1915. Now we are here to consider this proposition. Before coming to it, after listening to the speeches already made on it, I intend to refer back to the last session of the House and the actions of the Government. There is no reason at all for us to be here now on this proposition, this should have been before us last February. I

intend to point out the reasons. The Government thought when considering this proposition last year that it would be wise for them not to open the House, but to go to the country. They wrote on the blackboard the Humber Deal, and went to the country. Now, none of the people of the country knew what this proposition was, but we knew, and tried to point out to the people what it was and what the Government were trying to make of it. The Government was scared to come to the House with it, but we were prepared to face it. This scheme was thought out not by the Government, not by the Armstrong Whitworth people, but by R. G. Reid, and I congratulate him on it. He is the cleverest man in the country today. His name has been dragged through the mire of politics all through, but he has kept at it and has won. The Reids were the best contractors that ever came to this country. I remember when R. G. Reid, sr., came to this country. Sir R. G. Reid. I say, was wealthy then. Some people said he made money. maybe he did; but where is it now? They did not leave the country like a great number of other people who made money in Newfoundland. His name had been held up to ridicule by all the Governments of Newfoundland; but Reid thought out the proposition, and he has put it before the Government on more occasions than this. He put it up in 1914, 1915, 1916, and 1917, and now we are here to consider it again, and I am glad that they have at last obtained it; they deserve it. All through the war the Reids were second to none in the country. Under the contract under which they were held. They lost thousands of dollars when they ran ten coastal boats during the war. They were only remunerated in some cases by \$10,000. when other boats, not in such a class as those of the Reids, were given

\$100,000. Now we are told by the Prime Minister that we are going to get clear of them for ever and ever. I am going to make a prediction here this evening. They gave you statements and estimates of their losses and expenses by the Railway and Coastal Boats, and it was hinted in this House that they were false; even the Prime Minister hinted that they were cooked. Now there is a man in this House this evening who should come before the House and apologize for those statements. When the Railway was taken over by the Government Commission, did they make both ends meet? We were told that they would. Perhaps the gentlemen were honest in their opinions in so far as they knew; but why not be honest about it now? The Government Commission lost twice as much as the Reid Nfd. Co. in the operation of the railroad; they lost \$1,500,000 in one year. Never in the history of the country did the Railway have such a deficit. I make a prediction that, up to the end of this year, there will be a deficit of \$5,000,000 in railway operations; and I say now that when you are running this Railway for a year or two, you will be going to the Reids and asking them for a tender. You told us in your Manifesto that a strong English Company was going to run the Railway, and now you come in and say that the Government is going to run it. Here it is in your Manifesto (Reads from manifesto of 1923). Here is his statement of six weeks ago. Do you remember it? Did you see it? You said that a reliable strong English Company was going to take it over, and forty-eight hours ago you come in and say that the Government is going to run it. Here is his statement. They are going to be relieved from all control (reads again from Manifesto of 1923). Why do you follow on with such statement? You insinuate that the Arm-

strong Whitworth Company and the Grand Falls Company were going to join hands and take it over. Now, in less than six weeks, you say that the Government is going to run it. Now I want to emphasize it in this House that six weeks ago you told us that it would be run by the Grand Falls Company and the Armstrong Whitworth Company. Now I ask can the Government run this Railway? How long can they run it? What is the condition of the Railway? It is only a scrap; two streaks of rusty iron. What are the Coastal Boats like? They are the same as the Railroad. The Kyle was the only one left, and we all know what happened to her last winter. Now, what are you going to do about it? You gentlemen were sent here to look after the interest of the people who sent you here. What do the Grand Falls Company want the Railway for? What do the Armstrong Company want it for? They can do with thirty miles of track. Here is what you have to do, to practically build the Railway over again from end to end. (Reads from Manifesto concerning Reid's claim against the country in running the Railway.) If the Reid Nfd. Co. were not right and had not a claim, the Minister of Justice would not say, go out and settle with the Reid Nfd. Co. Would the Prime Minister be advised like that if they had no claim?

We have to hand over to the Reids \$2,000,000 for the Railway. Who put us in that position? It was the Government. You took it over and made them those promises, and the Reid Nfd. Co. are on the pig's back to-day. The country is in a state of depression to-day, and thousands of people are leaving it. The Dry Dock will cost \$1,000,000 to put it in repair; it is not fit to put a ship there at present. The Reid Nfd. Co. are clear of the Railway and Coastal Boats, which are worn out. They

retain the St. John's Power and Light Company, which turns them in about \$400,000 per year. They have also retained all, or practically all, of their valuable land areas.

Now for number two. Further than that they have sold out over 50 per cent. of their lands to the Armstrong Whitworth Company, and the Government do not know what they got for it, and they still retain 45 or 50 per cent. of the lands which they were given to build the Railway. The hand over the Railway, the Dry Dock, and the Coastal Boats, which are all worn out, and have retained everything that is making a cent profit to-day. They are relieved of every liability. They are in a better position now than they ever were. But you could not come in here in February and tell the people of this country that you were going to pay the Reids \$2,000,000 for the Railway.

Now look at the Armstrong Whitworth Company; what is it? Reid went over to England last year and got hold of those English people. Reid knew the value of these water powers on the West Coast. He went over with this proposition; a fairly attractive one. What did they do? It was found out the British Government was putting up or guaranteeing money to start such industries in the Colonies. They were putting up money at five and a half per cent. Reid had been going back and forth for two years, and finally the British Government decided to put up \$9,000,000 to help this proposition out. The Armstrong Company are not putting up the money, it is the British Government that is putting it up. All the machinery is being built in England; we are getting no benefit here out of it. They are making a profit of ten per cent. The Armstrong Company say, "yes, we will build it, for we can make a good profit." The British Government says, "we will build it, but you've

got to give us a mortgage and the guarantee for this money, and also lands; in other words, we want the first mortgage"; and you gave them the first mortgage on \$9,000,000. Now what risk is the Armstrong Whitworth people taking in this proposition? Not a cent. They say we will take 55 per cent. of the stock; we will sell the Newfoundland Government \$9,000,000 worth of machinery. The British Government says, go ahead. We are guaranteeing five and a half per cent. Now who are the shareholders? Not the Armstrong Whitworth people. The shareholders are the British Government and the Newfoundland Government, but the Newfoundland Government gets what is left over. \$2,000,000 you had to give. Why did you have to do it? Because you did not have the legislation on it that you should have had; you go and send the money over, and legislate on it after. All this machinery, gentlemen, is your money. The Agreement is not carried out by the Government. They had to have everything copper-fastened, so, consequently, you have sent over to the British Government \$2,000,000, and in the meantime your Government was on the right side, and poor old Newfoundland has to bear the burden.

Now I would like to know who are the shareholders. The British Government owns \$9,000,000 worth, and the Newfoundland Government owns the other mortgage. There are no shareholders besides; the only ones are the Armstrong Whitworth Company, but what money are they putting up? They will put a mill and they will make another million on it, and they are getting five and a half per cent. It is certainly a good investment. Now, I want to know who really are the shareholders. So far as I can find out they are the Reid Nfld. Co; they own 45 per cent. of it. We are told that the whole pro-



erty will cost \$18,000,000. Who is going to furnish it? We are told by the Prime Minister that we would furnish \$5,000,000. It will take two years to build, and we are told that it will cost \$18,000,000, but it will cost more than that. Who is going to finance it when it is built? We are told that it is going to manufacture 400 tons of paper a day, and I now ask where the working capital is coming from?

We were told within the past year, and particularly during the Election period, that this proposition was going to take the place of the fisheries; at least, that was the impression that was created among our people. Now I am in favor of the Humber proposition, but I am not in favor of the idea that it is going to be a substitute for the fisheries of Newfoundland. I wish this proposition every good luck, but I am not going to give any credit to the Prime Minister or the Government upon bringing it about. The Government or any member thereof had nothing at all to do with it. They were driven to it by the Reid Nfld. Co. after they had been shown how feasible it would work out. But this Humber Deal now before the House is not new. Why, Sir, it was passed by Minute-of-Council months ago. The Armstrong Whitworth people were working on it since last year, but it was not known how they were working or what they were doing until a few days ago, when, in reply to a question put by the Opposition, the Prime Minister stated that the Newfoundland Government had to advance the contractors \$2,200,000 for the initial expenditure, and this amount was transferred to England through a loan that was arranged with the Bank of Montreal here by the Prime Minister. Is that right, Mr. Prime Minister? I take it that silence gives consent. We were told by the Prime Minister in his Manifesto, a

few weeks ago, that a reliable English concern—I suppose he had in mind the Armstrong firm, or at least that was the impression he gave the electorate—was going to take over the Railway and run it. After introducing these Humber Resolutions a day or two ago, he asked this House to allow the Railroad Resolutions to go hand in hand with the Humber Resolutions. Now he tells us that it is the intention of the Government to operate the Railroad. Why this sudden change of front in such a short time? What is the position of the Colony to-day as regards the railroad? How can the Government operate a railroad on a revenue of eight millions of dollars or less? I make the statement here now, even though it is rather premature, that it cannot be done. You are going from bad to worse, Mr. Chairman, concerning that railroad. Never was there such dissatisfaction given by the Railway as during the past winter. It was tied up practically all the time, and every day sinking considerable money.

I want to extend my warmest congratulations to the Reid Nfld. Co. and particularly to Mr. H. D. Reid, for the existence of this Humber proposition, which is in reality a Reid proposition, pure and simple. It is the same project, though under a new name, that was before this House in 1915. Neither the present Prime Minister or anyone else in this House can claim any credit for bringing it about, although the Prime Minister made a political football out of it during the past winter. He deceived the electorate by putting forward the Humber Deal as the bait, but he took good care not to give the people any information regarding it. Mr. H. D. Reid is the man who was mainly responsible for this proposition that we have before us. He was assisted by Mr. J. C. Powell and Mr. C. O'N. Conroy. The

Reid Nfld. Co. tried to bring this thing to a head many times before, but were jumped on; this time they have succeeded. Why have they succeeded? Because the Government are down on their uppers, and have no other place to look for help. I hope that this proposition will benefit the country, but I am doubtful about the management. Compare the management of this concern with that of the A. N. D. Company. We are guaranteeing this Armstrong Company nine million dollars principal and interest, besides promising them all material for their plant duty free; while the Harmsworth project at Grand Falls was guaranteed nothing. In 1905 Mr. Beeton came here on behalf of the A. N. D. Company with a similar proposition as this one we have here to-day. His Company came here with their own money to invest and got certain privileges from the Government; but not so with the Armstrong people, who are only investing whatever they paid Reids for fifty per cent. of their holdings. We were told down through the years that the Grand Falls project did not pay. But we were told by the Prime Minister the other day that the A. N. D. Company paid a dividend of one and a quarter million dollars last year through their operations. Up to recent years the plant did not declare any dividend directly, but it did so indirectly, because the Company, through competition, kept the price of paper in its right place on the other side of the water. It was kept in that position for the purpose of keeping out any other company who were desirous of starting a similar plant here. I am merely pointing this out to show what slight concessions these people got compared to the Armstrongs, and it is my duty to do so. I am going to vote for the Measure now before the Chair, although strongly opposed to the guar-

antee on principle. As was pointed out by the Leader of the Opposition yesterday, certain Amendments to this Measure are going to be offered, and I hope that the Government will take them in the spirit in which they are made, because they will be made on behalf of the people of this country.

Another serious matter that I would like to draw the attention of the House to is the valuable water power that is available in the vicinity of the Humber, and which is intended to be handed over to the Armstrong people by a stroke of the pen. Could not this water power be used to run the railway in Newfoundland, like is done in other countries, I ask? The coal bill to operate the Newfoundland Railroad per year is roughly a million and a half dollars. It costs the Government \$14 per ton to land it here now, whereas it cost \$4 in 1908. Still we are told that the Government intends to try and run a railroad and try to make it pay, despite this big bill for coal, and give no consideration to the question of water power, which can be used to substitute coal to run the railroad. Now I ask Sir William Coaker, who is the principal lever behind this Measure, to use his influence towards electrifying of the Railway from the Humber. It may sound strange for me to suggest this change; but we are now in the days of improvements, and how many of us ever thought that we would see a couple of individuals flying across the Atlantic in a couple of hours.

Now, with regard to the Railroad again. If it is the intention of the Government to run it, the first thing they have to do is to put in some kind of better shape than it is at present. We all remember what happened in 1920. The Government took over the Railway to run, and at the time they told us that they were going to make two ends meet. Now,

did they? The loss to this country as a result of that experiment and that blunder was in the neighborhood of five million dollars. Why, the very first year cost the Colony a million and a half dollars on Railway account. In spite of all the nasty things the Prime Minister has said of the Reids, I venture to predict to-day that, if the Government undertakes to run the Railway, inside of two years they will be running to the Reids with hat in hand begging them to take the Railway off their hands for about \$750,000. Last year you had an experienced railway man here in charge. He practised economy very strictly, and still there was a large deficit, in fact so much so that some people were uncharitable enough to say that it would be much better for the country to let the Railway go by default.

With respect to the Humber, again I want to say that if the Government do not take any suggestions from the Opposition—well, we cannot help that. The Amendment offered by Mr. Higgins yesterday with regard to water power was a very important one, and I have gone to the trouble of gathering data in that direction. The Department of Agriculture and Mines have not a line of information to lay on the table of this House to prove that there is any water power or pulp wood in the country. Is that good enough? Yesterday the Prime Minister, in answer to a question put on the Order Paper by the Leader of the Opposition, as to whether or not he had any report in the Department of Agriculture and Mines to show what water power and timber was available on the Humber, stated that there was no report. The report that the Armstrong Whitworth people got is the report that was checked off by the promoters and fathers of the Humber proposition, namely, the Reid Nfld. Co.

The Government to-day have not got one iota of evidence to prove that there is any timber or water power in this Colony. They cannot table a document showing anything of commercial value at all in the Colony. Does not all this go to prove that my surmise respecting the position of the Government with that of the Reid Nfld. Co. is correct? It is a funny position for a Government to be in, but it is true. The Prime Minister and the Minister of Justice go to the other side of the water armed with nothing, and if they are asked a question they have to go to the Reid Nfld. Co.'s lawyer or representative in London to look for information, and then the answer they give to the question is, that the Reid Nfld. Co. tells us so and so, and you better send out your own surveyors and engineers to Newfoundland to take up the matter at issue. I admit this Humber proposition is going to be a good advertisement for the Colony, and the pity is that these not encouraged before. It is a crime that they weren't, because the next thing you will find is that a half dozen other corporations will be coming in looking for similar concessions. As I have already pointed out, the A. N. D. Company had a motive for not declaring a dividend up to a certain period through their operations; but then when it became known that they had declared a dividend the "cat was out of the bag."

Now let us compare and contrast the concessions given the Armstrong Whitworth Company with what is given in other countries. To show you what independent people of Canada and the United States are doing—people who are involved in a 25 million dollar proposition and people who are not guaranteed anything by any Government or by any body else—I shall read to the House

an extract which I have in my possession. (Reads extract.)

That is the proposition in the Province of Quebec taken hold of by two financiers of the United States and Canada. They have no guarantees offered them. no concessions, but simply a business proposition. Does not this go to prove that the argument put up by Mr. Sullivan, the Member for Placentia, yesterday, is correct? These financiers are not going to invest their money indiscriminately unless they know what they are doing. I admit that if they have a business proposition of the first water they can go to American and Canadian investors and get all the shareholders they like when the stock is on the market.

However, I have no reason to doubt but that the Armstrong Whitworth proposition is going to be a good one for the Colony, even though the British Government and the Armstrongs are making sure that their interests are protected—and the sorry side of the story is, that the people of this country have to pay for it. But what I am finding fault with in the main, this afternoon, is the manner in which the Prime Minister went about the transaction. Why did they not go about it in a right and proper and honorable way instead of trailing it through the political mire. Mr. Chairman, I am sorry the Prime Minister sees fit to be running in and out of this chamber all the afternoon. Evidently he does n't care to stand fire. I love to have him here in the House, because there is one thing I don't like to do and that is to talk behind a man's back.

Now the Prime Minister told us that these propositions of the Humber and the Railway were endorsed at the polls. But that is not so, because when the Prime Minister went to the country he did not inform the people about proposition No. 1, and certainly not about taking over the

Railway and paying the Reids two million dollars for it. He never said anything about that till now. As I pointed out yesterday, he told us in his Manifesto (quotes Manifesto).

As I said before, this proposition has been before us for ten years. It was finalized and has now been brought to a head by H. R. Reid, and, as I have already congratulated him on his performance, I am not afraid now to again congratulate him through this House. There are some here who may think that to talk like this is a sacrilege, as so much has been said here as to what the Reids did to the country. But the Reids were never allowed to do what they wanted to do for this country. And now I notice that they are going out of the railway business for ever, and I say right here that that is a bad thing for this country. And I wish to say through the reporters' box that it will be a bad day for the country when they hand over the Railway to the Newfoundland Government. Under the conditions existing to-day you will be in Queer Street in a short time with the Railway. You have no one here to run it, that is, of course, except Mr. Powell or Mr. Joyce, and a few others; and do you mean to say a raw youngster from outside can come in and grasp the Railway situation in a few days. That is only a joke. But Newfoundland will have to pay. And then the next question is, how? You simply cannot pay. Look at the condition of the country. If the exodus keeps on, or even if it stops—and look at the enormous crowds that have left here in the last twelve months—what position is the country in? How many schooners had you going to the Labrador a few years ago, and how many are going now? How many have sailed this season from Bay Roberts and Harbor Grace, and how many crews? A smaller number than ever before, and the same

condition of things exists in every other bay.

And again, Sir, what has become of the Bank fishery? Some of the gentlemen opposite, when they were on this side of the House, said we should give two millions to assist the fisheries, but, when they got on that side, they had nothing to say at all. There is no one on the Government side knows whether we have a fishery at all or not. Nobody in the Custom House knows, and nobody in the Fisheries Department knows. I do not mean since you went there, Mr. Minister, but during the period before that. At the same time I say there is still lots of room for improvement. Now, in the Speech from the Throne there is something said about the Bank fishery, but I now understand that the Reply has been deferred till closing day, though it was formerly the first thing on the programme of the House. Can you, Mr. Prime Minister tell me anything of the Bank fishery, the cause of its decline, or, what is the worst thing that we are up against at the present time? Do you know, Mr. Minister of Marine and Fisheries? Mr. Piccott is probably the only one on that side who may know something about it. The worst thing that we are up against in connection with this fishery is the French trawler. Even last year some twenty-five of them were on the Banks and playing havoc with our fishing vessels. But they do not touch the Canadians. As soon as they see one of our vessels with a bit of fish on deck it is "down net and twenty-five knots ahead." and they sweep up all the gear before them. You know nothing of this, but Mr. Harris would be able to tell you all about it if he were in the House. Now, what protection have you tried to give in this direction? Formerly we had 300 vessels engaged in this industry, and now we

have only 25. Thirty years ago a million dollars was brought into this Colony annually from this fishery, but now it is at the mercy of the French trawlers. Mr. Harris told me that only recently three of his vessels had to return to port for trawls, to replace those swept away by the trawlers. Now these trawlers are ships as large or larger than the Portia or Prospero, and there is a whole fleet of them. But if they come near a Canadian fisherman, do you know why they do not touch her? Now I am one of the most "ignorant" men in this House, according to this paper this evening, but I am going to tell you the reason for this conduct on the part of these trawlers. And the reason is, that they have to go to a Canadian port, Sydney, for coal, and they would be afraid they would be barred out. If they see N. S. on the stern of a fisherman, it is let her alone, but if they see N. F. L. D., it is "down trawls and go thead." Now, what have you done about it? This fishery has been practically abandoned, and the fleet reduced from 300 to 25. And still you talk about new industries and the giving of guarantees. It is time for new projects I admit, and if ever a Government was elected that is expected to help the country, it is you. But what have you done for the fishery? Remember now, I am not one bit excited, but am talking common sense. You came into power on the cry of helping the fisheries, but have proved the worst crowd that ever had charge since we got responsible government. And, when I sit down, not one of you will be able to get up and contradict me. The session before last some of you tried to do so, but you did not attempt it last year as I had put the hammerlock on you. The fisheries have gone because there was no bounty, provided or helping hand extended

by the Government. And where have the crews gone? Go to Boston or Gloucester and you will find whole streets on which you will meet none but Newfoundlanders. Go down on the T wharf and you will have no difficulty in picking out the Newfoundlanders. You have done nothing for the fishery, but there is no Harnsworth or Armstrong proposition that can compare with it. When the country is going behind, this is only a sideline. But I am going to vote for it with all its guarantees. It is a good proposition, but why did you hold it back till now? And it is not yours, Sir, but H. D. Reid's, who is a man of few words, and who thought out this proposition and brought it to the point that it has reached to-day. And still you black-guarded him in your Manifesto and in this House, although you must have been associated with him on the other side in the arranging of the giving of these guarantees. You black-guarded him in 1919 and again in 1923. Here is how you black-guarded him in 1919 (quotes Manifesto).

You think that is bait for the innocent Newfoundlanders. Then it goes on to say about people travelling on the Railway taking their lives in their hands, etc. Now is there any greater insult that could be handed out to the head of the Reid outfit than this. "Too indifferent to learn"? Did the Government teach anything since they took over the running of the Railway? Here you are with your few years of management with a deficit of five millions, and that is only a beginning. This is the rotten outfit that saved you, and if you applied this quotation from your Manifesto, with a few changes, to your Government, you would certainly be saying something. (Quotes Manifesto.)

Now, Sir, there is an item in your Manifesto of 1919 that you never ex-

plained. I am reading it to you now. It is an insult to the Reid Nfd. Co. and to H. D. Reid. Can you, Sir, tell the House anything about it? (Quotes Manifesto.)

It reads very nice alright, but what is the meaning of it and why was it put there? I have crossed swords before, Sir, with you on this question, and I have asked you why you placed yourself in the hands of the Reids. It happened when I was Minister of Finance and you were Colonial Secretary. We were sitting as an Arbitration Commission on a claim of Reids against the Government for \$750,000. You were the Chairman, and Dr. Lloyd and other members of the Executive were on the Board. And what did you do? Didn't you go up and demand \$5,000 from H. D. Reid while you were there?

HON. THE PRIME MINISTER:—That statement is not true.

SIR M. P. CASHIN:—It is true, and you will have to come in here with proof if it is not. It is true, and I have a reason for making it which I will tell the House before I sit down. You were the Chairman, and while on the arbitration you did that. The Reids were asking the Government for \$750,000. You were Colonial Secretary and Chairman of the Commission, and you go to the prisoner at the bar and say, "Give me \$5,000." I have made this charge before, and it is time you cleaned it up before you start to call me a blackguard. The man who made you is sitting behind you, and he called you a Black Rascal. Ask him his reason for calling you that. Now you have brought all this on yourself. This paper here says:

"The Prime Minister is not to be congratulated upon his conduct in the House yesterday. Apparently the criticisms of Sir Michael Cashin got under the skin of the Premier. For he was noticed to suddenly leave

his seat and proceed to the visitors' seat near the Bar of the House. Here were seated two gentlemen who, we understand, are connected with the Armstrong Whitworth Company. In a most excited manner and in a tone of voice loud enough to be heard by spectators outside the Bar and members inside, Sir Richard, in a most undignified and ungentlemanly manner, referred to Sir Michael as being 'ignorant,' and not to judge Newfoundlanders by such a speaker. He hypocritically apologized to the gentlemen for Sir Michael's utterances. We judge from the expressions on the faces of the visitors that they did not quite appreciate this unmanly attempt of the Premier to detract from the remarks of his opponent."

Now isn't that a lovely position for a Prime Minister to take.

HON. PRIME MINISTER :— Isn't that the Telegram you are quoting from ?

SIR M. P. CASHIN :— Yes. Your words are in the Telegram, and I may tell the House and you and those gentlemen referred to, if they are in the House now, I am proud to be the son of a fisherman, even if I am ignorant. And how much ahead of me are you, who are the son of a Relieving Officer ? Perhaps that was to your advantage. I have had a seat here for thirty years, representing 6,000 people, who recognized that I was fit and proper to come here and represent them. And you can tell these gentlemen from outside that I care not for them nor for no other man. You sent to the States for auditors and brought them here to try and dig up something on me, and spent \$15,000 for them, but failed. But why don't you send for them now ? After your time in this House, can you hold up as clean a pair of hands as I can ? In the election you chased and persecuted me with sectarian strife—not to my

face, but behind my back. What do I care about strangers. I hold an independent seat in the House. You may come on with your cynical smile, but behind it is the heart of the Black Rascal. Now, where are you and those with you on the matter of Prohibition ? When I was in charge of the Controller's Department as Minister of Finance, I was besieged by deputations at least three times every week, if a drop of Tanlac or soda water with a froth on it was brought into the country. But since you got hold, we never heard of these deputations. You are the greatest hypocrite ever God put breath in. Although I am ignorant and all that, I put you in the junior position in the election. You, who prostituted prohibition, ran against me, and every prohibitionist in the district voted against me. But we came in neck and neck. Now, what can you tell about that ? You are a hypocrite in every sense of the word. You were hypocritical in this House, in your Manifesto of 1919, and in that of 1923. And you had better mend your ways. I care nothing for you, and will always express my opinions fearlessly. I am as much a Newfoundlander as you, and when the war was on you hid behind the wall. When it came to upholding the flag, you were a slacker of the worst kind. I would rather be ignorant than a slacker. And yet you have the audacity to talk to me like this. You are the man who ruined the country and turned everything upside down. When we were in power there was happiness and prosperity, but now the people have been turned into degenerates through the poverty that you brought on. Did you tell that to the visitors ? They were probably in this House to watch you, not me. I have known men to be in this House before watching when certain legislation was being put through. Now take that

message from Cashin. I do not care if they are here now. It would take longer than I have time to tell the whole story of this Deal, but, take it from me, the Newfoundlanders will be the hewers of wood and drawers of water. Men like you think you know it all, and competent men like Powell, Joyce, etc., will have to take the back seats, and outsiders will hold first place with the big jobs. That is what I object to. I am sick and tired of this hypocrisy which is seething around us whenever we go. You are ashamed, Sir, to table the Public Accounts. Why? Because you are evading every question. You are a master hand in that direction. You will side-step till the House gets too tired to take any interest in any issue, and you hope it will be forgotten. Now, take Prohibition. When a man could get his grog, we had about ten policemen, but now it takes sixty or seventy to keep law and order, and we have them in this House now. Never before till you arrived in this House were they anywhere but outside. Then ten men could keep the peace, but now you have seventy, with a squad of mounted men. Before Prohibition, we were told the Penitentiary would be empty, but now you would need to build a new one. What has happened. There is one thing that I cannot reconcile myself to and that is a hypocrite. When I have to associate with such, my fur rises up like a cat's tail. And nowhere can such hypocrisy be found as right here. There is no decency now in politics since you took charge. One or two of you are running the crowd, who have no interest in anything so long as they are paid. We are asking for accounts but cannot get them. The like of that did not happen in Sir William Whiteway's or Sir Robert Bond's time. We cannot get the report of the Auditor General even. I have been told that there are some

departments that he is even afraid to go into.

MR. WALSH:—Mr. Chairman, I want to assure you and this House, at the outset, of my entire support to any proposition that will tend to develop the natural resources of Newfoundland. We in this country have arrived at this stage when we simply must get down to do something honest to improve our condition. It is our duty to look around to find other industries and other commercial enterprises to replace or help out our age-old industry of the codfishery; or else we must go to the people and tell them we can do nothing for them, and that there is no hope of their ever making a livelihood in this their native country, and that the best thing they can do is to pack up their luggage and get out. During the past few years many have been forced to go, and that is a distinct loss to Newfoundland. It is true that many may return, and it is also true that in the case of many who will not come back, they will nevertheless send home a respectable proportion of their earnings. But it is also true that large numbers of these men have forever closed their connection with their native land, and this makes the burden all the greater for those of us who remain, and whose lot it is to eke out a living under the conditions that exist here at present. It is not my intention to make any lengthy address on the question before the Chair. I have on the desk before me a copy of Hansard of 1915, and somewhere in the dim and distant past I have a recollection that this matter was once before discussed and thrashed out in this very Chamber. In fact, Resolutions for the development of our Humber water powers were debated to a considerable length by the gentlemen on both sides of the House in that year. I do not intend to go into the various issues that cropped up in



the very excellent speeches for and against the proposition at that time ; but it is my desire to say that the Bill introduced by the Morris Government had no greater supporter than myself. I have always been, and always will be, a staunch supporter of any undertaking that will tend to improve the conditions of the people of this country, and assist them to find suitable avenues of employment and livelihood. At that time a Bill was introduced that provided for the expenditure of large sums of money, and for the employment of many hundreds of men in the Humber alley ; but the company promoting the undertaking did not seek any guarantee of interest or capital or any concessions from the Government of the day. The Reids, being very large shareholders in this company, and also holders of large grants of timber lands and mineral areas throughout the country, with the assistance of Mr. Carbide Wilson, made numerous investigations, and held several consultations on the advantages of such a proposition, that is very much similar to the one before the House at present, and all that remained at that time was to secure sufficient capital to undertake the development and the erection of the requisite plants. The war being on at that time, financiers all over the world had their attention turned to other matters than the exploitation of commercial enterprise. Consequently enough capital was not subscribed, and the Bill was frequently amended from year to year, and finally by the Lloyd Government permission was given the Company to suspend operation until 1924, and, if the capital was not subscribed by that time, all the grants reverted to the Newfoundland Government. Now we find that the Reid Nfld. Co., as a result of this, and being interested to a great extent in the undertaking, not busy, brought about the nego-

tiations which have ended in the Resolutions that are now before the House for consideration. I certainly concur with Sir Michael Cashin in his remarks this afternoon, and join with him in congratulating the Reids on their industry and their attention to their business interests, by keeping after the proposition and bringing it once again to a stage when they can put their plans into operation. They are also to be congratulated upon having succeeded in getting from the present Prime Minister a far better and more advantageous deal than they would have secured if they had gone on and proceeded within the provisions of the previous deal which would have terminated in 1924.

From the present Prime Minister they are going to get a guarantee of nine million dollars principal and interest. When we consider the speeches of the Prime Minister, and the articles in the newspapers of St. John's, and the literary works of paper and pulp experts, in which they all predict so many profits for the industry which we are discussing, it is hard to see why it is necessary at all to guarantee this nine million dollars. The Prime Minister refers to Grand Falls as an example of what will happen on the Humber. In 1916 they made a net profit of a quarter of a million dollars. In 1922, in spite of depressions and strikes, they made a clear profit of one and a half million dollars. If the Whitworth Co. is going to develop the water power and timber areas, and if everything concerning them is true—I know nothing except what I have heard and read—then there must be something wrong if they want a guarantee of nine million dollars. Some time after the death of Carbide Wilson, two gentlemen, named Greenwood and Blackstead, came here to organize and put in operation the Nfld. Products Corporation. They

wanted double the guarantee from the Newfoundland Government that the Armstrong Whitworth people want. However, there was so much resistance from the Opposition of that time that the Government had to abandon this idea of guaranteeing for eighteen million dollars. The Prime Minister said that he, with Mr. Foote and Sir William Coaker, had finalized the arrangements for the Humber proposition. The other day I read a message from the Bishop of St. George's, His Lordship Bishop Renouf, in which he stated that but for Sir William Coaker the Humber Industry would not be the very promising hope which we have to-day. If this is correct, and I take it for granted that it is, coming from such a source, I want to thank Sir William Coaker on behalf of my constituents to whom I promised to get employment for them. I want to thank you, Sir Richard, and you, also, Mr. Foote, for having brought about this important matter. Can we be blamed for asking, with such a lack of information, why the Armstrong Whitworth Co. is not to be established on the same lines as the pulp and paper company at Grand Falls. They asked no guarantee. They asked only that the machinery for the plants should be exempt from taxation of importation. This company asks to be exempt from taxation for ever. They will pay a royalty and an export duty on their products, which will amount to possibly one hundred and fifty thousand dollars yearly. I think that it is stated that the profits will be in the neighborhood of three million dollars yearly. Why is it that they want a guarantee of nine million dollars if they are going to earn so much as this every year. As Sir Michael Cashin said some time ago, all the principal positions will be occupied by men who will come in here from England and elsewhere. Newfoundlanders may get an oppor-

tunity if they begin at the bottom of the ladder at a dollar a day. I see nothing in this proposed contract to point out definitely what nationality the laborers at the Humber must be. (Reads sub-section C and D.)

From that you could bring in orientals, coolies, or lascars, have them domiciled in Newfoundland, and use them in competition with our own laboring men. I hope that some provision will be made against this. If we were in a prosperous condition at the present time, I don't think that any Government would consider guaranteeing nine million dollars, but, because of depression, we have to be ready to give some inducement. The British Government is guaranteeing on nine million dollars because this money is going to be spent in England and help them out of their employment problem. There is another matter worthy of discussion. Grand Falls was built by the Harmsworth people, and is practically a closed town. The Company there gives or refuses privileges as it is pleased. The Royal Stores, known there as the Exploits Valley Stores, has the monopoly there in their line of business. There is but one butcher, and every other trade or business is subject to the same restriction. Loggers have to go four or five miles out in the woods to build their shacks. The Company has the power to order and drive any man out of the town, if they so wish. I hope this state of affairs will not exist when the Humber proposition becomes a reality. It is unfortunate that there are so few men employed on the Humber since the election. The Government has put it over its supporters and even its own defeated candidates. They promised every man who asked for a job employment as soon as they were returned to power. The Prime Minister tells us that there will be between twenty-five hundred and three thousand men

employed at the Humber this year. I believe, and when I say it I think I am not exaggerating, that there are twenty-five thousand men looking for passes to go to the Humber to work. North, south, east and west, there are men who would long ago have gone to the fisheries but for this hope of a more remunerative labour. Now their schooners and motor boats are out of commission and their nets and gear put away. Every day I receive letters from people asking for passes to the Humber. I have made at least twenty trips down to Major Butler, and I have the telephone nearly worn out, trying to get some satisfactory answer for these people. Up to date I have not got one single, solitary pass. When I do get them, if I ever do, I will show no distinction to those to whom I will give them. If a man is deserving and needs employment, I will give him one. I think some committee of disinterested men, if such men can be found, should be formed to see that these passes are distributed as it should be done. At present some districts seem to have the monopoly. If they have the monopoly of the passes, it would be well if they were made bear the brunt of the guarantee which has to be given to this Company. Every district should get its share, and no more than its share of these passes. Trinity, Placentia, Fortune, or any other district, should get only what is coming to them and no more. There is another matter on which I wish to make some comment. It seems that a man can't speak to a friend, can't write to a newspaper, or can't deliver a speech, without having his utterances entirely misconstrued. The other day I received several messages from the business men of my district asking for salt, and I took them down to the Daily News office to have them published, in the hope that something might be done to help these people who are

going to the fishing grounds without suitable clothing to cover them in this inclement weather. I wrote a short note at the end of the message asking that something be done to help these men by having supplies of salt sent to them. The next day the Daily Mail came out with an article which was truly disgusting. It will be utterly impossible to do anything until we get away from this petty, parish politics. There may be men on the other side of the House who will answer me and say that de don't care about our constituents, that we are looking for press-agencing for Cashin and Higgins and Walsh. That is the very stuff that we have to get away from. Nobody can accuse me justly of ever having any ulterior motives when I express an opinion concerning the interests of Newfoundland, and nobody can accuse me of having been afraid of stating my opinion, either in the press or here in this House of Assembly. Here is the article in the Daily Mail. (Reads extract from Daily Mail.)

I wonder if Sir Richard Squires wrote that himself. It seems impossible to give an opinion if that opinion does not coincide with the ideas of the Daily Mail or the Advocate. If you want to deliver a speech bring it down to them, and if they O. K. it, then all right. Go ahead and deliver it. If not, then, tear it up. What we need is co-operation on the part of everybody in the interests of Newfoundland.

Mr. Chairman, when the Committee arose I endeavoured to point out the unfairness of the criticism of the press concerning the actions of this House and some of its members. The Daily Mail makes a suggestion this evening concerning this wire concerning the salt situation that had been sent to Placentia. No such thing was done. It is only by right that we as representatives of this House should do all in our power to

help those who sent us here. I claim no credit concerning the relieving of the serious situation caused through the shortage of salt in my district. It was done by my colleagues, Messrs. Sullivan and Sinnott. I did not do anything because my personal financial position would not allow me to go down on Water Street and give my personal bond or pledge my credit. I object against any newspaper coming out and publishing such unfair criticism. Now, to get back to the question before the House. On May 3rd there was a general election, so we were told; but it was not a general election at all, it was simply a Humber election. I think that I am critically correct in saying that the Humber Deal should have been put through when the Prime Minister and the Minister of Justice came back from England last year. It was an injustice to the people of this country to fiddle with the Humber proposition and make it a pawn of politics. It is unfair to put a proposition that has for its object the development of industries and giving of employment to be made a subject of politics. Within ten or twelve days of the elections some 1,200 or 1,400 men had to go and see the Governor so that they might get sufficient to tide themselves and their families over for a period, and some of them were granted the paltry allowance of \$10 per week. But what has been done for them now? Have they gone to the Humber? The election has been over nearly two months, and we have been in this House three or four times. The Prime Minister tabled some insignificant and uninteresting reports, and then closed the House; but I want to say just now that if the Prime Minister is sincere, and if the people of this House are sincere, I say, let us have no more holidays; let us get down to business. Open the House at 10 o'clock in the morning,

if you like, and send the four thousand men whom you promised to send to the Humber, and let the Humber hum. There are 1,000 men out there now; send out 3,000 more and give them a chance to earn their bread. If there is to be a canal built, as I understand there is, send out 1,000 men to build it. That would take 1,000 men easily. There are plenty of men in Newfoundland who can do it. The engineers who came down here from Montreal did not come down for their health, and they intend to make every dollar they can; so let us give our help to save our guarantee. We are spending it, so let us have some benefit from it. I was amazed this afternoon by Sir Michael Cashin's speech, when he said that one and a half million dollars had been sent to England. This Bill should go through in three or four days, so put it through, and there should be no reason whatever why we should not be able to send out 1,000 men to the Humber by the express on Sunday next.

I understand that it is the intention of the Company to develop some 250,000 horse power, and that of this only some one hundred thousand will actually be required to develop their mills and the subsidiary industries. Therefore, there will remain unused some one hundred and thirty thousand horse power. A suggestion has been made to electrify the railroad. That may or may not be practicable, but something has to be done for the Railway, either to reduce its upkeep or increase its earning power. I think it is a very good suggestion to develop our midway resources. If we could get something going to populate and bring industry to the centre portion of the Island, as well as around Gull Pond and Hall's Bay, I think it would be a good move on the part of the Government, and would help our railway difficulties, and also prove a source of employ-

ment. I know of many mineral extracting enterprises that can be greatly helped out by electricity. Now, in the vicinity of Hall's Bay, where I was once a resident for many years, if electricity could be secured, you can start in a very easy manner on the ore there, and eventually work up a great industry. But, Mr. Chairman, it needs good capable men to handle such an undertaking and to make a success of it, and not a fiasco as happened in the Little Bay mines. Now, that enterprise was scandalously handled, and the directors and promoters so robbed that the whole thing simply had to be closed down. The directors gave up all thought of ever carrying it on again, and to-day the mines have become a ruin. Despite the fact that in this mine the ore is from wall to wall, it can never be opened again, because the shafts have fallen in; the whole place is flooded, and it would take a million dollars to put it in shape once more. My suggestion can also be applied to Lady Pond, just inside of Hall's Bay, which has very rich ore indeed, and the same to Sunday Cove Islands. I predict, if this proposition before the House is what it is supposed to be, and if electricity can be produced, that this section of the country will benefit more from its mineral development than from its pulp making areas.

Now, Mr. Chairman, the Prime Minister has intimated that the Humber and Railway Resolutions must go hand in hand. However, it has since been found that such is not the case. It is my intention to support the Humber proposition, but I will vote against the Railway deal. In my opinion, if the Reid Nfld. Co. had been left in charge of their own affairs, and permitted to carry out their contract without the interference of unscrupulous politicians, would have operated the railway in

a very efficient and continuous manner. Ever since 1898 men connected with all sides of politics have been going to the Reids, and the Reids have been going to the politicians, and bargaining for this concession and for that. Under these conditions they have not been given a chance to operate the railway, but, nevertheless, they have made an honest endeavor to develop our natural resources, as we can judge from the Resolutions now before the Chair. It is disgraceful the way politicians have sand-bagged the Reids, year after year, and at the same time walking hand in hand with the very men they have held up to public abuse. The country should be fed up with this kind of thing, which is not doing us any good, but only putting us back years behind the times. This would otherwise be a very happy country but for politicians, whose only ambition has been to get all they can out of the country's pocket, have used the Reids at every opportunity to achieve their ends. The result is that they have brought the country to the very doors of the financial collapse from which she is now trying to work her way out.

I join with Sir Michael Cashin in congratulating Mr. H. D. Reid on having successfully brought his Humber proposition to the stages of development, and I do not give credit to any politician for having in any way contributed to it. In 1922 the Reid Nfld. Co. defaulted in their agreement and suspended railway operations. Year after year previously to that they came into this House with statements showing large deficits, but never within my memory did they come in with one so large as with that since the Government took over the control. Experienced men of railway repute have been brought down from Canada and the States to use their ability and knowledge for the improvement of our system,

but the result has been the same. After the Humber goes through, and after the Railway is taken over, the Government will have paid the Reid Nfid. Co. the sum of seven million dollars, and yet the people have not objected. If this had happened in other days meetings of protest would have been organized throughout the country, and memorials, demanding the protection of the people's privileges, would have been presented in dozens to His Excellency the Governor. But still Sir Richard Anderson Squires can come in and move a resolution giving the Reid Nfid. Co. a million and a half dollars, and in a flash the resolution goes through, and that is all that will be heard of it. As I have said before, it would be a waste of time to offer an objection, and one would run the risk of being told twenty-four hours from now that you are holding up the House and keeping men from getting work on the Humber.

Mr. Chairman, I think, when we take into consideration the financial situation we are now facing, it should be cause of some alarm. We are faced with a condition that cannot continue without dire and tragic consequences. In addition, we are faced with the situation that this year we will have only an average catch of codfish. With a curtailment of supplies, without Government assistance, and with half our men not fishing, we may have a catch of a million quintals, certainly not more. If we get, say, five dollars a quintal, it will mean but five million dollars. Add to this the earnings of Bell Island, Grand Falls, the Humber, mills, and other employments, together with that of our lobster, herring and salmon industries, we may make a total earning power of fifteen million dollars. Well, out of this we have to find a revenue of ten million and where

then are we going to find means to feed our 260,000 population.

To my mind there are only one or two or three alternatives. You have to take my first suggestion of Confederation. It is just as well to be honest and admit it, and not camouflage the situation. We are getting as near as we can go to it, and if we go on one step more we shall have to ask our neighbors to take us in. Or else we have to hand home our Charter and ask Great Britain to make us a Crown Colony. That is alternative number two, and perhaps it would be best, since the statement made this afternoon by Sir Michael Cashin proves that we are not fit to govern ourselves. If it can be substantiated that a responsible Minister of the Crown, mind you, Mr. Chairman, used the funds of Newfoundland to pay his election expenses, is it not time that we should hand home our Charter, and admit our inability to take care of ourselves? Is that not a frightful state of affairs to see in cold print? I myself saw cheques that were paid in the district of St. John's West for cab hire and signed Alexander Campbell, and chargeable to pit-prop account. This man might be a good doctor, and he might be able to hand out scripts as well as the people's money, but he was twice turned down in the district where he sought election by all the means of the powerful position he occupied through the grace of the Prime Minister. Good men were also elected to the other side of the House, but this man has been put over their heads into the Agriculture and Mines Department. I remember the good old days when the present Sir William Coaker loudly denounced from his seat in this House, and through the columns of his paper, Sir Edward Morris for giving Mr. R. A. Squires a seat in the Upper House and the Portfolio of Colonial Secretary when that gentle-

man had been defeated at the polls. I did not think he would be a party to that kind of thing now. There is no expedient for it in the present instance, for we have Messrs. Downey and Hawco elected to the Government ranks. Yet these men are turned down in preference for the Hon. Dr. Campbell, the man who could issue cheques on the public funds to pay for his cab and motor hire in the district of St. John's West.

Now, Mr. Chairman, I have referred to two alternatives that we in this country might adopt if our present condition continues without showing signs of improvement. Now, the other is encouragement of tourist traffic. We have in this country a measure that is known as Prohibition. We have known a few hypocrites here before, but I think, to be honest, the people outside must look upon the whole crowd of us as hypocrites come in here and go to some of our city hotels, all they have to do is to get in touch with some chaps who know the ropes. When people from outside These chaps can get gallons of liquor by going to Dr. Campbell and getting a supply of scripts which they present at the Government saloons. The revenue during the year 1922, according to a statement tabled in this House, was the enormous sum of \$500,000. Why, in the palmy days, when every second house on Water Street was a licensed saloon, the revenue only amounted to something in the vicinity of \$300,000. Now that \$500,000 is only the duty paid on the liquor imported into this country by the Government; but, when we consider, Mr. Chairman, that a bottle of whiskey costs something like \$1.50 on the other side of the water, with rum at 75 cents a gallon in the West Indian Islands, you can imagine what profit is made by the Government on the enormous quantity of liquor that was imported

here within the past year and sold at such high prices. Now, Mr. Chairman, don't you think it is about time to change such conditions, particularly when we come in here and listen to the pictures that are painted of the poverty and starvation that exists throughout the country. Now, Mr. Chairman, the people who are out of employment and in want do not want pauper dole; I know that the people in my district resent it bitterly. I don't know what the people or what the members of certain other districts think about the pauper dole; but certainly the people of the district of Placentia and Saint Mary's absolutely abhor the idea of having molasses, flour, tea or any other commodity handed out to them. They never did or never will take it. All they ask for is a fair opportunity to earn a decent living for their dependents.

Now, Mr. Chairman, on account of this so-called Prohibition Law that we have here, we have become a laughing-stock for people outside this country, and I think the most rabid Prohibition adherent will agree with me when I suggest that we bury our personal or political differences for the time being in this House and try and adopt some sane measure respecting the liquor question that will tend to encourage the tourist traffic. Here we have a country, the attractions of which, from the standpoint of the tourist, is unsurpassed even by Norway. We have all kinds of game and the very kind of fishing that millionaires are looking for. The great wealthy men in the United States today are sweetering in the heat and wondering where to go for a holiday. The United States at present have a Prohibition law, and the people there are experiencing some of the obstacles that we are with regard to the enforcement of the Act. When Prohibition was under debate at first in this House, in the year 1917, I point-

ed out the impossibility of enforcing that Act. I stated then, and I repeat now, that, if the Government engaged the whole British fleet and policed the entire West Coast, it would not still prevent illicit drink from reaching this town, because of the close proximity of St. Pierre and because of the fog that prevails on that coast, particularly during the summer months. But conditions are worse now than ever was anticipated by the strongest anti-Prohibitionist in 1917. Every other day the law, right in this city, is openly violated, and by those who were ardent supporters of Prohibition. It is unnecessary to go to St. Pierre now, because a person can get all he wants in St. John's. Now, it is no use for the Prime Minister or any other man in this House getting up and trying to defend that condition of affairs and endeavour to make politics out of it. The only object I have in talking thus this afternoon is to play some small part in contributing to remedy the present evil conditions that exist. Take the case of Quebec. Quebec has derived a harvest from a Prohibition law that is properly regulated. I notice that, during the past few days, a large section of Canada voted down Prohibition by an overwhelming majority. We have an opportunity now to encourage American and Canadian visitors here if we take advantage of it as soon as possible and change our liquor system. Within another year or so the Presidential election will take place in the States, and the result may change the whole attitude. Personally, I would not like to revert to the days of the saloon, but certainly there should be some amendment to the present Act, and I would suggest that the Government inaugurate some kind of a scheme to encourage the tourist, and thereby enhance to a considerable extent our revenue. I see no reason why we could not be able to do as Quebec

did. Premier Taschereau, of Quebec, derived directly from his hotel license scheme in one year sufficient money to pay off six million dollars of a public debt, after having spent a large amount of money on improving the public highways. Now I think we should adopt a similar system for this country. Who knows but the inauguration of such a scheme here may, after a very short time, be the means of putting in operation some industry larger by far than the one we are now called upon to guarantee nine millions of dollars for. The tourist, it must be remembered, is not the class of man who wants to get drunk, because the drunkard can get all the booze he wants in Saint Pierre or the United States, where illicit booze is being landed every other day in thousand gallon lots; the tourist is the class of man who regulates himself properly regarding drink, and that is the class of man we want visiting here. I care not how much a supporter of Prohibition a man was in 1917, or is now, if he knows and considers what is happening in Newfoundland at present, and if he knows what is going on in our public courts every other day, he must be poisoned over the way this Prohibition Law is being carried out.

Now, I did not intend to delay the House half as long, but I do not think I would be doing justice to myself or to the people who sent me here, if I did not have something to say on this important subject. As I have already said, I went to the country under the banner of Mr. J. R. Bennett and pledged to support the Humber proposition. When the Humber proposition, originally called the Newfoundland Products Bill, was first mooted in 1915, I was a strong advocate of it; and when Sir William Coaker came back from Europe in 1921, and announced through his organ, *The Advocate*, that the Hum-



ber proposition was practically finalized, I came out over my own name in the press and endorsed it. On every platform that I spoke I supported it, and am prepared now to support it, and when the vote is taken on it I will give it my unqualified support. I trust, however, that the amendments offered by the Leader of the Opposition and others will be included in the Bill, because they are not made for the purpose of hampering or obstructing the industry, because we all wish to encourage and foster any proposition having for its object the employment of its people. I hope and trust that the Leader of the Government and the Leader of the Opposition will consult and discuss the amendments offered, so that they can be communicated to the promoters of the Company, who can decide whether they are acceptable or not. I also hope that this House keeps in continual session until this Bill is put into law. I am sorry to say that there are not as many men as I anticipated at first being employed on the Humber at present from the district of Placentia and St. Mary's. but I do anticipate, and I appeal to the fair-minded men of the Government to see that it happens that any district that refused to return Sir Richard Squires' candidates will be accorded the same treatment as any district that supported the men on the other side of the House. The gentlemen who occupy seats on this side of the House were just as strong supporters of any development scheme that would give employment to our people as were those who occupy Government benches. We did not go to the country as anti-Humber candidates; but our Manifesto carried a principle

Once again, before taking my seat, I want to make an appeal to Sir William Coaker, with whom I often agreed to disagree on political lines. I was a strong opponent of Sir Wil-

liam Coaker on the grounds that no man, either on the Government side or on the Opposition side of the House, should be in a position to control ten or eleven seats. I would be just as strongly opposed to Sir Michael Cashin if he could control any number of seats besides his own. I do not think that Newfoundland can ever have constitutional government while any one man can control any number of seats in this House of Assembly. For that reason only I found it necessary to voice my disapproval of Sir William Coaker. But conditions have changed, and Sir William Coaker no longer holds a seat in the Executive, and my voice with regard to that gentleman has also changed, and, despite all the rows we have had, I cannot forget the large amount of energy and ability Sir William Coaker displayed in the public life of the Colony. That he has made serious mistakes I will admit; but I am not unmindful of the fact, also, that he has done an immense amount of good, at least for a certain section of the Island, where tangible proof of his enterprise and hard work stands out prominently. I appeal now to Sir William, and ask him to see that passes for the Humber are given out on a per capita basis for each district. I care not whether they are given out to Bonias, Brownes or Bindons, or to any other defeated candidates in any other districts. All I want is that each and every district gets its share of the work. I do not ask that employment passes be sent to myself and colleagues; all I ask is a decent showing for my constituents, who will be called upon to pay their proportionate part of taxation, and if that is done I shall be perfectly satisfied.

Again, Mr. Chairman, I wish to record my unqualified support to the Measure before the House.

MR. WOODFORD:—Mr. Chairman,

I rise for the purpose of making a few observations on the Measure before the Chair, and, like other speakers who preceded me, would like to give it my support. During the recent elections in the district of Harbour Main, myself and colleague, on every platform where we had the pleasure of addressing our constituents, stated that we were prepared to support the Humber proposition. We believed in it or in any other measure that would give employment to our people. We were told through the Government press, as is well known all over the country, that no less than four thousand men would be employed on the Humber a few weeks after the elections. That was the bait that was handed out by the Government when they went to the country; and when we thought that such a large number of men were going to be employed, we were only too glad to tell the people that we supported the Measure, and now that the Opposition intends to give the proposition their undivided support, there should be no delay in passing it as soon as possible. As the hon. member for Placentia and St. Mary's has said, we should meet morning, noon and night and waste no time at all in putting through this Measure, for the purpose of putting the men belonging to the different constituencies in the Island to work. I think that it is a great blunder on the part of the Government, knowing that they had this Measure in view, that they did not take steps before this to put it through the House. Preparations should have been made long ago. The machinery was put on the site of the Humber in the Spring; the summer is going by, and thousands of men are waiting to get passes to enable them to get to the scene of operations. The time is going, and men—hundreds of whom I know are in dire want—are earning nothing. Bearing that in mind, I contend

that we should not lose any time over this thing. We, on this side of the House, intend to support the Measure—and I assume that the gentlemen of the Government ranks are already all committed to it—consequently, I do not think it is unreasonable to ask the Government to meet morning and night, and give the unemployed people a chance to live. There is one point in particular in connection with this contract that struck me forcibly, and that was the rate of pay. There should be a clause inserted in the agreement stipulating the amount of wages a man was to get, because I believe that there will be some sub-contracts let to different parties, who will be in a position to pay workmen any wage, unless the men are protected by a minimum wage clause. I would suggest that \$2.50 per day be the minimum wage. If the Measure is such a good one as we are led to believe, and if the Armstrong Whitworth Company are as wealthy as we are told they are, and in view of such a large amount of money being voted by this Legislature, there is no reason in the world why our Newfoundland workmen should not be protected by a minimum wage. Further, I think that there should be a clause inserted in the Measure giving Newfoundlanders first consideration, because there is nothing to stop the Company at present from bringing in help from China or anywhere else outside the country.

Personally, I do not believe that the Humber is going to be a cure for the conditions that exist at present in this Colony. I think that we are losing sight of the fact that our principal industry is the codfishery. Everything hinges on the fisheries, on the carrying on of which there are fifty thousand men engaged, and I think more attention should be paid to them. The Manifesto of Mr. J. B. Bennett stated that, if the Opposi-

tion Party were returned to power, a bounty of one dollar per quintal on fish would be given to the fishermen, for the purpose of encouraging and protecting the codfishery. Now the Government has done or offered nothing for the protection and encouragement of our fisheries. There is nothing in the Speech from the Throne in regard to it, nor has the Government done or said or promised anything on behalf of the staple industry of the Colony. I think this is a great scandal and a great shame, and I believe you will see that, sooner or later, it is bound to react on the Colony.

Now, Mr. Chairman, a great deal has been said and published in the press of the country in reference to sectarianism, and a great deal has been published in a very insulting way in reference to various men. And political capital has been endeavoured to be made of the assertion that while Mr. Bennett was the late Leader of the Opposition and Mr. Higgins is the present Leader, Sir Michael Cashin was the real Leader. There is a reason for that, and you cannot get away from the fact that the object was to make capital in certain sections of the country, because Cashin is a Roman Catholic. He explained that a few days ago to the satisfaction of all. And I think that all this sectarianism should be cut out as so much bunkum. I look on you, gentlemen of the Government, as commonsense men, and I think you ought to advise those responsible to cut it out and put a stop to it. That is not the kind of legislation we want or the country wants. If we are going to do any good, we must sit here like brothers—like the wolf and the lamb—and work together for the general benefit of the country. Now, Mr. Chairman, I tell you there is no good in going on with that sort of trash, and throwing dust in the

eyes of the people of certain parts of the Island. You know you cannot keep a good man down. I suppose you have often heard the story of the cannibal and the white man—a missionary. When the latter was discovered by the cannibal he was cooked, of course, and made such a feast of that when the cannibal's son, who was absent at the time, returned, he found his father in a bad state of health. He was sick and continually vomiting, and could give no account of it beyond saying that he had had a feast of white man. When asked if he had eaten the missionary, he said, "Yes, but I can't keep the good man down." Now you all recognize in Sir Michael Cashin one of the very ablest men in the country. He proved himself such as Minister of Finance. If he had been returned in 1919 we would not have the conditions that exist to-day. While we might have had the Humber proposition brought in, we would not have the Fish Regulations, which have caused all our troubles and ills and brought us to financial bankruptcy, because we are on the verge of it, and there is no shadow of a doubt about it. Sir Michael Cashin, with his progressive policy, left four million dollars in the Treasury when he vacated office, and if this had been judiciously expended, and the mercantile business not interfered with, as was done by you, I contend that the people would not be in the starving condition that they are to-day. However, there is another part in this proposition, as referred to by Mr. Downey and others, that I do not agree with. Mr. Downey contended that the railway can be operated by the Government successfully, but we have had enough experience of that management. A few years ago it was taken over by a Commission, with Sir W. F. Coaker as chairman, and run with the assistance of Messrs. Reid, but the ex-

periment ended in total failure, and cost us millions in a very short time. We don't want any more of that kind of experience, and when Mr. Downey was speaking it struck me that he was fishing for the job of Minister of Railways, as, otherwise, I thought such a sensible man would not make such a statement. If we try another experiment in railway operation, without any doubt it means millions more wasted. Now, Mr. Chairman, I have no intention to take up the time of the House, as the matter has been eloquently dealt with by Mr. Walsh and others, and others still are yet to speak; but I would like to ask the Hon. Prime Minister, or some other gentleman on the other side, if any recommendations are to be made to His Majesty the King as to conferring honours or titles on members of this House or citizens of the country. I will tell you the motive for asking. In England, recently, a question was asked by a member of the Commons, one of the Opposition, I think, as to titles and the taxing of the same. (Reads item.) My motive for asking is that if we are to go on creating more dukes and barons there is a possibility of getting more revenue, and I would not be surprised if every member were made a Knight of Labour or something of the kind. This would be a splendid way to raise funds, and I have no doubt that Sir Richard Squires is about them. With so much for a knighthood and so much for a dukedom, a considerable revenue could be raised. I would like, Mr. Chairman, to add my quota of congratulation to Sir William Coaker on the high honour recently conferred on him. I did not have an opportunity before of doing this, and I hope that he will be spared many years to enjoy it. And I trust that the Government will take the advice, and go creating titles and getting revenue, as we

hope before long to be on that side of the House, and we will then have the pleasure of raising the tax on these gentlemen. I may say that it is currently reported around town that there is to be another knighthood. I thank you personally, Mr. Chairman, for the attention given me in the matter of getting employment in the district of Harbour Main. You, as Secretary of the Road Commission, have done splendidly, and I hope you will continue to meet my demands when I go to you. I hope that Mr. Hawco will also get after the Prime Minister, and get him to put a few more hundred from Harbour Main to work on the Humber, and as you have promised to go 50-50 with me on the passes, I will have no complaint. Now, Mr. Chairman, Mr. Hawco is an able man—some kind of engineer, I think—and I am convinced that he should be in charge of that Humber canal, and have 1,000 men digging it, instead of allowing the use of machinery which takes the labour out of the men's hands. This would largely solve the unemployment question. I am sorry that he is resting on his oars and waiting to see what will happen. Of course, in connection with the Railway, the Government will want a Minister of Transportation, and if Mr. Downey be not given the job, why not Mr. Hawco. He is waiting for this appointment, and I hope that Sir William Coaker will see that he is sent in charge of the digging of the canal, thereby abolishing the use of the machinery.

MR. HAWCO :—In that case, all Harbour Main would be there.

MR. WOODFORD :—No, sir; unfortunately the bulk of the young men of that district had to go to the States in the Fall, and couldn't be persuaded to remain, and the result was that we lost the election there. If they had remained there would not be any Mr. Hawco in this House.

but Mr. Kennedy, my colleague. They were the best of my fighting men, who would allow no man to win against Woodford, and would permit no bribery. I am getting letters every day from them from Philadelphia and other parts of the States, expressing regret at the defeat of my colleague, but saying, "Please God, there is another election coming, and we hope there will be a change." Now, Mr. Chairman, I hope there will be something done to get the people employment. The Opposition are determined to back up this Humber proposition, and the people will not be able to say that they hindered you in getting through this legislation. As I said before, I think this House should be kept open morning, noon and night to get this project through. The time is passing, and not much has been done, and the period has arrived to wake up. Show the feeling that you have in your hearts for the people. This Measure is bound to go through, so make provision to get the labourers to the Humber as quickly as possible, and also that they are well paid. While the average man is worth \$2.50, there are lots who cannot remain there for that amount. While those who have left the country are earning from \$10 to \$16 a day, as carpenters, painters and mechanics, in New York and Boston, and while such inducements are held out to them, they are not coming back to go to work on the Humber. Hundreds in different parts of the country are waiting for this proposition to be put through and operations started, and I cannot understand why you are waiting. Get it going, and I trust there will be no delay. In conclusion, I again thank you, Mr. Chairman.

MR. BROWN:—I have listened, Mr. Chairman, to the address of my honorable friend with much interest, but, after all, it only comes down to the

point of sectarianism. It is time, Sir, that this was cut out in this House and in the country. This kind of thing has been going ahead too long altogether. I am a new man in this House, and do not wish to pose as a speaker, but I must refer to this. Now, right at the opening of the session, one of the first things on the carpet was sectarianism. And, if I remember rightly, it was Sir M. P. Cashin that brought it up. I think he said that he was a Catholic and was proud of it. But what was his reason for saying that. I do not think he should say it. Who cares what any man is in this House. Why not I get up and say I am proud to be a Protestant. If he or any other member thinks his denomination is not properly represented here, let him bring it up before this body in a right way and I promise that I for one will give him my fullest support to rectify the matter. It is only right that every denomination should have just and proper representation. But why bring it up here and have it go out throughout the country. I say, Mr. Chairman, every effort should be made to put sectarianism down. It is only bound to stir up trouble as it has in the past. I know no religion when it comes to the point of killing that thing. As I said before, if any section of the people have not the right representation, let them bring it up before this House in the proper way and demand their rights. I think it should be kept off these floors, as it is bound to end in trouble. Let us get down to business and give every people their rights. I now ask you, Mr. Chairman, to use your influence to keep down this matter of sectarianism. Cut it out, as I don't think our friends of the Opposition want to see trouble resulting. As I do not wish to make a speech at present—there will be time for that later—I will now conclude, Mr. Chairman.

MR. FOX :—I think, Mr. Chairman, with the other honorable members of this House who have already expressed their views, that never was there need for fuller realization of the importance and responsibility which a seat in this Chamber entails than at this present session, when we are entering upon the discussion of a measure which has such far-reaching consequences as those under present consideration are freighted with. Never has the House had before it for consideration a Bill of such vast interest and importance as this. It has been pointed out by previous speakers, Mr. Chairman, that this measure should be dealt with in a spirit devoid altogether of party partizanship, and with the widest impartiality. We should not, Sir, allow any party lines to divide us as a House or influence us to regard it at any angle but from that of loyal Newfoundlanders, pledged to protect the interests of those who sent us here, and with the view to further the welfare of the country generally. With the principle underlying the measure as to industrial encouragement I am in the fullest accord and sympathy. We all recognize, no doubt, that the time has come for Newfoundland to look about and, in the natural mineral resources and forest wealth which we are told are at our doors, find the means to supplement that which is maintaining certain centres only—the fisheries. I use the term “supplement” because I think certain sections of the Government lose sight of the position which the fisheries must always occupy towards the country, and on which we have to depend above and beyond all else for our success. You all remember that in this House three years ago was introduced the policy by the Government which has done so much to bring the country to its knees financially. The Fish Regulations, I

say, Sir, have contributed more to bring about the downfall of our fisheries—our main and all important industry—and to reduce our people to their present wretched condition, than any other cause that can be imagined. There is an old saying, that those whom we injure most, we hate most, and this clearly finds expression in the conduct of the Government. We have been told by certain members that the Government does not intend to take serious notice of the fishery any more, as they have practically abandoned it, and do not even look upon it now as a means of bridging the temporary difficulties that confront us here. Surely you, gentlemen of the Government, are not so lost to all sense of decency that you should look upon the fishery in this light. Surely there are men in the Cabinet who know what position this industry should and could take in the life of the country. Splendid as the Humber proposition may be, it can never be hoped to foster Newfoundland and the interests of her people as a properly assisted and conducted fishery could. Have we forgotten that for nearly 500 years the fishery was the one thing that brought and kept Newfoundland in notice.

“How would I handle it?” asks the member for Fogo. I would not have lied to the people whom I hoped to represent, as you did; number one. I would not have veiled the conditions of this contract in secrecy, as you did; number two. I would not have made promises, as you did, that I could not redeem; number three. I would not have refused to give to the people the information to which they were entitled, as you did; number four. I would not have kept this contract in the secrecy of the Executive Chamber; number five. And I would not have the impudence and effrontery to come into this House and ask the question that the

member for Fogo did; number six. It has rarely been my misfortune to see a document so almost impossible to make sense out of or to dovetail together the rights and privileges given away, as the resolutions now before the chair. The first Bill of 1919 was amended twice. In the resolutions now before the chair you have the Bill of 1915 amended and added to. I must say that it seems almost impossible for the members of this House to give intelligent comment upon this document, so difficult it is to reconcile various jumbled conditions, amendments, concessions and sacrifices. The original Act of 1915 was bad enough. This is only adding insult to injury. Such a mess is only paralleled by the present almost inconceivable condition of the railway. You appear to be specialists in muddling. If you attempted to muddle matters and to make the most costly litigation possible for Newfoundland you could not have succeeded better. I think that it would be advisable even to adjourn this House once more until you had the details and terms of this business properly set forth, so that we may understand what rights we are giving away and that our position with regard to this matter may be clearly defined. It would be well if your lawyers would get busy and give their attention to this as soon as possible. In the past, I suppose I may consider the past election as the past, as it is now a part of history, when you were staking your very existence on the Humber Deal, when your leaders were extending their time and talents forming newspaper propaganda worthy of a Ponzi or a Horatio Bottomley, you told the people that this was a proposition into which the British and Newfoundland Governments were going on a fifty-fifty basis. Did you (speaking to Mr. Grimes, Member for Fogo) tell your constituents that the Reid Inter-

ests were to get two million dollars before this deal went through? Did he know, Mr. Chairman? Did he know? He had not the foggiest notion. He took the suave assurances of the Leader of his Party about the settlement of the Humber contract without question. Never before was there such deception in the legislative history of Newfoundland. Now the two resolutions are blended together, and you try to blind the eyes of this House to the heinousness of one by the deceptive glamour of the other. You got a snap verdict from the people because you did not give them information concerning the putting through of this Bill. If this had been disclosed before the third of May there would be a different story to relate. Nothing but gross deception, mystery and secrecy surrounded the measure. It is a pity that the people of Newfoundland were so short-sighted. Only too late the Prime Minister reveals our true position with regard to this Humber Deal which was to be a panacea of all our ills. What does Newfoundland get for all this she is giving away? Labour? Possibly, if cheap labour is not imported into the country to take the place of our workmen. Returns upon the goods imported? Possibly, although this says that they are to be exempt from taxation. You tried to ally the Humber Deal with Sir Robert Bond, but he was opposed to the principal of the Bill from the beginning, when Sir William Coaker brought in the Blackstead measure two years ago, and wanted to guarantee the principal and interest on eighteen million dollars. Was her condition worse then than now? Then she would have a first mortgage on all the plants, machinery, etc. Now she has the very doubtful security of a second mortgage. Newfoundland would have been better off under the conditions of the proposed contract of

two years ago than she is to-day. I would prefer any time to advance a man ten thousand on a first mortgage than half that amount on a second mortgage. If the British Government had faith in the success of this venture, why did they demand a first mortgage on the property of this Company? It was because they were taking no chances. They recognized their responsibility as the trustees for the money of the English taxpayers. This is a fact that the gentlemen on the other side of this House seem to have forgotten. They are responsible for and must safeguard the money which belongs to the taxpayers of Newfoundland. If the railway had been kept out of this issue there is a probability that everything might have been straightened out satisfactorily. Now the reverse is the truth. They are taking too big a chance. To-night this Bill should be amended so as to have the British Treasury and the Newfoundland Government on an equal basis; "Pari passu," as we lawyers say. This would give both confidence and protection to the people of Newfoundland. In the present situation, suppose the Company defaults, what security is there to safeguard Newfoundland? You have guaranteed nine million dollars for principal and interest, thereby making yourself responsible for something like thirteen million dollars. If the Company defaults, I say, have you any condition in this contract to safeguard the interests of Newfoundland and to protect your own guarantee? There is nothing in this. (Reads from Humber Resolutions.)

This is an absolute unconditional guarantee from which there is no escape. The British Treasury has safeguarded itself, but if there is any compensation for Newfoundland it is certainly well hidden. You talk of labour. Is there any clause to guarantee to our people that they are to

get labour? There is a most ambiguous clause here that means nothing. It cannot prevent the Company from importing Poles, Silicians, Serbians or Jews, and dumping them down here in Newfoundland for six months or so, and then giving them employment because they have been domiciled in Newfoundland.

In the name of Justice, it is the duty of the Government of Newfoundland to give the people some protection and to safeguard their rights. They speak of the wages that will accrue. Has any attempt been made to compel this Company to make some satisfactory arrangements with regard to this matter? The antecedents, etc., of this Company were given out by the Prime Minister with such fluent, perfectly rendered inco that it seems that we should be congratulated for having them come to Newfoundland. We should apologize to them. Should be very thankful that they remembered that there was a place called Newfoundland situated some where in the North Atlantic. Do you think it was sentiment rather than a return from their money that brought the Armstrong Whitworth Company here? They will have their quid pro quo for every cent of money and every minute of time expended here in Newfoundland. We are under no obligation to them. "Who are they?" is a question it might be worth our while to ask. Is there a subsidiary branch? Have they a back reference? We must handle them in a business way. There is to be a minimum wage. Is it too much to ask who is to look after that contingency? The Member for Fogo suggests the Trades Organization of the Company. The Company won't do anything. It must be done by legislation. No country can afford to give away such concessions as these contained in the resolutions, and the only thing the Member for Fogo wants is labour.



He forgets that for centuries upon centuries our fathers and forefathers have been supporting themselves and their families upon the codfishery. Are we to-day forgetting the fact that eighty per cent of our people derive their bread and butter and their only means of livelihood from the successful prosecution of our staple industry? And now, whenever we hear comments upon the value of our fishery coming from Ministers responsible as legislators of this Colony, we can only conclude that they have lost all sense of decency and self-respect in their neglect of the pledges they shamelessly made to the electorate who sent them to this Assembly. In my district alone hundreds are out of employment, and half the people east of King's Bridge are not fitted out for the season's activities. These men are petitioning for supplies, and day after day are asking when the Government will do something to help them to get back to the industry that means their livelihood. I doubt if one-tenth of the people of my district will ever see the Humber—men who all their days have relied on the fishery—and when you tell them to forget the one employment they are suited for, and to turn to other means of support, you give them, when they ask for bread, a stone. The time has come when you must decide what you are going to do for the hundreds who are walking the streets and for their families who are destitute. If not, how are they going to avoid starvation? Take the example of the Government's conduct immediately the polls were declared, in respect to the simple matter of the giving out of seed potatoes. Last year there was a different tale to tell. All we had to do was to ask, and, within certain limits, our requests were acceded to, because the Government thought they had our district in the hollow of their hands;

but they no sooner discovered that St. John's East had voted against them, when, out of mere petty spite, they shut down in every department and refused to do anything to help out the poor people of an Opposition district who are destitute. I have gone to the Agriculture and Mines Department, and begged even for the relief of the widow's mite, and was refused, because the Cabinet had refused to consider this district at all. Now, it is just as well to call a spade a spade. How and when is this kind of thing going to end. I suppose that we shall have to wait for four years' time, and then you will be tripping over one another in your anxiety to do something for us.

At the very outset, Mr. Chairman, I did not intend to take it that the Humber and Railway resolutions had to be decided together, for you would certainly be running the risk of jeopardizing the success of one or the other, or both. There is absolutely no reason for taking two such diametrically opposed policies and uniting them in one legislative enactment as being for the country's benefit. The reason that the attempt in this direction was made is that the Reid Newfoundland Company, supported by the Armstrong Whitworth Company, insisted that the railway be taken over by the Government, before they would undertake the carrying out of the Humber development, and requested the Prime Minister to confirm this, so that once he assented to it, they could keep him to his word. Now some of us think, as we always did think, that this famous Humber proposition is a Reid Deal, that it is a resurrection of the well-known Carbide Wilson scheme; and a few of us predicted that within a few short months the people would realize that it was a Reid Deal. Some of us have commented on the way this Government, who so strongly opposed the Reids, and who

set out to put them in their places, have in every way possible catered to them, and fallen victims to their ingenuity in respect to the Humber, and particularly the Railway management for the last three years. Now the correspondence tabled this afternoon confirms this, and shows that the Reids engineered their plans to have the Railway and the Humber go hand in hand together. In other words, they have once again held the pistol to the head of the Government, and once again succeeded in their requests. Now I will read the correspondence as tabled in this matter.

There is the correspondence, deliberately rigged and engineered by the Reid Newfoundland Company, and submitted to this Chamber, to infer that two agreements, diametrically opposed, and which never could be connected, are each dependent upon the other. My position would be to put them to the test and defy them to cancel their Humber arrangements; but you did not have the courage to do that. Then you have the Prime Minister swearing that he is against the Reids under all circumstances, and on the other hand he gives them two million dollars, and relieves them of the responsibilities they had voluntarily taken upon themselves. But the Reids were scared that something would happen to prevent you from keeping your word, so they force your hand by binding you to the Humber Agreement which you have committed yourself to, and therefore cannot get out of. We know the Reid Newfoundland Company took upon itself a contract, and that it owed it to the people of Newfoundland to live up to that contract. But two years ago they fell down on their trust, and you did not have the courage to force them to carry out their obligations. But you took two million dollars of the people's money and gave it to

the Reid Newfoundland Company to spend as they wished. Lovely treatment to a Company you have set out to watch. It can be summed up as an exemplary instance of paternal interest, unbounded. Now you have given to its offspring rights and concessions that will make this Company the strongest and most influential on this side of the Atlantic.

MR. GRIMES:—What would you have done? How would you have handled it?

MR. FOX:—I would have handled it without the masterly hypocrisy with which you handled it. You people set out on your election campaigns taught to talk Humber, and you stated to your unfortunate constituents that you had started it, and that you had all to do with it. Your Leader stated in Conception Bay that it was locked up in his brain, and that if he died it would die with him. It is the Carbide Wilson deal, and you know it now. It is the deal which you opposed in 1915. I heard you myself, and you can look up Hansard and see for yourself. Now you support it. Do you call that consistency? Do you call that anything but hypocrisy? Now you are giving them the greatest concessions ever given to a Company in the history of Responsible Government; you have given power into the hands of a Company that might, if it wishes, cause unending trouble for many years to come.

This is a very vital proposition. Exemption from taxation is a very vital thing. Do you realize what it means? Have you any conception of what it means? Have you any precedent for it, or was there ever a transaction like this put through before? There is an important Clause of this agreement missing. Who can imagine any corporation in any country being exempt from taxation for all time? Why not exempt them for, say, thirty years, until they got on

their feet? What about the Municipal Tax? Are you going to have some poor unfortunate individual, who is working with pick and shovel, to delve into his poor and scanty pocket to pay Municipal taxation while this Company goes scott free and exempted from all taxation? You must also remember that it is not a real Incorporated Company; it has not the powers that it should have, and so far as you are concerned there is no business that this Company cannot go into; it has neither a Memorandum of Association nor Articles of Association. It can if it likes come in and compete with any Company or business on Water Street. Is that fair? Is not that pure discrimination of the worst kind and character? The businesses on Water Street have to pay taxes for this Company.

Another Clause that should be amended immediately is the Clause exempting the stocks from taxation. Is not that the most iniquitous of transactions? It is provided that its bonds be exempted from taxation. We have an Act in Newfoundland at present whereby all bonds are liable to taxation; and even death duties are not exempt. I say to-night that we have no authority to do such a thing; it is not competent for us to exempt them. You are deliberately retarding this country in her rights and interests, and for which you have no authority to take away. You say that you have taken all precautions to insure safely the best interests of this country. You are only being generous at the expense of this Colony. I protest against it, and I say that another amendment is necessary to this measure.

Have we any conception of the vast concessions that the Humber industry is being given? They have absolutely sovereign power. Under this Act they can put a fence around thousands of miles of lands in this

country, and you cannot say nay to it. You have no conception of what you are giving away forever. I am surprised at the Government on being so short-sighted. I am surprised at its sense of propriety. The Government has not given to this House the information that it should have given. The most lucky Company in the world is the Armstrong Whitworth Company; the most generous country in the world is poor old Newfoundland; and the most pur-blinded Government in the world is the one that we have now. Your record of the Government is such that from every viewpoint it is amazing. Nobody, unless so short-sighted, incompetent and pur-blinded as you are would have ever given away such concessions without deriving some benefit from it for the country. You do not know what you have given away, and what is more, you do not care. There you are sitting down there with your smiling faces and wondering when this debate is going to be over, and you can get home and stow away among the blankets and rest. You were not sent here for the liking that the people have for you; not for your good looks or for what you did accomplish when you were here last; but you were sent here with the interest and trust of the people and the country. Whether any measure is for good or for evil rests with you. We can do nothing but merely suggest and propose amendments. Because of your majority you can over-ride any of our objections, suggestions and amendments, and put a measure through as best suits yourselves. I propose these amendments and say that they should be put through, and if that is done I believe that this Humber Deal could then be put through with a reasonable measure of success.

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THURSDAY, June 28, 1923.

The House met at 3 of the clock in

the afternoon, pursuant to adjournment.

MR. HUNT asked the Prime Minister, in the absence of Hon. the Minister of Agriculture and Mines, to lay on the table of the House a detailed statement showing: (1) What expenditures have been made out of the sum of \$800,000 placed to the credit of Hon. Minister of Agriculture and Mines for Pit Prop Account; (2) what amount, if any, remains to the credit of the account; (3) to lay on the table of the House copies of original vouchers for payments made.

HON. THE PRIME MINISTER:—The clerk who is responsible for preparing the reply of this question says it will take two or three days to secure the information in the form asked.

MR. WALSH asked the Prime Minister, in the absence of Hon. the Minister of Posts and Telegraphs: If the telegraph or telephone connection with Oderin Island, P.B., promised by Sir Richard Squires to the resident Pastor of Oderin Island and the Members for Placentia and St. Mary's in 1921, will be given this year.

HON. THE PRIME MINISTER:—The matter has not recently been considered by the Executive Government.

SIR M. P. CASHIN asked the Prime Minister if any fishery supplies have been issued or guaranteed this season to any of the merchants of Water Street, or to any of the planters in the outports, or to any other person; if so, to give the names of same and the amounts in detail.

HON. THE PRIME MINISTER:—No fishery supplies have been issued or guaranteed this season.

SIR M. P. CASHIN asked Hon. the Minister of Marine and Fisheries the amount of money allocated for the building of cold storage plant and the storage of frozen bait for the years

1920, 1921, 1922, and 1923, at Holyrood.

HON. THE MINISTER OF MARINE AND FISHERIES tabled reply.

Pursuant to notice and on motion of Hon. the Prime Minister, the House resolved itself into Committee of the Whole to consider certain Resolutions respecting Industrial Development.

Mr. Speaker left the chair.

Mr. Hibbs took the Chair of Committee.

HON. THE PRIME MINISTER:—Mr. Chairman, on yesterday the Honourable the Leader of the Opposition made some inquiries concerning the management of the pulp and paper operations in connection with the Humber Valley enterprise. I understood that he referred to the management of the operating company as distinct from the management of Messrs. Sir W. G. Armstrong Whitworth Company as contractors. In this connection I would say that one of the points upon which the Newfoundland Government and the Imperial authorities responsible in connection with the guarantee were most pronounced was the matter of the efficient management of the operating company. This matter was fully discussed with the Trade Facilities Committee, and also with Sir Glyn West, the Chairman of the Board of Directors of the Armstrong Whitworth Company. The Trade Facilities Committee not only attached great importance to the fact that the ultimate management of the operating company should be most efficient, but that a suitable general manager should be secured at an early date, so that he might have a voice in the layout and construction of the mill. Inquiries were accordingly made by Sir W. G. Armstrong, Whitworth & Co., Ltd., in various parts of the world, with a view to securing the very best man obtainable for

this very important position. Ultimately it was decided to offer the post to Mr. John Stadler, who was and still is the Assistant General Manager of the Belgo Paper Company, Limited, of Shawinigan Falls, Quebec. Negotiations proceeded in this connection for some considerable time, and at first it appeared doubtful whether Mr. Stadler's services could be secured, because each of the two large undertakings in Canada desired to secure his services. I am glad to be able to say that the Armstrongs were successful in employing him in this connection, and an agreement for his services was signed with him on the 5th day of June last. Mr. Stadler is a man of about fifty years of age. He has had over twenty years' experience in Canada in hydro-electric development, paper mill construction and administration. He has absolute control of the plant which he at present manages, and is not only responsible for the production of paper but also for the selling organization. The plant with which he is at present associated has an output of 360 tons of paper per day, being very similar in size to the plant which has been erected in connection with the Humber Valley development. The reports of the Belgo Paper Company show that their conversion costs have frequently been the lowest of any company operating in Canada. This speaks exceptionally well for the management of the Company under Mr. Stadler's supervision. The Company has had a very successful career, and this the Company itself and the competing companies attribute in a very large extent to Mr. Stadler's efficient management. Careful inquiries were made by the Armstrongs with respect to Mr. Stadler's ability and qualifications, and the reports were uniformly highly satisfactory. One firm consulted referred to him in the following words: "Mr. Stadler's standing

and reputation in the paper trade are so well known that it needs no further comment from us." Mr. Stadler is conversant with the Walmley paper making machines which are the type of machines which will be installed in the mill at Corner Brook. Machines of this type are at present working in the mill managed by him at Shawinigan Falls. Mr. Stadler's appointment has been approved both by the Trade Facilities Committee, on behalf of the Imperial Government, and by the Newfoundland Government.

MR. HUNT :—Mr. Chairman, I wish to make a few remarks with reference to the resolutions now before the chair, but, as previous speakers on this side of the House have dealt at some length with the many important points involved in the matter, it is not my intention to delay the Committee by referring at length to those points that have been debated so thoroughly.

The Hon. the Prime Minister in introducing these resolutions informed the Committee that he wished them to deal with the resolutions as a business proposition only, and to discuss them from that standpoint and not from the standpoint of party politics. In speaking on the resolutions, it is my intention to discuss them from the standpoint of a business proposition, and to endeavour to show the Committee that, while I agree from a general standpoint with the resolutions before the chair, they should not be accepted unless the amendments suggested by the Opposition are accepted by the Government and become a part of the resolutions.

It has been asserted that the electors have endorsed the contract, but there is a difference of opinion on this point. It can be accepted that, in a general way, the people have expressed themselves as being prepared to accept the contract and to

give the Company a guarantee, but it will be admitted that the people did not know that the security to be given by the Company to the Country was a second mortgage. In every way people had been led to believe that the security to be given to Newfoundland would rank equally with the security to be given to England, and it was not until the House had met that we received definite information that the English guarantee would be preferable to ours from the standpoint of security. I submit that this is a matter upon which the people should have received complete information, because if the project proves a failure the security that this Colony will have will be absolutely valueless. If the project is a success, the question as to whether we hold a first or second mortgage will not be material, but as trustees for the people this Committee must be prepared to consider the possibility of a failure, and to protect the Colony in that event. For this reason I wish to state my objection to our giving a guarantee upon a security of a second mortgage, and to express the hope that it is not too late to make an arrangement with the British Government whereby both mortgages will rank equally.

The Hon. the Prime Minister has also informed us that the carrying into effect of these resolutions is contingent on the passing of the Railway resolutions, whereby all matters outstanding between the Reid Newfoundland Company and the Colony are adjusted by the payment to the Reids of the sum of two million dollars, and the taking over by the Government of the railway, the dock, and certain other assets of the Reid Newfoundland Company. I do not see in what way the success of the Humbermouth venture is dependent upon the taking over of the Railway system, but if the Railway resolutions must be passed, this fact must have

been known to the Government before the elections took place, and the Government should have placed these facts before the people, in order that they might have had an opportunity of passing upon both propositions. In other words, if we are now told that the two sets of resolutions must go through together, and this fact was known before the elections, it was unfair to the people to have hidden this fact from them. In the Manifesto of the Hon. the Prime Minister he made a short reference to the elimination of the Reid Newfoundland Company from the operation of the railway, but there was not even a hint that the success of the Humbermouth project was contingent upon the taking over by the Government of the railway system.

There is one amendment that in my opinion is absolutely necessary, and that is that the clauses exempting the Company from taxation forever should be stricken out, and that only a limited time should be allowed within which the Company shall be exempted from taxation. This period can be for thirty or even fifty years, but I fail to see how any honourable member who has faith in the future prosperity of the country can endorse for a moment the principle that this great corporation can be exempt from taxation for eternity. In 1915, when the Products Corporation Bill was under discussion, my honourable friend, the senior member for Bonavista, Sir W. F. Coaker, stated that he would not consent to the exemption from taxation forever of any corporation doing business in this Colony. This position was also taken by Hon. Mr. Justice Kent, Sir Wm. Lloyd, and other members of the Liberal Party at that time. In my opinion they were justified in taking this stand, and I hope that my hon. friend will take the same position to-day as he took in 1915, and agree to the amendment which

the Opposition will offer. This objection to the measure is a very important one, because if we give this Company free taxation forever, we are, in effect, putting a mortgage on the future of the Colony, and we are establishing a precedent the effect of which it is at present difficult to estimate. It will certainly mean the loss to the Colony of hundreds of thousands of dollars annually. It must be admitted that, owing to the ever-increasing public expenditure, there is unfortunately every prospect that for many years we can hope for no reduction from taxation. This taxation will fall heavily on all private individuals, and it will be very unfair if they are taxed and a corporation that is financed largely by the guarantee which the country is giving will be exempt from taxation forever. The royalties which they will pay will not be very great when the magnitude of the operations is taken into consideration, and these should not be accepted in satisfaction of all taxes. A few years make a great difference in the general conditions of a country, and we should not deprive those who come after us of the means of collecting such taxes as other corporations and individuals may be called upon to pay.

I next draw the attention of the Committee to the fact that in the resolutions before us there is no provision for the payment to workers of a minimum wage. The sections which define the work in which Newfoundlanders will be engaged are very uncertain and general in their scope, and give the Company every facility for the importation of cheap labour. Either the sections of the contract dealing with the employment of Newfoundlanders should be amended so that there will be no doubt as to their being engaged, or else this minimum wage clause should be inserted. To say that

Newfoundlanders are to be engaged "wherever possible" is to say something that may be construed against our workmen, and it certainly gives the Company an opportunity of engaging cheap labour elsewhere.

When the Products Bill was before the House in 1915 an amendment was offered that provided for a minimum wage, and one of its strongest supporters was my hon. friend, Mr. Grimes. I gathered from the observations of my hon. friend last evening that he does not think the insertion of such a clause necessary in the present contract. I have much respect for the opinion of my hon. friend on matters of this kind, because I know he has given them careful study and consideration, and I hope the Committee may have the advantage of hearing from him what has led him to change his views so completely. The hon. member for Twillingate, Mr. Brown, has had considerable experience in dealing with labourers' pay at Grand Falls, and his views would probably be of interest to the Committee. I hope that some clause will be inserted that will prevent the introduction into the West Coast of cheap foreign labour and that will protect those workmen who go from various parts of the Colony to engage in work at Humbermouth.

As to the general policy of encouraging capitalists to come to this Colony, there can be no difference of opinion. It is only fair that those who are pioneers of industry should receive every reasonable concession and every possible encouragement. On the other hand, we must see that the country is not committed to any policy that may involve the country financially. We must not go to capitalists as a bankrupt country, that is, seeking assistance, but we must go to them as a country with great latent wealth which has a splendid future. We are going through a

period of great depression, but wise and cautious legislation can do much to remedy present conditions. In any event, we should not act as men who are taking a gambler's last throw, and give to this corporation privileges that are excessive and likely to create a monopoly that will grow in power as years pass by, and that will be forever exempt from the taxation that private individuals and companies will have to pay.

I sincerely trust that, before the resolutions pass, the amendments that have been suggested and will be offered by the Opposition will be accepted by the Government. They are essential for the proper safeguarding of the country's interests, and, if they pass, the resolutions, that are in their present form oppressive and unfair to the Colony, will become reasonable and just.

Like all other members of the House, I hope that the industry that will be created by these resolutions will be in every way most successful, and that they will prove profitable to those who have been associated with it as well as the Colony.

MR. J. MOORE:—Mr. Chairman, in giving my support to the measure now before the chair, I would like to make a few brief observations on the resolutions before they go through. I might say that the chief reason for my being here to-day is the Humber Deal, and I think many other honourable members on both sides of the House owe their election in a large measure to the same cause. I expressed myself in favour of the Humber proposition from the very first, and, as a matter of fact, I was committed to the support of the project by the Manifesto of my Leader. The party of which I had the honour to be a member promised the country that if returned we would establish the Humber industry, but we were going to give the people a better and

a more advantageous Humber deal than we are now called upon to consider in this House. So far as the present measure goes, I do not believe that we have made the best bargain that was possible, but I am, nevertheless, prepared to accept it and give it my support, provided the amendments that have been offered, and which are vitally important are accepted by the Government and embodied in the contract. As it stands at present, there is nothing in the measure before the House that can give us the least assurance that the contractors will not bring cheap labour in here, to the exclusion of our people, nor is there anything to provide against their cutting the scale of pay to such a figure that local workmen will be unable to engage in the work. This question of remuneration for labour is one that should be given the closest attention of the House, because it is up to us in making this agreement to see that the interests of those whom we represent are safeguarded. I believe that there should be a minimum wage of at least \$2.50 or \$3.00 a day, and, furthermore, provision for this should be made in the contract. If it is left to the contractors, we will find ourselves back to similar conditions as prevailed in the building of the railway. The amendment that has been offered from this side of the House covering this point is a safe and easy solution of the difficulty, and there can be no objection, in my opinion, to the acceptance of this amendment. The same thing applies to the other amendments that are suggested here. Their only effect can be to make the measure a better and safer one for the Colony, and there is nothing in them that will in any way prejudice the interests of the Company with whom we are contracting. It is the plain duty of the members of this House, on both sides, to see to it that the country



gets the best bargain that it is possible to secure.

With regard to the matter of the Government's taking over control of the railway, I have to place myself on record as being opposed to any form of Government control or operating of the system. If, in eliminating the Reids from all connection with the railway and transportation services of the Colony, the Prime Minister could bring in a proposition that would provide for some alternative than Government control, I would see no great objection to the course that is now being adopted. Even if you could get a good contractor and pay him \$500,000 a year to run the road properly, it would not be objectionable. I have no objection to the Government paying the Reids two million dollars, if, by doing so, they will succeed in clearing up the tangle that has resulted from the bungling of the past few years; but if, in addition to that, the railway has to revert to the Government, then we are not settling the difficulty, but only making it worse than it was before. No matter what arrangements the Government may succeed in effecting, anything will be better than that we should have the Department of Transportation that is now freely spoken of. In the first place the railway under such conditions would become nothing more nor less than a dumping ground for political heelers, and, moreover, if the Department of Transportation was run on the same lines that other departments are being run to-day, it would be better if we never had a railway. As a proof of what I say, I need only quote one experience that I have had since coming into the House. Some days ago I asked a question relative to the expenditure of public monies by the Board of Works, and in answer to that I was told that I might visit the department and procure the informa-

tion there for myself. I found that for the sum of \$10,300 allocated to my district in March, 1921, and presumably spent there, no returns whatever have yet been received. I was amazed, Mr. Chairman, to find that this kind of thing was actually going on in public departments, and I think the sooner such scandals are put a stop to the better it will be for all concerned.

We have heard much about the manner in which the railway has been operated under the Reids, but the Company has much to answer for that was beyond their control. It is certain that the Government will never get down to the systematic operation carried out by the Reids, under whom every man on the road, from the highest to the lowest, has to report regularly on whatever branch of the work he may happen to be engaged. The section man has to report on every mile of the road covered by him. He has to give an account of every fish-plate that is put on the rails and on every sleeper laid down, just as every other foreman or lineman or any one else has to report regularly on his particular work. If the road is going to be operated under any other conditions, where are you going to get off? I would support the measure if the Prime Minister had any other substitute for the Reids besides Government control and operation. The Government have gone out of their way to abuse and vilify the Reids and criticize the way in which they have run the service, but when the Government themselves have had a year or so operating the railway, they will get some idea of what the Reids have been up against.

The Reids have been used as a political bugaboo in this country ever since they first came here. In 1900, I remember, the people were told that the Reids were going to take every second mile of land along the

line of railway, and that, if that land did not suit them, they could stake where they liked, regardless of whether the land was owned by private interests or not. The name of Reid had served as well in those days as the names of Morine and Cashin had served in the last election, and in every political contest since then they have been exploited for the sake of political capital. In conclusion, Mr. Chairman, I repeat that I believe in this Humber project, and I trust that no time will be lost in getting as many men as possible to work out there. Employment is badly needed by a large section of our people right now, and there is no reason why many of them cannot be given work on the Humber construction. Before the election we were told that one week after Sir Richard Squires was returned thousands of men would be working on the Humber. So far this promise has not been fulfilled, and I hope that, now the contract is practically ratified by the Legislature, the hopes of those who are looking forward to this proposition as a means of employment will soon be realized.

MR. VINICOMBE:—I would like to have a few words to say with regard to the Humber Deal. For the past two months all one can hear is Humber, Humber, Humber. I was expecting that after the elections the whole town would be changed into Humber. Now I am a supporter of the Humber proposition, and I might say that when I went to St. John's East with my colleagues, the Leader of the Opposition and Mr. Fox I was a strong advocate of the Humber, and I would support twenty Humberes, because after the three and a half years of misrule by this Government we want twenty Humberes to bring back Newfoundland to what it was in 1919. If I remember rightly, in the year 1922 Sir William Coaker had a Humber Deal on, and I understand it was brought before

the Executive Council for consideration. There were two parties present, the Squires Party and the Coaker Party; but the Squires Party did not see eye to eye with the Coaker Humber Deal. Now I would like to ask Sir William Coaker if his Humber Deal was not better than the one we have before us to-day. Personally, I venture the opinion that the Coaker Deal was the better one of the two, because there was no guarantee in it. During the past couple of weeks I listened to the Prime Minister as he read a lot of manuscript eulogizing the Armstrong Whitworth Company, conveying the impression that they were like a hardware store on Water Street, selling everything from a needle to an anchor. He told extensively of the activities of these people in South Africa and in other places. Well, if their standing is as sound, healthy and wealthy as the Prime Minister makes out it is, what is the reason for such a huge guarantee? However, as the country to-day is on the verge of bankruptcy, there is nothing left for us to do but to vote for the guarantee, and take our chances. But there is one part of the agreement that needs to be amended, as suggested by the Leader of the Opposition, and that is that which relates to exemption from taxation in perpetuity. I would like to point out that conditions in England, where this contract was drawn up, are entirely different to what they are in Newfoundland. Here we have a Municipality; in England there are County towns. If the Armstrong Whitworth Company has an office opened up in St. John's, would you consider it right, Mr. Chairman, to exempt them from Municipal taxation, besides being exempted from paying Government duty, and they to do business here in competition with other local concerns, who have to pay duty on their goods as well

as having to pay their civic taxes. I hope and trust that the Prime Minister, before this Bill is put through, will have this exemption clause amended. I would not mind allowing the Company to be exempted from taxation for five or ten years; but I think to exempt them for all time would be too high-handed a proceeding.

We went to St. John's East under the banner of Mr. J. R. Bennett and on behalf of the Humber. We told the people we could give them a better Humber Deal than the Squires Party. At the same time Sir Richard Squires was at the Majestic Theatre telling the electors of St. John's West that the Reid Newfoundland Company had nothing to do with his Humber proposition. We also told the people that there was a tale in connection with the Humber Deal, and that tale was that this country has to pay to the Reid Company two millions of dollars for the railway. Now the Prime Minister nor any of his candidates ever announced that on any platform during the election campaign.

We heard the Hon. Member for St. George's state here a few days ago that the taking over of the railway to be run by the Government would be a good thing. I think if the hon. member had his words back again that he would not repeat them, because what he said was an insult to Sir William Coaker, who took over the railway to run for a couple of years and lost a couple of million dollars in the undertaking; and the only conclusion I can come to is that the Hon. Member for St. George's must have been offered or promised a job in connection with the railway.

Now I hope that the Hon. Mr. Halfyard will make a better Minister of Marine and Fisheries than Sir William Coaker did, and that he will give the department more attention

than his immediate predecessor. As to the Hon. Mr. Cave, who has got Captain Bonia's job as Finance Minister, well I believe he will make a good man. certainly I believe he will be a more capable head than Captain Bonia, who, I understand, is already started house-cleaning and has made a clean sweep in the General Post Office. Apparently, in the eyes of Captain Bonia, the lives of the people of this town are in danger, and the Captain is protecting them daily by driving around in his new motor car and knocking down poles that are dangerous to pedestrians.

Mr. Chairman, I do not think it fair to have the members on this side of the House to do all the talking on the Humber. I am going to ask Mr. Brown, the senior member for Twillingate, to say a few words from the other side of the House. He was an experienced employee of the A. N. D. Company at Grand Falls, which Company, I am informed by the Prime Minister, made a dividend of a million and a quarter dollars last year through its operations. Well, if that Company declared such a large dividend, how comes it that they were going to close down a year ago because the men refused to have their wages cut? Now I understand that Mr. Brown, who was and is now President of the Paper Makers' Union at Grand Falls, and I would like to hear his views on this very important subject that is now before the House. In fact, all the other members on the other side of the House owe it to their constituents to say something on this matter; but I would certainly like to hear Mr. Brown.

Now, I am going to vote for the Humber; but, with regard to the railway, well that's another matter, because I cannot see my way clear to vote for that, because, if it is true that the Government is going to run it, well, God help Newfoundland. I

support the Humber Deal, Mr. Chairman, but if the railway is going to be tacked on to it, I will not support it.

MR. CASHIN:—Mr. Chairman, I think it only my public duty, as one who was returned to this House for the first time a member for the district of Ferryland—a duty that I owe to my constituents—to make a few remarks on the subject matter before the chair. When we went to the country some two months ago, we told the people in my constituency that we would support any measure brought here that was going to benefit the people generally in this country. Myself and my colleague, Mr. Moore, told them that we would support the Humber Deal, provided that it was a good one for Newfoundland. Now, during the election campaign, the Government, through their press, circulated propaganda widespread throughout this country intimating to the people that the British Government and the Newfoundland Government were going to enter into a 50-50 agreement on the guarantee, and the people naturally thought that these were the actual terms of the Humber Deal. But what do we find to-day? We find in the resolutions submitted to this House by the Prime Minister that Newfoundland is getting the wrong end of the deal: we find the railway coupled with these resolutions, and we find that the Reid Newfoundland Company are to be paid out of the Treasury of this Colony for contracts which they should have carried out, but I am sorry to say did not, the munificent sum of two million dollars, and, in addition, the Reids put up a gun to the Government pointing out that unless they are paid the two million dollars, and unless the Railway and Humber go through this Legislature together, that the whole deal is off. Do you think, Mr. Chairman, in the light of these facts, that the Prime Minis-

ter was sincere with the people when he went to the country? Now if these resolutions, as they stand to-day, go through this House, the National Debt of this country is going to be increased to an alarming extent. There are eighteen millions of dollars in sight now to build the plant in Humbermouth, out of which two years' interest will have to be paid, amounting to approximately two million dollars, which leaves sixteen millions with which to do all construction work. When the construction work is completed, who is going to operate the plant? There is no guarantee to the effect that the Armstrong Whitworth Company is going to run it. That Company is not here for the good of their health, but to make money, and it is purely a business proposition with them. Now, assuming that the Armstrong people don't run it, and that no one runs it, and that the place is tied up, then this country has got to go on paying interest at five and a half per cent. for twenty years, meaning that we got to lose eighteen million dollars altogether. Therefore, I will not support the measure before the chair, unless certain amendments are included in it. We are told that a Mr. Stadler is going general manager of the plant, but we are not told what capital is at his back to run it or what company is behind him. Mr. Stadler may be a good man, but he goes there as a paid servant of the Reid Newfoundland Company and the Armstrong Whitworth Company. To my mind the Humber deal is a good one for the Armstrong Whitworth Company, but a steal as far as Newfoundland is concerned. You are throwing away the rights of the people in that agreement, Mr. Chairman. Take the clause, as set forth in the resolutions, exempting the Company from taxation forever, thus allowing them to bring into the country everything free of duty, and to

compete with Water Street concerns who have to pay regularly their civic as well as governmental taxes. The amendment put forth by the Leader of the Opposition, and of which I am strongly in favour, covers that clause fully; and any member on the Government side of the House who does not vote for that amendment is betraying the confidence of the people.

When the Prime Minister went to the country on May 3rd, he or neither of his party told the people the real terms of the contract, but continually bawled Humber and Cashin from one end of the country to the other. Unfortunately, if I may be permitted to quote from Scripture, Mr. Chairman, "The sins of the father shall be visited upon the children." Now the Prime Minister is the principal culprit. His paper reeks with abuse and slander daily of Cashin, and particularly so after the last day's session of this House. Mr. Brown, the member for Twillingate, got up here a day or two ago and took issue with Sir Michael Cashin wise there would be public in-used in this country. I agree with the hon. member that it is high time that sectarianism should be cut out; but I contend that the hon. member is attached to that Party which was supported by the press that pulled off that sectarian stuff, and I contend that Mr. Brown benefitted, if not directly, indirectly, through it during the recent elections. Now, is Mr. Brown prepared to get up here and denounce these Government papers publicly. Why the very man, Dr. Mosdell, who edits the "Daily Mail," the personal organ of the Prime Minister, was appointed by this Government as Chairman of the Pensions Committee for the dirty work he had done during the election period. I say, Mr. Chairman, that the appointment is a disgrace. What gentleman on the other side of the House

can say that it is anything else but a disgrace? I am sure if Lieutenant Small was here he would agree with me. Mosdell flew to the woods when the war was on and refused even to offer his medical services here, and now a poor returned soldier has got to go down to that low, dirty, vile individual and take what he sees fit to offer him. I say, Mr. Chairman, that the returned soldiers have lost what they had in 1916, otherwise they would re-organize and march down to the Militia Building and drive this usurper and slacker out of it. I am sorry to have to speak in this fashion; but I actuated by the duty that I owe to the country and to the Regiment of which I was a member. However, personally, I care not what the dirty, filthy Mosdell press says about me.

Several days ago I tabled a question asking for information concerning the new telegraph office which is opened up in Ferryland District, and it's like pulling teeth to get the answer. I suppose it's in keeping with all the other actions of the Government. We got the cost of installing the office, but the main question we want answered is, who recommended the operator that was appointed? The Prime Minister's answer is, no one recommended him—a very likely happening.

Referring to the Humber proposition again, I would like to emphasize that it is about time for this country to cry halt with respect to guarantees. We have had enough of guarantees in this country after the guarantees for fishery supplies in the year 1921. Why, there are members sitting on the Government side of the House at the present time who received money from the Government on this account and have not yet paid back a single cent in return to the coffers of the Treasury. It seems as if there is no public spirit left in Newfoundland to-day, other-

wise there would be public indignation meetings held protesting against the high-handed actions of the present Government. The other day a serious charge was made in this House against a responsible Minister of the Crown, and that charge has not been refuted as yet. A Minister of the Crown goes to the Public Treasury of this country and steals money to defray his personal election expenses, and gets away with it. We have not heard of any enquiry being made into this scandal, no, or not likely to have an enquiry because of who the perpetrator is; but if a poor man steals a loaf of bread he is sent to jail for a month. Still we are told we have Responsible Government.

Returning again to the matter of the railroad which is linked up with this Humber proposition. In 1920 the Government decided to take over this famous railway to run and make money on, because the Prime Minister at that time, Sir Richard Squires, publicly denounced the Reids for their "cooked" accounts, and said that the Reid Newfoundland Company were not losing money on the operation of the railroad. What happened under Government control? After running for one year, under the Chairmanship of Sir William Coaker, the Government lost one and a half million dollars, and, when they finished running the railway, left it in a rotten and unsafe state, because they never made any repairs to it during the years they operated it. The result is that all this country is going to get for the two million dollars they are passing over to Reid is two streaks of rust from here to Port aux Basques, a half dozen worthless ships, and a Dry Dock that is falling down and unsafe for men to work on. A lovely bargain the Government has made, no doubt. Why, it will take one million dollars to put the Dry Dock in fit and proper shape.

Seemingly the members on this side of the House do all the talking. The gentlemen in the Government benches sit smiling, but say nothing. Of course, they have not got the interest of the country at heart. There are men in the Government ranks to-day who were bought. During the election campaign in the district of Ferryland, which myself and my colleague, Mr. Moore, have the honour to represent in this House, one of the Government candidates had twenty thousand dollars in his pocket as he went around buying votes. But the game did not work with the independent people of that district, and I say in all sincerity, that it would be well for Newfoundland to-night if there were more Ferryland districts in the Island. Public monies were taken, I say, and fired out indiscriminately. Mr. Hearn allocated to his servant \$1,500, and still the Government is taking no action to find out what was done with the money. Under the guise of marine works, money was handed out here, there and everywhere. Five hundred dollars was given to one man for going around the district and sending messages to the city on behalf of Mr. Hearn, and that same individual never spent one cent of the money. It is no use asking for the returns from any department as to how these Government funds were spent, because we don't expect to get any. The members of the Government, apparently, do not care, for maybe they have Confederation in the back of their heads, and, perhaps, if we did get Confederation we would be better off than we are now as a people.

Another matter I would like to touch on, Mr. Chairman, under the most unprecedented circumstances in this Chamber, and that is that I had to listen to the Prime Minister, who left his seat and came down to the lower part of this House to talk to two visitors here, and began to

make dirty references towards my father. Mr. Chairman, I had as much as I could do to hold myself back. Why, I say, you are the most indecent Government with the most indecent Head that was ever in power in Newfoundland, and I defy contradiction to that statement.

While my views are in accordance with anything that may tend to benefit Newfoundland in any shape or form, I wish to register my strongest protest against these sections by which this Company is exempted from taxation for all time. That is the first ground of my objections, and the second is the employment of labour, and I presume we will hear from Mr. Grimes as to just how that question should be handled. On these two clauses especially I wish to record my strongest protest. As to the matter of guarantees, I suppose we have to take our chance. Now I would like to tell through you, Mr. Chairman, that Newfoundland is now responsible for a debt of eighty-five million dollars, the interest alone on which will be at least four million a year. You will have to pay that as it is just a matter of a note in the bank with the name of Newfoundland on the back of it. That is what it amounts to. The ordinary public debt is already over sixty millions, and with the interest and principle on the eighteen millions for the Armstrong Company, this will bring the amount up to \$85,000,000. But our total revenue is only nine millions. Then in the name of common sense how are we going to exist. How is Newfoundland going to carry on. This is a plain statement, I grant you, but a true one. Now we are only a small concern. As a matter of fact the C. P. R. Railway alone has a bigger revenue than all Newfoundland.

Returning to the railway, Mr. Chairman, I may say that I heard the speech of Mr. Downey, and I am glad

to say that there is no other man in this House, or in the country, so optimistic as to the running of the railroad by the Government as he is. I would like to see him in charge of the road for about three months, as then, perhaps, he would go up the Southern Shore and fix up the bed of the Trepassey line. And it certainly wants some fixing. Now, what is he going to do, or the Government? Make it pay, you say. Allow, me, Sir, to state that you cannot do it. In the first place you have no short hauls on this railway. Now take the case in the Canadian West, say a line running into Fort William, where they carry from 1,200 to 1,300 cars of freight daily—70 cars in a train. It is not on the freight that the Company makes money, but on the spotting of the cars when they reach the elevators. Even if they remain there over a certain period, they are compelled to pay so much demurrage. But no goods in car lots are brought over this line to individuals. If they were you could not push them down Water Street to the merchant's store. That is where a railway pays—on the spotting of cars on the short hauls. Mr. Downey cannot make the railway pay. And in the first place the road needs 120 pound rails from one end to the other. But I suppose now we cannot protest or even give an opinion on it. No later than two days ago we were told in the Government press that we were obstructionists. Do they want us to stay away from the House altogether? Do you think that we are like some of yourselves who last year came here for the first few days of the session and then stayed away till the end. Again, referring to the railway, I would like to once more speak of Ferryland district. I am sorry, Mr. Chairman, to again have to mention this district, but, as to the matter of the appointment of fire wardens, Dr. Campbell, the Minister of Agriculture and Mines, has re-

ces, and the contract says that Newfoundlanders must be employed.

MR. CASHIN :—It says nothing of the kind in the contract. I would like you to tell why you were against this deal before and are in favour of it now. There was nothing wrong or crooked about that Wilson contract like this contract.

MR. GRIMES :—Can my hon. friend see straight ?

MR. CASHIN :—What do you mean to insinuate ?

MR. GRIMES :—I understand you to say that this is a crooked bill. The people connected with this bill are the Armstrong Whitworth Company, who have a world-wide reputation as business men that cannot be slighted.

MR. CASHIN :—Your Manifesto—or rather that of your Leader—in 1919 says that the Reids are crooks.

MR. GRIMES :—We are dealing with the Armstrongs.

MR. CASHIN :—Yes, and they are handing you over a lovely package in the railway. I hope you will be put in charge, and then we will see how you will run it. As I was saying, Mr. Chairman, the Bennett Manifesto promised a bounty of one dollar on fish, but that did not necessarily mean a dollar for every quintal caught. What I mean is, that it was intended to pay a dollar per quintal according to quality. But what did your fishermen's government do to the country. You ruined the country and the industry that will be our main one when the Reids and the Armstrongs and all the rest of them are out of business. In registering my protest against the measure, I hope it will be successful, though I very much doubt it, and I would like to ask the House in considering this Bill to pay special attention to the clauses dealing with the employment of labour and the exemption of taxes on that Company. I hope, as I believe every honourable member of the House does, that you will make a

success of this undertaking for the benefit of the country.

Mr. Speaker resumed the chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said resolutions with some amendments.

On motion this Report was received and adopted, and the Bill entitled "An Act further to amend the Act 6, George V (1915), Chapter Four, entitled "An Act for the Confirmation of the Contract with the Newfoundland Products Corporation, Limited," was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

The remaining orders of the day were deferred.

Hon. the Prime Minister gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to amend Chapter 23 of the Consolidated Statutes of Newfoundland (Third Series), entitled "Of the Auditing of Public Accounts."

Hon. the Minister of Marine and Fisheries gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to amend 12 and 13 Geo. 5, Cap. 17, entitled "An Act for the Encouragement of Ship-building."

It was moved and seconded that when the House rises it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

FRIDAY, June 29, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Petitions were presented by :

MR. HUNT :—Mr. Speaker, I ask leave to present a petition signed by M. Bennett, S. Viscount, and H. Hanniford, dealing with the unemolument situation in St. John's. The



Hon. Minister of Agriculture and Mines, if fire wardens have been appointed on other branches of the railroad except Ferryland; if they have, why is it that this discrimination has been practised.

THE HON. THE PRIME MINISTER:—I have no knowledge of any fire wardens having been appointed anywhere in Newfoundland. Such appointments are matters of departmental detail, the department being responsible for the efficiency of the fire protection service. My hon. friend may be quite sure there has been, and will be, no discrimination either for or against the district of Ferryland.

SIR MICHAEL CASHIN:—I think it is time this information was furnished the House. I called upon the Minister of Agriculture and Mines three weeks ago, and he told me that all fire wardens had been appointed excepting those for Ferryland district. Now, why is this? Two years ago a serious fire occurred in Ferryland district, costing the Colony one and a half million dollars, and all because fire wardens had not been appointed. Now we are at the end of June, and no wardens appointed yet. The "Evening Advocate," last evening published an article taken from a Canadian paper, and pointing out what precautionary measures that should be adopted in Newfoundland against fire. Now I ask you, Mr. Speaker, if we cannot get any satisfaction from the Minister in charge of the Agriculture and Mines Department or from the Prime Minister, then from whom are we to get it? The whole reason why fire wardens have not been appointed for Ferryland district is because that district opposed the Government. Allocations went out to Ferryland district during the election time and were absolutely thrown away, and I am not going to stand for it. Political heelers got money in galore from

the Government—money that we are never going to get any returns for. Fourteen hundred dollars was allocated for the roads. I know the irresponsible who got it; but not a dollar was spent on the roads. The Minister of Public Works won't tell on whose recommendations these allocations were made; he is afraid. What does the Government want us to do? Get a red flag and march down here? I am sick and tired asking here who recommended that these monies be sent out, but cannot get an answer. On the list furnished me by the Minister of Public Works there is the name of a man who got \$400 allocated to spend on marine works. With this money the man bought material for a wharf, and then built it for himself. I have made serious charges here, and am prepared to back them up, and, within the next few days, if things are not right, I propose to take steps that will make matters nasty for the Government. Yes, you can take a note of that, Mr. Prime Minister, and publish all you like about it in your dirty rag of a paper. Why, it's enough to drive decent, independent people out of the country. I apologize to you, Mr. Speaker, for having to speak in this fashion.

MINISTER OF PUBLIC WORKS—Mr. Speaker, I just want to say a few words in reply to Sir Michael Cashin, who stated that the Minister of Public Works was afraid to do something. Now, I want to tell him that fear does not belong to this Minister of Public Works, and he ought to know it. I am not afraid of anybody living or anybody dead. I am built that way. I am sorry that I am not able to speak as I feel; but I just want to tell this House right here and now that there is no fear attached to me.

SIR MICHAEL CASHIN:—I beg your pardon, Sir, but that was not the impression I wanted to leave on

ces, and the contract says that Newfoundlanders must be employed.

MR. CASHIN :—It says nothing of the kind in the contract. I would like you to tell why you were against this deal before and are in favour of it now. There was nothing wrong or crooked about that Wilson contract like this contract.

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MR. CASHIN :—What do you mean to insinuate ?

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MR. CASHIN :—Your Manifesto—or rather that of your Leader—in 1919 says that the Reids are crooks.

MR. GRIMES :—We are dealing with the Armstrongs.

MR. CASHIN :—Yes, and they are handing you over a lovely package in the railway. I hope you will be put in charge, and then we will see how you will run it. As I was sayiny, Mr. Chairman, the Bennett Manifesto promised a bounty of one dollar on fish, but that did not necessarily mean a dollar for every quintal caught. What I mean is, that it was intended to pay a dollar per quintal according to quality. But what did your fishermen's government do to the country. You ruined the country and the industry that will be our main one when the Reids and the Armstrongs and all the rest of them are out of business. In registering my protest against the measure, I hope it will be successful, though I very much doubt it, and I would like to ask the House in considering this Bill to pay special attention to the clauses dealing with the employment of labour and the exemption of taxes on that Company. I hope, as I believe every honourable member of the House does, that you will make a

success of this undertaking for the benefit of the country.

Mr. Speaker resumed the chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said resolutions with some amendments.

On motion this Report was received and adopted, and the Bill entitled "An Act further to amend the Act 6, George V (1915), Chapter Four, entitled "An Act for the Confirmation of the Contract with the Newfoundland Products Corporation, Limited," was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

The remaining orders of the day were deferred.

Hon. the Prime Minister gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to amend Chapter 23 of the Consolidated Statutes of Newfoundland (Third Series), entitled "Of the Auditing of Public Accounts."

Hon. the Minister of Marine and Fisheries gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act to amend 12 and 13 Geo. 5, Cap. 17, entitled "An Act for the Encouragement of Ship-building."

It was moved and seconded that when the House rises it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

FRIDAY, June 29, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Petitions were presented by :

MR. HUNT :—Mr. Speaker. I ask leave to present a petition signed by M. Bennett, S. Viscount, and H. Hanniford, dealing with the unemployment situation in St. John's. The

petition sets forth that for the past three years relief works of various kinds have been carried on, but that, since Nomination Day, all these works have been closed down. The present situation of the labourers and others in St. John's, who are unable to get employment in the regular channels, is most distressful, in that they are now unable to earn a dollar in any way for the support of their families, and they find themselves in desperate straits. They are unable to get the most urgent necessities, and many of them are now selling their household effects to get food. I present this petition in no partisan spirit, and I am sure that it will appeal to the gentlemen on the other side as it will to those on this side. I do hope the House will give this petition the consideration which the subject of it demands. It is the prayer of men who have suffered silently, who have avoided every semblance of disorder, and who have put forward their requests in a manner with which no fault can be found. I recommend this petition particularly to the Hon. Colonial Secretary, and I hope that it will be given every possible consideration.

SIR MICHAEL CASHIN :—I beg to support the petition presented to this House by my colleague, Mr. Hunt, on behalf of the people of St. John's West. These unfortunate people are hungry to-day through your promises and mismanagement, but through no fault of their own. Those of them that could afford it are all gone out of the country, to seek a livelihood elsewhere, while the balance are hemmed in, as it were, without any support for their families, or without any means to get out of the country. Do you think, Mr. Speaker, that you would have a petition before this House to-day, on behalf of seven hundred unemployed men of the West End of the city, if they had the means to get out? My answer is,

certainly not. Now, Sir, it is no use talking Humber to relieve this condition of affairs, because I have said here, on another occasion, that the gentlemen who came to this country to open up the Humber did not come for the good of their healths. Consequently, I say to the Government, show the country, especially the people who are in need, that you are in earnest, and do something that will alleviate immediately the distress that at present exists in this city.

MR. HIGGINS :—Mr. Speaker, I rise to support the petition presented by the hon. member for St. John's West. I can understand what the unemployment situation is in St. John's West, because the same conditions prevail in St. John's East to a lesser degree. I can understand, too, how this petition emanated from the West End district, where are located the majority of the city's labourers and mechanics, who are feeling the pinch of the present conditions. Mr. Hunt raised the point of the orderliness of these men, who have been driven almost to the verge of desperation. It is really surprising that they have behaved in the manner they have. I told a story the other day of a man who had sold everything movable to keep his family alive, and the last thing that happened was that he went home to find his wife breaking up the old dining table to make a fire. When we come to discuss the Railway Resolutions, there may be in that some means of relieving the situation set forth in this petition. I trust, Mr. Speaker, that the petition will be given that consideration which the seriousness of the subject demands for it.

Mr. Cashin gave notice of question.

Mr. J. Moore gave notice of question.

Mr. P. Moore gave notice of question.

MR. P. J. CASHIN asked Hon. the Prime Minister, in the absence of the

this House; and I ask you now on whose recommendation was the allocation made?

MINISTER OF PUBLIC WORKS—The Deputy Minister sent out the allocation.

SIR MICHAEL CASHIN:—You are responsible.

MINISTER OF PUBLIC WORKS—I know; but I was not in place at that time. This House always got satisfaction from the Marine and Fisheries Department when I was head there.

SIR MICHAEL CASHIN:—I'll grant you that. I do not blame you now. I blame the Prime Minister, the man who ought be the switch-board in moving the whole thing. The idea of asking us to come here and take treatment of this kind, with the Minister of Agriculture and Mines and the Minister of Posts and Telegraphs not holding seats in this House, and no one to represent them here.

MR. P. J. CASHIN:—In seconding the motion for an adjournment, I may say that I cannot allow the opportunity to pass without registering my disapproval of the unbusiness-like way the Government are doing things. It seems that the Prime Minister is discriminating particularly against Ferryland as an Opposition district. Why I do not know. I asked a straight question here, but cannot get a straight answer from the Prime Minister. He is evasive in every respect. He tells to-day that he has no knowledge of any fire wardens having been appointed. I throw that back in his face, and tell him that he has knowledge of such appointments. He evaded the question to-day like he evaded the one the other day with regard to the postal office at Ferryland, all because of his personal spleen against Sir Michael Cashin.

THE HON. THE PRIME MINISTER:—I have no personal spleen

against Sir Michael Cashin; I rather enjoy his outbursts and attacks.

MR. P. J. CASHIN:—I repeat that the monies allocated in Ferryland district within recent months was squandered and spent wrongly, and no member of the Government can get up here and say otherwise. We have complained in this House that monies sent out from the departments of Marine and Fisheries and Public Works have been put to personal use by certain individuals. Then, is it not the duty of the Hon. Minister of Justice to investigate and find out if that is correct or not? Such a course was adopted in 1919, at the instigation of the Government, when there was no money spent wrongly. Now, an individual in Bay Bulls was down in the public accounts for having received \$1,500 during the election period, and, on enquiry, we find that the man never received any of that money at all. And still that sort of thing is tolerated and allowed to go on. I contend again that this is a spite campaign against Ferryland district, because that district did its duty fearlessly and conscientiously, and because the Government could not buy it, and it is a pity, for the sake of Newfoundland, that there are not more Ferrylands in it. Now I wish to once more record my strongest protest against the manner in which the Government is allocating money. I am sorry Sir William Coaker is not in the House, but as Mr. Grimes is here, that will suffice for the purpose of what I am going to say. When Sir Edward Morris was in power, he granted the F. P. U. members the right to spend public monies, although they represented opposition constituencies at the time, and there are none of the F. P. U. members who are in the House now, and who were sitting members during the Morris Administration, manly enough to get up and tell me that I am not

right. Now, why the change of front? What has happened since then?

Once more I would like to have a few remarks to make on the Telegraph office at Ferryland. That episode is a scandal, and one which the people of Ferryland will never stand for. Now, whether my term in this House is going to be long or short, and whether I am in the Government or in Opposition, I am going to look after the interests of the people of Ferryland district. nor am I going to come here and be a party to perpetrating a spite campaign against the people of any district, as is being done by the present administration against the district that I have the honour to represent in this Chamber. I do not think it is either fair or just on the part of the Government. No one recommended the new Postal Telegraph Office at Ferryland, we are told by the Prime Minister. I wonder does the Minister of Posts and Telegraphs know? Or does he know that it is there at all? Does he know if there is an operator there and does he know if the operator is competent or not? Still we are called Opposition obstructionists by the Government press, which tells the country daily through its columns that all we do here is obstruct, and that we are disloyal Newfoundlanders.

MR. P. F. MOORE:—In rising to support the motion for adjournment this afternoon, I would like to add a few words to further emphasize what Sir Michael Cashin has already said with regard to the Road Grants that were given out in Ferryland district. Over \$1,400, according to the statement furnished by the Minister of Public Works, was given out during the present month, and no returns therefor. Now, I ask and appeal to the Hon. Minister of Justice to try and get the money back. This is a downright waste of public monies,

and nothing less. When I was in the district in the election campaign one man in Aquaforte got \$400 which he used to build a piece on to his wharf, paint his house, and build an ice house. If the Government is going to allow this kind of thing to go on, they cannot hope to get any business done in this House; and if it is going to be a spite campaign, well we are not going to take this, as Sir Michael Cashin has said, lying down. Again I protest against Government heelers, who have no influence whatever, getting this money, which is supposed to be used in connection with main lines; and I might inform the Government that they are going to hear our protests every day until they learn to mend their ways.

MR. BROWN:—With reference to the remark made regarding the buying of votes in the Northern districts, as a member of Twillingate district, I may say that I did not buy any votes to secure my election; neither did I spend a single cent in influence a voter. The statement made by the hon. member for Ferryland is an insinuation thrown across the floors of this House that I would not like to have repeated.

MR. HIGGINS:—He meant that the votes were bought for you, as you were too innocent.

MR. BROWN:—I did not want anybody to buy them for me. If they did that sort of thing in the Southern districts, we did not do it in the Northern districts. I did not get any money out of wrecks to enable me to buy votes.

Pursuant to notice and leave granted, and on motion of Hon. the Prime Minister, the Bill entitled "An Act to amend Chapter 23 of the Consolidated Statutes of Newfoundland (Third Series) entitled 'Of the Auditing of Public Accounts,'" as introduced and read a first time, and it

was ordered that the said Bill be read a second time on to-morrow.

Pursuant to notice and leave granted, and on motion of Hon. the Minister of Marine and Fisheries, a Bill entitled "An Act to amend 12 and 13 Geo. Cap. 17, entitled 'An Act for the Encouragement of Shipbuilding,'" was introduced and read a first time, and it was ordered that the said Bill be read a second time on to-morrow.

Pursuant to order and on motion of Hon. the Prime Minister, the Bill entitled "An Act further to amend the Act 6, Geo. V (1915), Chapter Four, entitled 'An Act for the Confirmation of a Contract with the Newfoundland Products Corporation, Limited,'" was read a second time, and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

The remaining orders of the day were deferred.

Sir M. P. Cashin gave notice of question.

Mr. Walsh gave notice of question.

It was moved and seconded that when the House rises it adjourn until Tuesday afternoon next, July 3rd, at three of the clock.

The House then adjourned accordingly.

#### TUESDAY, July 3rd, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Petitions were presented by:

Mr. Hunt, from M. Hampton, re Block and Pump Making.

Sir M. P. Cashin gave notice of question.

MR. HUNT:—I ask leave to present a petition from Mr. M. Hampton, a resident of the district of St. John's West, and which, with your permission, I shall read to the House. (Reads petition.) I give the petition my support, and ask that

it be referred to the Department to which it relates.

MR. P. J. CASHIN asked Hon. the Minister of Marine and Fisheries if the Marine Grants for the District of Ferryland have been sent out to the various settlements in the district within the last six weeks, to whom allocated and at whose request.

MR. P. F. MOORE:—In the absence of Mr. Cashin, I beg leave to ask that question.

HON. MINISTER OF MARINE AND FISHERIES:—None have been sent out.

MR. P. J. CASHIN asked Hon. the Prime Minister, in the absence of the Minister of Posts and Telegraphs, to lay on the table of the House a statement showing the daily receipts of the Telegraph Office recently opened at Ferryland, from the date of opening until the present date.

HON. THE PRIME MINISTER:—No returns have yet been furnished, but a request for them has been sent. In the ordinary course of events, no returns would be made for a month.

Mr. Chairman, I wish now to table the answer asked a few days ago as to some amounts paid Mr. Irving Parsons.

MR. J. MOORE asked Hon. the Minister of Finance and Customs if Martin Murphy has been dismissed from the position of Sub-Collector of Customs at Cartwright, Labrador; if so, for what reason; if any charge was laid against him and by whom, and to lay a copy of such charge on the table of the House: Who has been appointed in Mr. Murphy's place, and who recommended him for the position, and to lay a copy of such recommendation on the table of the House.

HON. THE MINISTER OF FINANCE:—I ask that that question be deferred till to-morrow.

MR. P. F. MOORE asked the Prime

Minister, in the absence of the Minister of Posts and Telegraphs, to lay on the table of the House the following information: (a) In what building is the Government Telegraph Office, recently opened at Ferryland, located; (b) if the building is located on Government property; (c) if not located on Government property, what rent is the Government paying for the use of said building; (d) to what person or persons is the rent payable.

HON. THE PRIME MINISTER:—The answer has not yet been sent down from the department, but I will table it as soon as received.

SIR M. P. CASHIN asked Hon. the Prime Minister to lay on the table a statement of the receipts and expenditure of the railway system (including the steamers operated in connection with it) for the eleven months ended May 31st, and an estimate for the current month, all to be certified by the Auditor General.

HON. THE PRIME MINISTER:—A portion of that has been published, but we are having a general statement prepared bringing it up to date, and trying to get the information to the end of May. We cannot get the estimates for June till some weeks' time.

MR. WALSH asked Hon. the Minister of Shipping if it is the intention of the Government to send a coastal steamer to serve the section of the country between Trepassey and Placentia. If so, when may we expect a steamer to be sent.

HON. THE MINISTER OF FINANCE:—In reply I may say that the same arrangements will be made as last year, and, when necessity arises, that section of the coast will be attended to.

MR. WALSH:—That is the only section of the coast that is not served fortnightly, and it should not be necessary to wait till a crisis arises.

HON. MINISTER OF FINANCE:—

the same arrangements will be made as before, and provision made for the transshipment of goods from Argentia to that section. We have already made many enquiries as to freight for there, and find that there is practically none. The little there is being sent by boats and schooners.

MR. WALSH:—In reference to that question, I may say that I have received many requests as to a service there, particularly on account of the shortage of salt. I have a telegram from fifty residents of that section stating that cod is fairly plentiful, but there is no salt. While they do not ask the Government to send salt to them, I understand they are being charged \$7.00 a hhd. for it, while it can be bought here for \$1.80. Anyone knowing the present price of fish can understand where these people will get off. If a steamer were sent there she would have a load of salt, at least, for freight, and the people would then be able to look out for themselves, and not need relief work in the Fall. This matter has now assumed a political aspect, but my first idea in writing to the press on it was to get salt along to these people, so that they might ply their avocation. When the fish struck in they were all ready to begin operations, but found that there was no salt. They have no cold storage, and it is regrettable that they have to send such a message as the one referred to. The first salt they got was from Harbor Buffett, but that was only a small quantity. There was not 20 hhds. in Placentia then, but some enterprising merchants brought supplies from Harbor Buffett and sold it at a good profit. Of course, that is business, but the people of this shore have to pay \$7.00 for it, while it can be bought here for \$1.80, and it is a crying shame to every man here in this House who was sent here as a representative of the fishermen.

Pursuant to notice and on motion of Hon. the Minister of Finance, the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Jones took the Chair of Committee.

HON. MINISTER OF FINANCE:—

Mr. Chairman, in tabling the Estimates for 1923-24, I might say that, before going into the matter of Supply, I would like all the members of the House to be in possession of a printed copy of the Estimates which will be distributed.

MR. HIGGINS:—I take it, Mr. Chairman, that the Auditor General's Report will be available at the next sitting?

HON. PRIME MINISTER:—I think it will be here before the House rises.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on to-morrow.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again on to-morrow.

Pursuant to order and on motion of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole, to consider the Bill entitled "An Act further to Amend the Act 6 Geo. V (1915), Chapter Four, entitled 'An Act for the Confirmation of a Contract with the Newfoundland Products Corporation, Limited.'"

Mr. Speaker left the Chair.

Mr. Scammell took the Chair of Committee.

MR. HIGGINS:—Am I to understand, Mr. Prime Minister, in connection with this Humber Deal, that this Company, in spite of all the concessions and guarantees given them by you, are, at the end of 30 years, when all the debts are paid,

and when, taking the example of the Harmsworth Co., they will be making millions every year—and the price of paper is going up every day—to pay no taxes?

HON. THE PRIME MINISTER:—The directors will pay the usual duties.

MR. HIGGINS:—I merely ask this question, Sir, because I see opposite honourable gentlemen who, before voting for a clause like that, would sooner cut off their right hands, for they know it is a vicious and unsound principle to give a company, that we are already helping out in a very generous manner, privileges and concessions that will exempt it from taxation for ever and ever; whilst, on the other hand, the ordinary poor workingman, who never received the least assistance from this House, has year after year to bear the heaviest burdens this Colony can impose on him, and, after bearing them for his lifetime, he must look on and see a corporation given freedom from duties in perpetuity. I could not vote for that; I could not bring my conscience to the state of knowingly and willingly binding these who will come after us thirty years from now. We in this House to-day do not know what the conditions will be in thirty years' time; we do not know what our successors will want to do, or will have to do, regarding this Company in thirty years to come. Therefore, we cannot by our actions bind them to anything that would hinder them from doing good for this Colony in the future. We will give the Company every assistance possible; we will guarantee their principal and interest for twenty or twenty-five years, but, after they have paid off their obligations and gotten on their feet, they must become an ordinary company, liable to taxation under Newfoundland laws, the same as any other company, for we simply can-



not let them go scott free for ever and ever. I am sorry the Company has taken this stand. I am sorry that they have led us to believe they wanted only a fair deal all round. This shows that they want poor old Newfoundland to stand all the burden, and they shall reap everything in the shape of profits and dividends. If they are going to insist on this course, and you are going to give them all they want, it is better to make some limit to this clause, but do not let it stand "in perpetuity." Make it 99 years, or 100 years, or even 1,000 years, but do not have it to be said that this House granted a company freedom from taxation for ever and ever, amen. For our own sakes, make some limit to this clause, for, rather than assent to reading "in perpetuity," I would vote for a 999 year term, renewable.

HON. THE PRIME MINISTER :— My honourable friend did not intend to amuse the House or the gallery to such an extent. In case he is under a misapprehension, may I say that the Company is not free from Import, Sales Tax or Dividend Tax, and is taxable under these just as any man is taxable.

MR. HIGGINS :—Are we not to tax them as an ordinary business undertaking?

HON. THE PRIME MINISTER :— There would be no such tax.

HON. THE MINISTER OF JUSTICE :—In case there should be any mistake or misunderstanding regarding the taxation of this Company, I shall explain the Government's position in taking this thing up. As honourable members on the other side have pointed out, the scheme originated in 1915, when an Act passed by this House gave the Newfoundland Products Corporation certain concessions, and amongst others was freedom from taxation from Import Tax, Profits Tax, and Dividend Tax, in perpetuity. The Company

then took this Act across to the other side and interested Armstrongs who, of course, realized the advantages of the concessions the Company had received, and naturally, when we took the matter up with them, they expect the same terms from us. Now, it can be seen that it was the House of 1915 that is responsible for granting these in perpetuity privileges. I was not in the House at the time, but about two years ago I found these facts in a prospectus of the Company, which had been issued to English investors, and stating that the shareholders were free from taxation. We were not satisfied with this, considering we had promised a guarantee on both capital and interest, so we insisted on taxing their exports at the rate of one dollar a ton on pulp, and also taxed the horse power developed. The Company then came back at us, saying that they had started this undertaking on the strength of the facts acknowledged in the 1915 Act, and that, despite the concessions granted by it, we had taxed them on their paper export and also on their horse power. We replied that we had already consented to the guarantee. They then accepted the terms on the strength of the guarantee not being in the 1915 Bill, and we succeeded in taxing them \$120,000 to \$150,000 a year, which was also unprovided for. Then the Opposition suggested limiting this clause to thirty years. When we referred this to the Company, they said, if you do this, well, at the end of the thirty years, let us have a readjustment, so that then we will not have to pay our present taxation together with whatever taxes you might put on us at that time.

MR. HIGGINS :—Do I understand the Attorney General to say that the Company will pay us a Royalty on the paper they export and also on the horse power developed for thirty

years, and then have a readjustment as to whether we shall continue the same method of taxing them, or changing it to new form. Draft a clause showing that and we shall agree to it. I take it then, Mr. Prime Minister, that we can change the words "in perpetuity" to the arrangement as pointed out by the Attorney General.

HON. THE PRIME MINISTER:—We will let this clause stand for a while and take each section in turn. When we come to it we shall decide on its form.

MR. FOX:—Is it not the intention of the Attorney General to alter Clause 13 on page 4a. I suggest that the words exempting the Company from all taxes except those provided for, be changed to read and denote the certain definite and specific taxes from which the Company will be exempt. The words there now are only suggestive of indicative taxes, and under law may be construed to mean anything. Would it not be better to name the taxes that are exempt, and this could be very easily done.

HON. THE ATTORNEY GENERAL:—The Company takes exception to this, on the ground that we are already taxing them to the extent of \$120,000 for thirty years. Now the names of taxes such as Income Tax, Business Profit Tax, and others, are not legal terms, but merely for the use of this House. It is only a form of words, and by changing them the Company can be taxed under the other name. The Company are agreeable to pay us for the first thirty years one hundred and twenty or one hundred and fifty thousand dollars a year, and after that length of time, the same amount or something else in its place.

MR. FOX:—What is the object of putting in certain specified taxes in the reading of the paragraph, when the conclusion is so different? That

clause as it stands now is deceptive.

MR. HIGGINS:—What about the minimum wage? Has the Prime Minister heard anything about it yet?

HON. THE PRIME MINISTER:—Two dollars and fifty cents a day has been agreed between the Government and the Company, and between the Company and its sub-contractors, as has been evidenced by the fact that right up to date the men employed have been receiving this amount.

MR. FOX:—I understand, from the statement made this afternoon, that the Company objects to have the exemption from taxation limited to thirty years in the case of their aluminium projects.

HON. THE ATTORNEY GENERAL:—That was in the 1915 Act, and the idea was that all raw materials coming in for manufacture of nitrates should be duty free. They had the Act before them when forming their plans under this Act; and as they have substituted the manufacture of aluminium products for these of nitrates, they expected the same arrangements. To-day no one can tell to what extent the development of electricity will be used in the manufacture of by-products, and no one can tell what raw materials will be required. These materials are allowed in duty free in other countries, any anyone knows that it is essential to a company to get them as cheap as possible, in order that it can compete with other firms. Aluminium is prepared from bruxite, which is found in British Guiana, and if you tax that coming from such a distance, how can they compete with the British Aluminium Company, which is permitted to import its raw material free of duty.

MR. FOX:—The Act of 1915, which forms the precedent of the Bill now before the House, was definite and clear on the materials that

were to be exempt from taxation ; but here we have all materials without limit. What is to prevent the Company from importing anything that it wishes, or even the articles that it is prevented from importing free under other sections. If it is the intention of the Government to exempt certain materials why don't they specify them in some definite terms, and not leave the opportunity open to the Company to avail of one clause to secure articles free that they are prevented from getting under another.

HON. THE ATTORNEY GENERAL :—Can anyone tell what they will use in thirty years' time in connection with manufactures depending on electrical power ?

MR. FOX :—You are giving them the opportunity now to secure anything they want for electrical use, together with whatever materials they require for other purposes.

MR. HIGGINS :—Why not permit them to import raw materials free of duty except commodities found in Newfoundland. Suppose certain minerals, etc., that they need for their plants and operations are found in this country, my point is that they should be made develop them, by taxing the same minerals if they are imported.

HON. THE ATTORNEY GENERAL :—In trying to do our best for every one, we must above all be certain that the course we adopt is a practical one, and one which can be acted upon. Now, regarding this suggestion, the question of puality would arise. If the Company required the best materials and only an inferior grade could be discovered in Newfoundland, it would be unfair to compel them either to use the poorer article or else pay high duty on the better one at the same time when other firms are importing the same grade exempt from duty.

MR. HIGGINS :—Give them thirty years to find out if the materials they require can be found in Newfoundland.

HON. THE ATTORNEY GENERAL :—In thirty years they might be requiring altogether different materials.

MR. HIGGINS :—But that is absolutely no reason why we should bind those who come after us. They will be just as well able as we are to handle the situation.

HON. THE ATTORNEY GENERAL :—They had the Act of 1915 when they started this undertaking, and now they want us to give them the same concessions again.

MR. FOX :—But they defined the concessions then, why do you not do the same now ?

HON. THE ATTORNEY GENERAL :—But their plans were altogether different then to those they have adopted now ; and the materials they needed then are different than those they need now, or will need in thirty years' time.

MR. HIGGINS :—You can easily get a clause drafted to give them free duty for thirty years, and at the end of that time a new arrangement or apportionment of duties could be put in operation by the Government that is then in power.

MR. FOX :—Does this section say that ?

HON. THE MINISTER OF JUSTICE :—It is not confined to raw material, because what may be required may be semi-manufactured. You can't define exactly what material may be used in thirty years' time.

MR. FOX :—But you can avoid inaccurately defining it. You can draft the Act to define what you mean. You should not word this clause in such a wide, general manner so that they may, should they so wish at any time in the fu-

ture, avoid what we mean when we make this Act. The hon. Minister should remember that we are legislating for thirty years in a manner that will affect the interests of the Colony most vitally, so it is necessary that the greatest precaution be taken.

MR. HIGGINS:—Mr. Chairman, we have not had time for the last day or so to consider these amendments, so, for the time being, we will accept the word of the Attorney General with regard to them. But one point seems to me quite clear, and that is that this Company cannot be exempt for all time from taxation. There must be some limit. Make it thirty, fifty or ninety years, but limit it. We have no right to legislate in this manner over the possible wishes of our posterity. The Government cannot have brought this matter before the attention of the Company. Having got freedom from taxation for thirty years they can only see this matter in the right light. It is hard to imagine our arrogance and impudence in coming into this House and attempting to legislate for the people of Newfoundland forever. Never before had we an Act guaranteeing both principal and interest. The Minister of Justice cites the Act of 1915 as his defense. Such a defense is not worthy of the Minister of Justice. Considering the fact that we are guaranteeing both the principal and interest on nine million dollars, there is no reason why the freedom from taxation should not be limited to thirty years. The Act of 1915 called for nothing from the country. Our waters and timber were all gone years ago. This 1915 Act is a myth. The Company admits of its own accord that it can now start "shop." Say to the Company, then, "We will wait until you are out of debt and tax you then." But this, Mr. Prime Minister, and Mr. Minister of Justice, is too good.

Even with regard to extension of the plants, the Company does not ask for freedom from duties after thirty years, and there is no reason why the same rule should not apply to outside industries. Let us legislate for thirty years. If the Company is in existence at that time, then our successors will be able to look after their own interests; if not, then worse luck, and there will be only relics of an industry which we hoped would be successful, but did not turn out to expectations. What an act of arrogance on my part to bind the men of that time. I have no right to do so. The Act of 1915 is not a precedent that we must of necessity follow.

MR. HIGGINS:—Before the Committee rises, I take it that it is the desire to pass the remaining sections of the Humber agreement?

HON. THE PRIME MINISTER:—Yes, you may do that this evening.

MR. HIGGINS:—Regarding the minimum wage being \$2.50 per day, can we be assured that the minimum wage will not be less than \$2.50 per day?

HON. THE PRIME MINISTER:—

Yes; when the contract was considered in England it was figured out on a \$2.50 basis.

MR. HIGGINS:—There should be a certainty that the minimum wage should not be less than \$2.50 per day. Why I mean to impress or emphasize upon this point is that later on, following a poor fishery, men may be tempted to go out there for the purpose of obtaining work, at any wage, regardless of the \$2.50 minimum. There is just one other matter, before the Committee rises, which I have been asked to bring to the attention of the Committee, that is the question of supplying food at the Humber. (Reads letter concerning preference been given to English or American canned foodstuffs.)

Committee rose at 5.05.

**Committee of the Whole on Railway Resolutions.**

MR. HIGGINS:—Mr. Chairman, I do not intend to delay the House on these resolutions. There are one or two points that I wish to make. In the first place I would say that there is no relation whatever in the passing of these resolutions with the Humber Deal. I regret that we cannot accept these suggestions, as put forward in the correspondence, that the Humber Deal was contingent upon the Railway settlement. It is not the Humber people who are putting that forward, it is the Reid Newfoundland Company. I do not agree with the Prime Minister that the resolutions as tabled agree as they profess with the Humber Deal; they are not the Government's, but the Reid Newfoundland Company's; and the Reid Newfoundland Company being interested in the Products Company, they availed of the opportunity that the Railway was to be settled before putting through the Humber Deal, and, consequently, we are getting a settlement of the Railway on the Reid terms. The Prime Minister put it forward as an excuse to the electorate for putting the deal through. The man who put the deal across was a shrewd business man—the President of the Reid Newfoundland Company. I have too much regard for the Prime Minister to think that he would in any way give the Reids such a chance in this country. The Prime Minister's eloquence, either before or after the elections, certainly does not indicate that he would do such a thing. All through he has fought to the very knife to rid the country of the Reids. I really do not believe that the Prime Minister would do such a thing. I really believe that it is not the work of the Prime Minister, but the work of the Reid Newfoundland Company. It reminds me of a statement accredited to a former Prime Minister, who

looked across the floor of the House of Assembly, and said to a member, "I will get you when I want you." It can be said with truth now that the Reids got both the Prime Minister and his Government when he wanted them. The Prime Minister has, to a certain extent, been successful in getting rid of the Reids, but the country has been very unsuccessful in having to bear the burden. What an awful price the country has to pay. You have the railway on your hands, and it is not the two million dollars that we have to pay the Reids that is the worst of it, but the enormity of the position of the Government having to operate the railway. It is a railway now that we have to advertise to the world that nobody wants. The country cannot afford to operate it; the Reids do not want it, and, by the bungling of the past three years, no person outside will come in and run it without first being guaranteed a substantial subsidy. It is a frightful position for the Government to be placed in. It is a situation though entirely of your own making, and one which the Opposition is not going to take any responsibility for whatever, and is not going to vote for it. I agree entirely with the long preamble to the speech of the Prime Minister which he delivered in this House a few days ago. In that speech the Prime Minister dealt with the contracts of 1898 and 1903. But there are two or three remarks that I do not agree with. The Government went to the country in 1919 practically with a promise that they, above all others, were going to handle and fix the railway for all time. Broadly speaking, that was the policy. The Government was in direct antagonism to the Reids. The candidates fulminated against them on the platform, and the writers in the press, and yet the Reids put it all over the Government six months

later. It is a pity that in 1920 the gauntlet was not thrown down, and the eminent counsel in England then asked for the opinion as to the Reids being in default. You came in here in 1920 and denounced the Reids, lock, stock and barrel. The Prime Minister read in this House the statement of the Reids prepared by the Reids, and said that he did not believe them, because he did not trust the Reids. You did not believe or trust them at all; but because of certain influences the Prime Minister was helpless, and nothing was done. Then it was announced that the Government was going to run the railway. It was run by the Government with the member for Bonavista, Sir William Coaker, as chairman, and at the end of the year it was found that it could not be carried on in that way, and so in 1921 we had another arrangement made. It was arranged that the railway was again to be run by the Reids, and the losses which the Reids incurred by running it were to be shouldered by the Government. In the Railway Act it was provided that the Government would pay the losses to the Reids to the extent of one and a half million dollars; and finally we get to the stage of May 12th, 1922. (Reads Reid Newfoundland Company's letter to the Prime Minister, of May 12th, 1922, which stated that no funds were available to pay their employees; that, owing to monies due them by the Government not having been received, they could not pay wages.)

The position we took was this: we said that the Reid Newfoundland Company, after all the years they have been in this country, and all the money they have spent here were not such fools as to be caught by the Government; and we said that it would be found out there was something big behind it all. There must have been some verbal agree-

ments that were not discussed. The Reids were no fools. They had advice as to whether they had defaulted or not, and different advice as to that obtained by the Government. We felt certain that something else had occurred outside of this correspondence, and for those reasons I point out that we cannot vote for those resolutions. The legal opinions themselves, sought by the Government, are not to be questioned, but they are interesting. These eminent counsels were not asked for their opinion upon the important points in question; all they were asked to advise upon was, upon a proposition which pre-supposed that there was something going on between the Government and the Reids. Obviously, even a layman would say the same thing. There is something that has never been explained. Apart from the correspondence of the Reids and the Act, there must have been some understanding as to how the money was to be paid between the Government and the Reids. (Reads from the Prime Minister's address or Manifesto denying that there was any misdealing on the part of the Government.) Now listen to this; this is what the Prime Minister said: "We have to move very cautiously; we took the best advice we could get in England, and acted upon it." What a pity they were not cautious at the beginning of their career; Newfoundland would have been millions of dollars better off to-day. I say it is a pity that the advice had not been taken and acted upon, and the policy adopted in 1919. If you had this country would have been saved millions, and then the Government or the Prime Minister could now come along and say that they had gone cautiously. It is a poor time now after we have lost five million dollars; it is a poor time to lock the stable door after the horse has been

stolen. If you had adopted the original policy and had gone cautiously we would have at least saved that five million dollars.

I go further and say here now that if the Reids didn't want the Humber proposition put through quickly—not the Government, mind you, but the Reids—for their own benefit, they would not be settling as easily as they are doing to-day. I am not here to question the decision of the Government to pay the Reids two million dollars, nor is it my intention to discuss the wisdom or otherwise of that decision. I will not say whether I regard that as a good move for the Colony or a bad one, but I do say that, if the Government was as strong as to their legal position as they would have people believe, they would be more anxious to test the legal position of the Reids in this matter of railway disputes. No, Mr. Chairman, the trouble was that the English lawyers, whose advice on this matter was sought and given, were placed in possession of only the Government's side of the case. There was more than is revealed in this correspondence to give rise to the attitude adopted by the Reid Newfoundland Company. There must have been something more than this House or even the English lawyers were made aware of which amounted to an understanding between the Government and the Reid Newfoundland Company, otherwise the Reids would never have written that letter of May 12th. They were not such fools as to put themselves in the hands of a Government that was pronouncedly and bitterly hostile to them and their interests. They knew what they were doing when they shut down the railway, because they were acting upon competent advice, while the Government had no advice of any kind, but were merely rushing ahead blindfold. They did seek

the advice of eminent English counsel after the trouble had occurred, but it was then too late. The Prime Minister, in his speech in introducing these resolutions, talks of having moved with caution, but he did anything but that. His actions were influenced wholly and solely by sentiment; there was more heart than head in the manner in which he dealt with the Reids from the first.

Last year, it will be remembered, the House adjourned in June, to meet again on October 31st, when they would submit a policy for the taking over, of the railway on November 15th. What happened? The Government did nothing in the interim, and when the 31st of October came round they were as far from a policy as they were when the House adjourned in June. The settlement was put off from November to February and from February to May, and so on, and now they come in with this proposition which they call a settlement of our railway problems. In the meantime the railway has been carried on from month to month, and its operating losses and expenses paid for by the Colony, out of monies voted on Executive responsibility. With all the past experiences in front of them, the Prime Minister, in his pre-election speeches, told the country that he was going to get a reputable concern of English contractors to take over and run the railway; that he was going to eliminate the Reids altogether from the service, and that the system would be run without cost to the Colony. Now he comes down again with no policy, except that the Government is going to take over the railway and run it. What that is going to mean we already know from past experience. I wish the hon. member for St. George's was in his place this afternoon, so that we might get him to explain to the

House how a Government can run a railway more efficiently and more economically than a private concern, as was his contention a few days ago. If he can do that he should have the Cabinet position which it is said he has been spoken of in connection with, and the hon. member for Harbor Main, who holds a similar opinion, should be appointed his deputy. Mr. Chairman, speaking for myself, I could not vote for resolutions that will commit the operation of the railway to the Government, nor could I be a party to having this House put into effect a law ratifying the negligence of the Government in connection with this whole railway situation from the very beginning of their dealing with it. That the Government's whole conduct in this instance was negligent there is not the slightest doubt. If I except the Prime Minister, who has given the subject a great deal of attention in the way of preparing speeches on the matter, there is not a member of the Government who has given it a single thought. As to any of them ever dreaming of the necessity of finding some definite solution of the problem, that was simply out of the question. It has been a policy of passing the buck right straight along.

The serious thing now is, not the paying of two million dollars in settlement of the Reid claims, it is not the getting clear of the Reids, but who is going to operate the railway in future, and what is going to be the future cost of such operation to the Colony. Obviously, the Government cannot run the system without incurring a heavy annual loss.

MR. GRIMES:—Why not?

MR. HIGGINS:—My hon. friend, the member for Fogo asks why cannot a government operate a railway without loss. I might reply to him by quoting an example, that of the hon. gentleman's leader who took it into his head nearly three years ago that

he could run the railway but who, a year later, gave it up as a hopeless proposition after his little experiment had cost the Colony hundreds of thousands of dollars. That is the practical side of it. Now the theory of the thing is that under Government control would become a mere convenience for party politicians at whose beck and call trains would have to run here and steamers there at all times and for the most absurd purposes. If you had a department with a full staff and that department was run like some of the departments are run to-day, you would have a nice time running your railway. If, for example you had a department of railways run like the Agricultural Dept. is run to-day, how could you hope for efficient operation? For that department is nothing short of a disgrace, it is one of the sins crying to Heaven for vengeance the way that place is carried on. Running a railway, indeed. There would be some chance for efficient service with the Prime Minister wanting to do one thing and members of his Government wanting to do something else while the poor taxpayer paid for their blunders. I repeat that you cannot get an efficiently run government railway. You'll have sealers coming along in the Spring wanting to be sent home, everyone would suddenly get poor and have to get free transportation to wherever they wanted to go and no person with the least influence with the Government would think of travelling without a pass; and imagine the rates some business men would get on their car-lots of freight! I can see now certain cute little men who control the destinies of the Government from behind the scenes getting cut rates on everything they had transported over the road.

The Government, Mr. Chairman, has not brought down what the Prime Minister announced would be a business-like settlement of our railway



difficulties. These Resolutions now before the Chair constitute anything but that. Now, the Prime Minister has said so many nice things in this speech of his that I did not think to quote him in reply to my hon. friend when he asked why a railway could not be efficiently run by a government. He says: "I am personally strongly of the opinion that Government operation of transportation facilities in Newfoundland and under Newfoundland conditions would not be in the public interest. On the other hand, the railroad service must be maintained in continuous and efficient operation until such time as an efficient railway program satisfactory to the Government and the Country has been formulated and ratified by the Legislature."

Now, Mr. Chairman, if these Resolutions were a settlement of our railway difficulties, we would all take a holiday and celebrate, but they do not settle our troubles, they only re-create them; they bring us into a hopeless and chaotic condition from which extrication will be more than ever difficult. We have to go out to-day with a railway on our hands because of our own blundering, a railway which nobody wants, and look for someone to operate it for us. If the Government had kept their unlucky hands off it in the first place; if they had let the Reids go down so that would be no question of their having defaulted, the position would be an entirely difficult one. If you could go to some real contractor and say you can run this road successfully; you can make a paying proposition of it which the Reids could not do because they were incapable and dishonest, your position would be a comparatively easy one, but you cannot. If you had not rushed blindly and without proper advice into the blunders you have been guilty of, you would at least have saved five million dollars to the Colony. It is a

great pity that these Resolutions do not form the basis for a settlement of our difficulties; it is a pity that they only remind the people of the birth of new troubles, for that is all they do. You have a difficult task to get people to take over the system now and operate it with anything but the most hopeless outlook because we have decried the railway ourselves by the ill-advised procedure that has marked the Government's association with it during the past three years. It is a pity we are not living up to the old adage of not throwing away the dirty water till we have the clean in. We have had all sorts of experiments with regard to the railway operation, all of them very costly and, to use an expression perhaps more expressive than polite, the Country becomes the sucker every time; the Country is invariably the goat. We have had the spectacle of attempts to convince the people that the Reids are being put in their place while at the same time the Reids are delighted to be put in their place as the Government has been putting them there since the Prime Minister first made the threat. Who would not want to be put in the place in which the Government have put the Reids?

Now listen to the nice, smooth way in which the Prime Minister gets clear of a laughable situation. In his speech on the railway situation he said "There is but one feature of this agreement which may call for explanation, and it is that relating to the St. John's Light and Power Co. That Company is, like all the rest of the Reid enterprises, in a run down condition. It is proposed to reconstruct the flume at Petty Hr., to reconstruct the Street Car system in St. John's and to extend its operations. In order to do this the Company needs money. It can secure that money only by an issue of bonds on the property. These bonds will be sold and with the funds thus obtained the reconstruction will

be undertaken." It will be remembered that in 1919 a frightful plot was on foot to so secure the Reid assets that they would not be available to satisfy judgment in the event of a successful ——— against them by the Government, and it required all the vigilance of Sir William Lloyd, with the assistance perhaps of the present leader of the House in the office, to prevent this dark scheme from coming to fruition. The plot was this: Three years ago a Company wanted to come here from Montreal to reconstruct the street railway system and in order that they might do so it was necessary that the Reids have the power to transfer the franchise. Of course the story that was handed out about the attempt to secure their assets against seizure by the Government should anything in the nature of a suit eventuate at any time was pure nonsense. The very thing that it was proposed to do then is being done now under these Resolutions. Section 7 provided that "the Company shall procure that that St. John's Light and Power Co. Ltd. shall for itself and its assigns enter into a contract for not less than ten years nor more than thirty years for light and power for the railway terminus, etc." Then Sec. 8 provides in subsection (a) that "the Government shall introduce legislation authorizing the grant to the Power Co. of the water powers at Pierre's Brook and Tor's Cove Brook, etc." And then subsection (b) of the same section goes on to say that the Government shall "introduce legislation to enable the Company to assign and mortgage its franchises under the St. John's Street Railway Charter 1896 and otherwise in order that the necessary capital for improving the power plant and street railway may be secured."

That, Mr. Chairman, is the very same legislation that our good friend the Prime Minister thought in 1919 was such terrible legislation. Then it

was stealing the Country's most vital assets; it was getting the Reids clear of their liabilities as there would be nothing left to respond to any action that was successfully taken against them and now we have this little tit-bit coming up in the railway settlement. What is more, if before the House closes, Reids want anything else in the power of the Country to give them they will get it. We are settling the difficulties just as Reids want them settled and the most ridiculous excuses are handed out to account for the Government's inexplicable behaviour. The next thing we'll be told is that the successful carrying out of the Humber negotiations depends on the operation of the Street Railway. That would be just as reasonable as the contention that the Humber proposition depended on the settlement of the railway question. The fact is, Mr. Chairman, that the Reids who are shrewd, calculating business men have put it all over the Government and instead of a settlement of our railway difficulties being in sight, on this 3rd day of July our troubles begin.

A final remark of the Prime Minister's occurs to me in closing. In his speech he says again, and this is the delightful part of the whole business: "To-day for the first time in 35 years the Country can draw a free breath." I accept that document that the Prime Minister likes to put into this thing with a sense of humor. To-day I say for the first time in thirty-five years the Company can have served up to them almost anything they want, without any limitations; to-day for the first time in thirty-five years the country is embarking upon an unfortunate railway experience; and to-day for the first time in thirty-five years we find that because of the inattention of the Government of the day, through their desire to make political capital out of our railway conditions, the

country has thrown on its hands a railway, under conditions and at a time when the country can ill-afford to shoulder the burden. To-day instead of being able to congratulate the Government and instead of the Government being able to come forward and show me one thing to justify me for voting for the Resolutions, I find that the Government not alone deserves no credit for this railway settlement; but that the Government is to be censured for not having come forward with a policy for the future operation of that railway. I regret very much that I am not able to accept the position that nothing could be done until the Reids were out. Can any honourable member of the Government to-day say that the Prime Minister was serious when he told this House that, until Reids were first out of the way, no programme could be outlined. If the Government was honest and earnest and enthusiastic about this railway proposition; and, if the proposition had originated with themselves instead of having to obey what was dictated to them by the Reid Newfoundland Company, we would not have these Resolutions forced on us to-day. Because, after all, it must be remembered, as I have already pointed out, this proposition is entirely Reids proposition and Reids terms. The Reid Company took the Government by the throat and said in effect, if you want your Humber Deal you got to settle the railway mix-up first.

Thus it remains at this stage to point out that the Opposition simply decline to accept responsibility for Government control of the railway. It is no part of our business. We cannot vote for Resolutions which we first submit are not necessary for the passing of the Humber; and secondly because the Resolutions have not been brought forward in the manner that we could conscientiously vote for. Even we do not take exception to the

terms of the settlement or as to the amount of money paid to the Reids; but we do say that the country ought not be in the position of having a railroad thrown on its hands, without any provision for future operation. Further, there is no pronouncement to-day from the Prime Minister whether there is going to be a Railway Department; whether there is to be a General Manager of the railroad; who that General Manager is going to be; whether there is going to be any person in connection with the railroad to act for the Government; whether it is going to be run by a Board or by the staff at present engaged; or whether it is going to be carried on so that money will be passed out freely like the Minister of Agriculture and Mines passes it out. Unfortunately, we have gentlemen in this country who are Heads of Departments and over whom there is no check whatever; and later on in the session I think it will be shown that these Departments are not run wholly in the public interest.

For these reasons, Mr. Chairman, I regret that I cannot support the Resolutions now before the Chair.

MR. GRIMES:—Mr. Chairman, it is not my intention to unduly delay the House; but just to make a few observations in reply to the Leader of the Opposition over his objections to the Government taking over control of the railway. I wish it were true that the Government is going to retain the railway because I contend that Government monopoly is better than private monopoly. We have had an experience of private monopoly during the past twenty-five years and we cannot say that private ownership of the railway has been any benefit to this country; and having had that experience I cannot see why we cannot devise means whereby the railway cannot be run more efficiently and economically and far better in the in-

terest of the people of the country through Government ownership. During the course of his speech the Leader of the Opposition suggested that there was likely to be a deficit in the revenue from operating the railway by Government ownership because of what happened in a public department. In that statement he made a confession that the class of men in this country are inferior to what they are in other countries. I submit that if public ownerships of railways can be managed successfully in other countries, why not here? Last year the Australian Government operated a railway that brought them a revenue of \$100,000 over its expenditure. Conditions were similar in New Zealand. Take Canada. A large portion of the people of Canada were in favor of the Government taking control of the Canadian National Railway and it was by public sentiment that the Liberal Government decided to take it over. They got a man from the Old Country who is managing it efficiently now. And why cannot that be done in Newfoundland? It has also been stated here that we cannot run the railway and make it pay because of the large demand for passes. I think that difficulty can be got over by having it managed free from any influence, political or otherwise. Don't you think Mr. Chairman that we got just as honest and capable business men in Newfoundland—men who have made a success in other businesses—efficiently and successfully. I believe that if we are serious and believe in the principle of public ownership that we can find men here who can run the railway in the best interests of Newfoundland. Somebody has said here that it is impossible to run the Nfld. railway anyhow and make it pay. Well, if that is so, is it not better to operate it under Government control at a loss than under the control of a private corporation at a loss, because in either

case the country has to make good the deficit.

MR. HIGGINS:—Yes, but it would be run cheaper under private ownership, as Sir William Coaker knows from experience.

MR. GRIMES:—I think that money was spent wisely and well. Up to the time the Railway Commission took control the railway was in a dilapidated condition. The Reid Company would not put it in proper condition to safeguard the lives of the people; and besides people were kicking over the handling of freight. The Government made many improvements in the road at a heavy cost, which improvements the Company would not make.

MR. HIGGINS:—Take the operation of the road under Mr. Morgan. There was no ballasting done and no improvements made generally. Still there was a deficit of a million dollars a year.

MR. GRIMES:—Don't you think the Reids would have lost just the same. The Reids would operate it just as efficiently; but under Mr. Morgan several new engines were bought that the Reid Company did not do. Consequently, I think that Government management of the railroad would be much better for the people of Newfoundland than management by the Reid Newfoundland Company. We had the experience of private ownership in this country and knowing that the railway cannot be managed by a private company without a loss, why cannot the Government run it with a loss; because under a private concern the people are a secondary consideration and the first consideration goes into the coffers of the Company; whereas the Government who runs it in the interest of the people and as cheaply as possible, even if they do meet a loss, can tap other places in Newfoundland for revenue, but the private company cannot.

MR. HIGGINS:—But that will

serve the particular friends of the particular Government of the day.

MR. GRIMES:—Not if it is free from political interference. Don't you think we have men in Newfoundland capable of running the railway?

MR. HIGGINS:—I wish they could be produced. I know that there is no man in England or anywhere else who could run the railway half as good as John Powell; but you won't give him a free hand.

MR. GRIMES:—It would be alright to pass a law to that effect. I have faith in Mr. Powell or any other man with his experience in railroad matters.

MR. HIGGINS:—Yes, it is alright provided he is not interfered with.

MR. GRIMES:—Well do not interfere with him.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again at a later hour.

On motion this Report was received and adopted, and it was ordered that the Committee have leave to sit again at a later hour.

Pursuant to order and on motion of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole to consider certain Resolutions relating to the Newfoundland Railway and other matters.

Mr. Scammell took the Chair.

Mr. Scammell took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman of the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on to-morrow.

On motion this Report was received and adopted, and it was ordered that the Committee have leave to sit again on tomorrow.

The remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises it adjourn until tomorrow afternoon, at three of the clock.

The House then adjourned accordingly.

WEDNESDAY, July 4th, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Hon. the Minister of Finance tabled Report of the Auditor General, June 30th, 1922.

MR. WALSH:—Mr. Chairman, I beg leave to present a petition from Richard Davis and about 100 other residents of Fox Harbor, P. B., that a sufficient sum of money be granted for the ferry on Placentia Sound. There has been one there for many years, and the original amount was \$130 a year, but this has been reduced till only \$50 remains, and the service has been demoralized and is of no use to the people. This ferry connects Fox Harbor, Long Harbor, Iona, Ship Harbor, and other points, and consequently is of much importance. I trust that the amount will be put back to where it was originally. I think, Sir, the request is a reasonable one. The petition is signed by all the people of Fox Harbor. I wish to thank the Government for the grant for main line roads, which the ferry is a part of, to connect the North and South sides. I have much pleasure in supporting this petition, and hope the Minister of Public Works will give it every consideration.

MR. SULLIVAN:—I have much pleasure in supporting the petition.

MR. SINNOTT:—I also wish to express my support of the petition, and hope that its prayer will be granted.

MR. HIGGINS:—I beg leave, Mr. Speaker, to present a petition from

the residents of Flatrock, requesting the extension of the amendment in the law as to partridge berries. In this section of St. John's East there is a particularly good crop of this berry, but it is being picked in an immature state, and the crop is being destroyed. I hope this will be given attention, and a proclamation issued putting the law in force again this season.

MR. FOX :—Mr. Speaker, I wish to heartily support the petition presented by my learned friend, and hope that it will be given every consideration.

SIR M. P. CASHIN asked Hon. the Prime Minister to lay upon the table of the House statements showing the following facts in relation to the Newfoundland Power and Paper Co., Ltd.: (a) The amount of its authorized share capital, distinguishing the several classes of shares; (b) The amount of share capital, by classes, issued as paid up; (c) The amount of share capital, by classes, issued as paid up, which was paid for cash, and for other considerations respectively; (d) The amount of actual cash capital of the Company at present.

HON. PRIME MINISTER :—In reply to question of Sir M. P. Cashin, No. 1 on Order Paper of July 4th, 1923, I beg to table the following information:

(a) Authorized capital is \$21,000,000, divided into 210,000 shares of \$100 each, of which 100,000 shares are six and a half non-cumulative preference; 50,000 ordinary shares.

(b) The whole share capital is issued as fully paid.

(c) The whole share capital is issued for cash and other considerations.

(d) At present the entire capital of the Company is represented by assets other than cash.

SIR M. P. CASHIN asked Hon the Prime Minister to lay upon the table

of the House a statement showing: (a) The number of cords of wood necessary upon the average for the production of 400 tons of pulp; (b) The total area in acres of the lands owned by the Newfoundland Power and Paper Co., Ltd.; (c) The estimated wood on the said area, by cords, together with such reports by cruisers or otherwise as support such estimates; (d) The names of all persons or companies from whom the Humber Co. have obtained areas, with the amounts thereof.

(a) 600 cords of wood are necessary to produce 400 tons of paper.

(b) and (c) Statement giving area and total estimated cordwood, in answer to these two sub-questions, is attached.

(d) The names of all persons from whom the Humber Co. have obtained areas, other than the Reid Newfoundland Co., are included in the statement submitted to you in answer to sub-questions 2, (b) and (c).

#### GRAND LAKE DEVELOPMENT SCHEME.

#### PULPWOOD AREAS AND CORDAGE OWNED BY THE PRODUCTS COMPANY.

#### Humber Valley Watershed.

Area.	Cordage.
522,650 acres.	3,720,800 cords.
<b>Little River to Cook's Brook and Northern Peninsula.</b>	
661,688 acres.	3,554,000 cords.
<b>Lots on Sea Shore vicinity Bay of Islands.</b>	
145,214 acres.	263,400 cords.
1,329,552 acres.	7,538,200 cords.
<b>Under Option from Outside Parties.</b>	
34,240 acres. (Fisher's)	
497,920 acres. (Howley's)	
	2,265,600 cords.
532,160 acres.	
1,861,712 acres.	9,803,800 cords.

SIR M. P. CASHIN asked Hon the Prime Minister to lay on the table of the House a statement showing: (a) The total amount of power which it is estimated will be produced in connection with the Humber project; (b) The total amount of power which it is estimated will be necessary for the pulp and paper work; (c) What industries, other than paper and pulp, it is expected the excess power will be used in connection with; (d) For a copy of all statements in reference to such other industries which it is proposed to develop in connection with Humber power, together with reports showing what such industries are; what their possible profits may be, and any other information in connection with them.

(a) Total possible power development estimated at 235,000 H.P.

(b) Total amount which is estimated to be necessary for present pulp and paper work is 100,000 H.P.

(c) The attached blueprint indicates other industries which are contemplated in connection with the development of the water powers on the Humber River.

(d) It is not possible to supply the information asked for at this stage.

SIR M. P. CASHIN asked Hon. the Minister of Justice who was Deputy Sheriff at Battle Harbor in 1920, 1921, and 1922; what was his salary, the work performed, and a copy of his report for each year. Also, who is to be appointed for the coming season.

HON THE MINISTER OF JUSTICE:—The deputy is not appointed by the Department of Justice but by the Sheriff, and I am informed by him that, during his term of office, no deputy was there. The salary is about ten dollars a year if the Circuit Court visits there, but there is none from the Department of Justice. The work would only be such as might be given by the solicitors or

practitioners, and no more. There is no intention of appointing a deputy.

SIR M. P. CASHIN asked Hon. the Prime Minister, in the absence of the Minister of Posts and Telegraphs, for what reason the telegraph office at Peter's River is being closed and for how long; also if representation has been made for a telegraph office at St. Shotts, and if so, by whom and when.

HON. PRIME MINISTER:—In reply to question of Sir M. P. Cashin—Order Paper July 4th, 1923, No. 5—I beg to reply as follows: The telegraph office at Peter's River has been closed since June, 1922, when the operator resigned. Owing to the fact that the revenue was very small no other operator was appointed. It is not intentional to reopen the office permanently; connection can be made in a few hours in case of emergency.

Representations have been made for the erection of a telegraph or telephone line and installation of instruments at St. Shotts by Mr. W. J. Walsh and others, last year and previously.

SIR M. P. CASHIN:—Within the last forty-eight hours I have been at Peter's River and St. Shotts, and I find that there was a Government office at Peter's River, but the operator had to give up his position and go away to the States on account of a shortage of income. St. Shotts to Peter's River is a distance of twelve miles, and at both places, which are known as the graveyards of the Atlantic, there is no means of communication whatever, unless one walks either to St. Vincent's or Trepassey. Within the last six weeks three steamers and some six hundred souls have been thrown in upon these places, and no one could get in touch with the city to have assistance sent. For six or nine months every year, at least, it is necessary

to have an office at both these places, because it can never be known at what moment such means of communication would result in the saving of numberless lives and valuable property. Now, you know, Mr. Speaker, that in Ferryland, where there are one hundred and fifty or two hundred people, and a telegraph office situated already, the Government has taken the trouble to open another office, at the cost of six hundred dollars a year, and with no prospect of ever making it pay for itself. Yet, in a place like Peter's River or St. Shotts, where every day a vessel, carrying hundreds of men, women and children, might be thrown ashore, with no means of help, assistance or comfort, there is neither telegraph or telephone communication with St. John's or the adjoining settlements. Some years ago the Canadian Government undertook the erection of lighthouses on this and other parts of the coast, for the protection of property and lives, and yet the Government of Newfoundland will not make any move to look after and assist steamers, their passengers and crews, that might any minute be thrown ashore at the most dangerous part of our coast. I strongly urge the Government to take some steps in this matter, as either a telephone or a telegraph office in both places is badly wanted.

MR. WALSH:—Sir Michael Cashin refers to a public matter in my district, and might I be pardoned, Mr. Speaker, in adding a word or two to those of my honorable friend in urging the Government to take some action in establishing such an important utility at both Peter's River and St. Shotts. In 1919, when I joined the Cashin Administration, I arranged for the opening of offices throughout our district. With the assistance of the Colonial Secretary of the time, Mr. J. R. Bennett, and Sir Michael Cashin, I received an al-

location of ten thousand dollars, and we provided for the opening of ten or twelve telegraph offices at various places on the coast. But, by the defeat of our party at the polls, only two of these were completed, one at North Harbor and the other at Arnold's Cove. The poles were placed between Peter's River and St. Shotts, and the wires were strung, but the new Government did not allow the work to be finished, much to the disgust of the people in these settlements. They know how important this means of communication is at times of shipwreck, and they want either a telegraph office or a telephone box. The 'phone would be the cheaper, and, with the poles and wires already in position, there would be very little additional expense. The Government, at a very small cost, could now link up the whole of the Cape Shore, and, besides doing a very great service to the people of this vicinity, they would also be taking steps for the protection and relief of people whose misfortune it is to be wrecked on this dangerous section of our coast. I trust the Government will give the matter their earnest consideration, and will take the necessary steps without further delay.

MR. SULLIVAN:—Might I be pardoned, Mr. Speaker, for saying a few words on this matter. The late Minister of Posts and Telegraphs, Mr. Halfyard, promised he would give us a telegraph office or a telephone at St. Shotts, and we hope the new Minister will give this promise his immediate attention. Now, at Peter's River a telephone would do us very well; and seeing that the poles and wires are already there, I am sure that it could be done at once. If Mr. Halfyard would be so kind as to tell the new Minister, Mr. Bonia, that he had promised these offices, I am sure we will be able to have them without further delay.



in the past, and I am glad to know that this company is also starting under the same conditions. In view of the fact that all our amendments have been accepted I am pleased to say that we are satisfied with the treatment given us by the Government and the Company in the handling of these matters. There is but one more amendment to be heard from, and I would ask if the Prime Minister has any word about it to-day.

**HON. THE PRIME MINISTER:—**On the matter of the Minimum Wage I have not yet received the letter dealing with it, but I am told the letter has been signed and that it is on the way here. I shall be pleased to table it as soon as it arrives.

**SIR M. P. CASHIN:—**Mr. Chairman, I wish to say a word before we consider these resolutions further. So much has been said concerning the railway in every shape and form since 1915 that there seems little for me to say in addition. The country received promises from the present government, when they went to the country, that the railway would be put in good condition, remodelled and even made a paying affair. All this in 1919 and where do we find ourselves landed to-day. I use the word 'landed' because we have rambled all over our railway landscape to find some solution to these pressing questions. The country received promises that the railway would be taken from the Reids and put on a sound commercial basis. Perhaps some honest men on the other side of the House said and thought this possible when it was promised. The other day the Prime Minister read an address of the railway and occupied the attention of the House for about two hours. He told of all the mistakes of his predecessors and of contractor Reid and ended up by telling us that we had the railway on our hands. Now look at the position of the Government to-day. In 1919

the railway formed one of the principal planks of the present Government. I have a copy of that manifesto here. I didn't come here this evening to make a speech. This matter has been under discussion for four years still there may be a little to say that I have not yet said. Now we come to the Prime Minister's manifesto of 1919. I am sorry that he is out of the House. I don't like to say anything behind a man's back. This is what he told the people in 1919. (Reads from Prime Minister's manifesto of 1919). That is the message from the Prime Minister to the people of Newfoundland in 1919. How has he carried out his promises? It is not necessary for me to tell what has happened since. These promises were made to the people in 1919 and were never even thought of being redeemed. He knew he was speaking untruthfully when he made these statements. The Reid Nfld. Co. tabled statements showing a deficit and some of the other side made veiled suggestions that these were false. Anyhow here is the message to the people, who unfortunately believed it. I did not nor did any of my colleagues. The present government took over the railway in 1920. They appointed a commission and had a deficit of over a million dollars. The commission never sat together or at least never worked together. Sir W. F. Coaker was president of the commission. I would like to hear from him this evening. I heard the Prime Minister denounce Mr. A. B. Morine in connection with '98 contract. I asked the Prime Minister who introduced the bill. He didn't know. He was going to look. Sir James Winter introduced the bill. He would not say who introduced it because the present Speaker is the son of the man who introduced the bill. He said that Sir James Winter was deceived by Mr. A. B. Morine. Sir James Winter was one

of the smartest men and one of the cleverest lawyers that we ever had. It is my intention to show the deception of the man who wrote this manifesto. I believe that the Minister of Fisheries had hoped that the railway could be run on a business basis when he took it over. But what happened? He was the whole management of the railway. What ever expenditure he considered fit was made at once. The result was that in 1920 alone there was a deficit of a million and a half dollars. The railway that was outlined to the people in 1919 was only bait to the electors. They denounced the Reids in all moods and tenses and now what has happened after three years? There is no man honest to stand up and tell the history of the railway. Sir W. F. Coaker knows the history as well as I know it. When Sir R. G. Reid came to Newfoundland he was already a millionaire and was recognized as a railway authority here and in Canada. He started the railway here and made some money. His successors ran the railway after him and lost gradually until they are now bankrupt. In 1919 they had no finances to run the railway so the government had to take it over. We believed that they were liable if they defaulted. What happens? The Reids are now bringing a claim of several millions of dollars against the Government of Newfoundland, and we are afraid to meet them. We obtained the opinions of several Englishmen, experienced in such matters, and they advise that we had better settle with the Reids. That is not the worst. The two resolutions, the Railway and the Humber, are introduced at the same time and they try to force one through with the other. Very nicely done. Here is another quotation from the Prime Minister's manifesto written just before the elections of May last. (Reads from the Prime Minister's manifesto of last elections). Here are

the promises made in April and here we have the Prime Minister saying that no such promises were made. There was for a while an apparent silver lining when we thought that the Armstrong people and the A.N.D. people were taking over the railway between them. Now we have these resolutions asking this government to take over the railway. Five millions were dropped since 1920 by the Reids in the running of the railway and if they could not run it more to their advantage after thirty years experience who are we going to get to manage it for us. In this manifesto of 1919 the Prime Minister promises a railway to Green Bay. (Reads again from manifesto). Wouldn't that make a horse laugh? In the last election the Humber bait was handed out to the people with the result that our main industry has been neglected. Three years ago there was a fleet of two hundred and fifty or three hundred banking schooners prosecuting the fisheries on the banks. Now there are two or three. My friend Mr. Harris had two or three out on the banks at the beginning of the season but now they are all tied up like the rest of our fishing craft. I was in one settlement a few days ago where there were formally fifteen traps employing about a hundred men. Now in that settlement there is one trap. If you ask them where are their neighbours they will answer in Sydney, on the Humber, on the roads that the government is opening up on the sly or in the United States. The fishery is our greatest industry and is being neglected. The other day a petition was handed across the House from four fishermen asking for salt. The fish wont wait until the salt comes. The fishermen can't catch their summer's voyage of fish in a few weeks. When I read that clause in the Prime Minister's manifesto I said to my colleagues that he has accomplished something to

get hold of those English capitalists. I read it again, "The experience of my term of office, etc." (reading from Prime Minister's manifesto). Can anything be more positive than that? Did not every member on the other side of the House believe that there was some definite contract between the Government, and some one else for the running of the Railway? Now to whom are we going to hand it over? Mr. Grimes and Mr. Downey told us that the Government could run it themselves, probably they are going to be members of the commission to run it. Sir William Coaker is not going to touch it if I am any judge of character; he had it in 1920, and threw it down. In 1919 you told us that there were going to be two or three branch railways built, and on the eve of the 1923 election you come out and say that you have gotten hold of English capitalists to take it over. The only thing that we are likely to get concerning the running of it will be from the Daily Mail to-morrow, written by some lunatic, or a drunken lunatic. How are you going to run it? Is the Humber Deal going to help us out? That may help the country to some extent, but it is not going to help the railway. Now what are you going to do about it? Who over there on the other side of the House is going to tell us of it? Is there a ray of hope on your side at all? Will Dr. Barnes tell us? You are going to wake up some fine day soon, and find yourselves a Crown Colony, or under Confederation. If the country is going to give the Government a blank cheque, let it do so, I will survive it, my associates will survive it, but do not squeal when it is too late. You have raised money already by false pretences, and I have proved it. You have bartered practically every thing that is worth a cent in this country to raise loans. Now how are you going to get money to run the railway? You

have a deficit of five million dollars to meet already. Your revenue is continually decreasing, and where are you going to get the money? What are you going to do Minister of Finance? Will Sir William Coaker tell us? I believe he is a fairly honest man. The idea of us coming to this House and being told that we are to pass one of those resolutions with the other is ridiculous. Putting Reid in his place; Reid is putting it all over you; Reid was in his place until you placed him on the pedestal that he had been looking for for years. Now you have this railway, and it will cost three quarters of a million to fix it up. Reid has all his lands and water powers, and you paid two million dollars to get clear of him, and he owns his Electric Light Company, the only thing that is paying. He retains that, and I understand that the profits from that Company are four hundred thousand per year. Why do you not go out and fight the Reids? You would only have to pay, and you are doing that now. The deficit on the railway this year will be seven or eight hundred thousand dollars, why not pay another two or three thousand and fight the Reids. It is worth it to this country. Reid went over to England and got what he wanted and came back and put it all over you. You say that the railway has been taken over from the Reids and you cannot tell us who is going to take it over. Mr. Grimes made an attempt last evening to tell us of the railways in Australia; and I now find out they have different railways all over Australia ranging from three and a half gauge track to five and a half gauge, and Mr. Grimes did not know what he was talking about, our trouble is worse now than when you started it. Now Mr. Chairman I would certainly like for Sir William Coaker to get up and explain this evening what is going to be done, as he knows from his experience of 1920. I am not getting

rattled over this matter, or getting my Irish up, but I would like to know what is going to be done. Now you have to add one million to the estimates, you will have to put it in some time or other, as you will have to meet it. Now the Prime Minister knows something about this, and he is absent from the House. I am not going to vote for the resolution until I know what I am voting for. I am satisfied to have the railway barred up altogether, all our people are leaving us, the exodus still continues so what is the use of telling us what has happened in years gone bye.

SIR WILLIAM COAKER:—Mr. Chairman, I am afraid that my friends of the Opposition are not going to get much benefit out of what I have to say on the railway question on the resolutions before the House. I cannot tell them much more than they already know; Sir Michael Cashin has told us all about it. In 1920 as he knows we had to drop it as we could not carry on as it was going, we all know what happened. There was a deficit of one and a half million dollars when the railway was run by the Government commission of which I happened to be Chairman. Then in 1921 we got Mr. Morgan down from Montreal and he got good results during the period of 1921 and 1922 when he ran it as general manager. You all know that in 1919 when we took over the railway it was practically out of commission and we had to spend enormous sums on it. The Reids were bankrupt when we took over the railway in 1920. I for one am not in favour of Government control. I for one am not going to vote for Government control; I go further than that and say that the Government is not going to have control of it for very long. There is not any thing more to say on the management of the railway, as the Opposition has been harping on it for the past three or four years.

SIR MICHAEL CASHIN:—Mr. Chairman, I am pleased and thankful for the little that Sir William Coaker has told us, he said that when the railway was taken over by the Government it was bankrupt; but what I want to know is why have the Reids retained all their water powers and all their fertile soils? Why do they retain them? These valuable assets were given them to run the railway, and now they are rid of the railway, and they still retain them, it is an obvious default. The Reids defaulted by not running the railway and the Government has defaulted in taking over the railway, and allowing the Reids to retain their holdings. If they were bankrupt in 1919 could they not with all their valuable holdings and water powers go out and raise money? Surely they could. If they had done that and then came in here and those resolutions which are before us now, were put forward the position would have been entirely different. Can Sir William Coaker tell us why it is that the Reids are on top to-day, and the country is at the bottom, the under-dog? You yourself in 1920 lost a million and a half dollars running the railway, and now how in the name of common sense can you take it over and run it successfully? You may be the slickest crowd of individuals that ever came into this House, but you cannot run the railway successfully by Government control. That is the position, and no knows better than the present Government. Every time the railway is mentioned, every one of you over there hang down your heads. I agree with Sir William Coaker, and hope that by six months time there will be some one to come in here and take it over. Do you know that the statement was made that English capitalists were coming here to operate the railway? I do not believe that you did. It was sprung on the country a few days before the election, and the

impression was given that either the Harmsworth Company, or the Armstrong Company were considering taking it over.

MR. FOX:—Mr. Chairman, just a word before these resolutions go thru. I realize fully that it is useless for anyone on this side of the House to try and dissuade the Government from any course to which they have set themselves but nevertheless, I cannot refrain from registering my objection to what they are now about to do by the measure before the chair. The statements made before the election in relation to the railway, the information tabled in connection with the Humber Project and the intimation that the Government meant to have both considered together are so conflicting that one is at a loss to know how to approach the subject. I strongly object to the acceptance of the proposition that one depends upon the other in any way whatever. The Prime Minister tabled some correspondence here in an attempt to prove that the Armstrongs forced the Government to settle the railway question before they would consider the Humber Proposition. Following that was the statement that the Government had themselves forced the settlement. I believe the real position was that the Reids, finding that a settlement would be so favourable to them, insisted that the matter be adjusted with the result that we see to-day, and I endorse the congratulations that have been extended to the President of the Reid Nfld. Co. for the victory he has won over the Government. The unfortunate part of it is that this victory has been achieved at the cost of the country. Never was there such deception known as that practiced by the Government in their relations with the Reid Nfld. Co. When the Prime Minister went to the country in 1919 the chief plank in his platform was his irreconcilable and bitter hostility to the Reids and all connected

with them. He was going to put the Reids in their place and rid the country of the octopus that, to use the Prime Minister's own words, was crushing her life out. In 1920 the railway was in a deplorable condition but the Government made no attempt whatever to solve the difficulty. The matter was drawn to their attention time after time but they did nothing to justify their pre-election promises but instead there is their altogether inexcusable action of paying the Reids five million dollars. If Sir Richard Squires had spent less time vilifying the Reids and the officers of the Reid Company and more time in trying to find a solution for the railway problem there would be less recorded vilification and the country would not have lost five million dollars on the railway operation. I am surprised that the members on the other side should be satisfied to let this railway deal be put over. If this so-called settlement had been effected two years ago, even with the paying of the two million dollars, we would still be five million dollars better off. As it is now, it is absolutely incorrect for the Government to say that they are paying the Reids only two million dollars for their interests in the railway, the amount is nearer seven millions because the amount they are paying now with interest at five per cent., for twenty years will with principal and interest amount to four million dollars. The worst kind of deception has been practiced all through. It is only a few months ago in the course of the election campaign that the Prime Minister stated a contract was practically finalized for the operation of the railway by other contractors when in reality, he knew that not even the possibility of such a contract existed at the time. It was an attempt to fool the people pure and simple and was on a par with the statement made at a political meeting in the city by the Minister of Agriculture

and Mines in the absence of the Prime Minister, that the Government had finally arranged for the purchase of the street railway and that the Superintendent of the Company, Mr. John W. Morris was even then on his way to Montreal in connection with the transfer. The Prime Minister must have been aware that that statement was made but there was no denial of it from him until a question was asked in the House when the Prime Minister said there was no truth in it whatever. If the statement was incorrect, why did he not deny it when it was first made and published. No, it was sheer playing upon the credulity of the electorate and was on a par with other attempts of the same nature that were made thruout the campaign. Another statement made by the Prime Minister was that to the effect that no cash payment was being made to the Reids in connection with the railway settlement. It would be difficult to imagine a more misleading or deceptive statement than that. What he tried to convey was that Newfoundland was getting scott free while, as a matter of fact we are paying Reids in 5 per cent. twenty year bonds to the amount of two million dollars, which means, as I have already stated that by the time of the maturity of these bonds, we will have paid them exactly four million dollars instead of the two million that we now hear spoken of. I cannot, Mr. Speaker, vote for these resolutions. The Colony is prejudiced by this action which is nothing more nor less than making a present to the Reids and I consider that the Government should not be excused for the tremendous loss they have caused to the country. Even the hon. gentlemen who had the tamerity to get up on the other side and speak on this measure did not attempt to palliate this disgraceful proceeding. I ask would any other contractor have been handled with such paternal care as the Gov-

ernment has exercised in the case of the Reids? They were under contract to the Government of this Colony and why then were they not made carry out that contract? I object to the persecution of the Reid Nfld. Co. as suggested by the remarks of the Prime Minister both in this House and outside it. It is true they have obligations to the Colony but they also have rights. The question is why did not the Government protect their rights and insist on the carrying out of their obligations and if they could not carry out these obligations, why did not the Government deal with them as they would have dealt with any other contractor who had defaulted? Why did the Government let them default beyond any question of doubt as to their position and then seek the proper legal advice with a view to taking the necessary steps under the various Railway Acts? What was the use of postponing the evil day of settlement as they have done. Mr. Chairman, one may be excused for thinking that there is something hidden in this Reid deal, something of which this House and the public are being kept in the dark. One may be excused for thinking that it is to the interest of certain parties to put this Reid deal through. Then we have the Prime Minister coming in and flippantly talking of two million dollars as the amount of settlement of the Reid claims without being able to give the House any idea as to how he arrived at that sum. There is consideration given to counter claims; all he does is to deduct four or five million dollars from their claim and call it a square two millions. Why is the Prime Minister in a position to give the House some information on that point? Can any other hon. gentleman on the other side conscientiously confirm the opinion that two million dollars is the exact figure of the Colony's indebtedness to the Reid Nfld. Co. How do

they know that if the Colony's claims were made up things would not be square and we should have to pay Reids nothing? They may have a large claim but our counter claim might be equal to it or even exceed it. The whole thing is deplorable and the worst feature of it is that there is no public opinion whatever on the matter. The time was when in a grave matter of this kind public opinion would assert itself but to-day public opinion seems dead. The other day we had the most important scheme before this House that ever came up for consideration in this country, a scheme involving an outlay that may spell the ruin of the Colony and there was not even a letter written to the press on the subject. There was not even the usual scribbler to express his views over a *nom de plume*. No one can assert that the people gave the Government a mandate to introduce this scheme, knowing all the provisions of the proposed measure, for not only were they kept in absolute ignorance of the details of the proposition but they were deliberately deceived and still there was not a ripple of resentment. The same thing is again in evidence now in regard to these Railway Resolutions. Two million dollars is being paid to the Reids out of the funds of an already impoverished country and then they talk about financial stability and the prosperous future that awaits the Colony. If they were trying to devise a scheme to bring about the ruin of the Colony they could not have succeeded better. The President of the Reid Nfld. Co., vilified and all as he has been by the Prime Minister in this House and by his newspaper, is to be congratulated because he can afford to smile at all that may be said of him. Neither he nor his company has to pay a cent of the losses that have been incurred in the operation of the railway. The Colony has had to bear that burden.

Was ever any other contractor treated as well by any other government; would not any contractor assume the most onerous responsibility if they could throw it over when they pleased without loss or inconvenience? Is not that what has happened in this case? The Colony has had to stand the loss of the fabulous sum of five million dollars on railway operations and now we turn round and coolly pay the contractors two million dollars as principal and an equal amount in interest in settlement of supposed claims of which there has been no explanation. It is a scandal of the worst kind and unfortunately nothing can be done about it. The Government have financed the Reids ever since they first came into power, they have played into their hands and now, as a last straw you ask this House to vote them another two millions.

I vote against these Resolutions on principle, Mr. Chairman, and I only regret that the hon. members on the other side should be so easily led as to give their support to a measure that they know to be wrong in every particular.

MR. HUNT:—Mr. Chairman, I wish to state in as brief a space of time as possible my reasons for voting against the Resolutions now before the Chair. I do not agree with the observations of those hon. gentlemen on this side of the House who are of the opinion that the President of the Reid Newfoundland Company has outwitted the Government in effecting a settlement that is greatly to the advantage of the Company and to the disadvantage of the Colony. I believe that the Government has made this settlement with full knowledge of all material facts and on the shoulders of the executive of the Government alone must be placed the blame for the tremendous burden that will be laid on the people by the relieving of the Reid Newfoundland

Company of their obligations under their contracts and the taking over by the Government of the operation of the railway system.

I have examined very closely the opinions of the eminent English counsel, which were tabled by the Hon. Prime Minister early in the Session, and it would appear from them that, while they are unanimous that some amicable settlement should be effected between the Company and the Government, there is nothing in the opinions that would justify the Government in making the settlement that has been made. Reference is made therein to claims and counter-claims but not one of the distinguished lawyers gives any indication as to the basis upon which a settlement between the parties should be effected. The evident reason for this is that their opinion on this point was not asked.

The speech of the Hon. Prime Minister in introducing these resolutions, while it was very informative on the history of railway operations in the Colony, did not disclose much information as to how the amount to be paid to the Reid Newfoundland Company has been arrived at and altogether we are not in possession of sufficient facts to enable us to judge as to the merits of the settlement made.

The terms of the settlement were known to the Government before the elections took place but notwithstanding this fact they were not placed before the electors of the Colony. In the Manifesto of the Hon. Prime Minister a short reference was made to the Reid Newfoundland Company's operation of the railway and it was stated that arrangements had been made with a strong group of English capitalists for the taking over of the railway whereby the Colony would be relieved from any loss arising out of its operation. The terms were not

made public but there was a plain suggestion that the Colony would not be the sufferer in the transfer of the operation. Now we find that the railway will be operated not by a group of capitalists but by the Government and instead of being relieved from losses we face the probability that hundreds of thousands of dollars must be lost annually on the operation.

We are told that the Humbermouth resolutions and the railway resolutions must go hand in hand. What will be the result? The one certain result is that out of every dollar that the country will benefit through the Humber proposition there will be a loss of seventy-five cents on the railway. The belief of hon. gentlemen opposite that the Government can operate the railway without loss is not based on facts or on knowledge of the conditions that exist here. The fact that the Reids, who are admittedly experienced railroad men, were unable to operate without loss and the fact that Government control up to the present time has cost us millions of dollars go to show that it is a hopeless proposition. Then it must be admitted that under Government control there is certain to be an increase in the number of free passes and free transportation. Politicians are very human and the approach of a general election will see a total disregard for economy in this respect. I do not say this from a partisan standpoint because I know that whoever has control will be compelled by force of circumstances and influences to be less economical than a private owner would be.

If we consider the railway question in Canada we shall see that the losses incurred by the Government of that country in railway operations threaten to effect very seriously the whole commercial life of Canada. Tens of millions of dollars are added annually to her public debt and this leads to in-



creased taxation. How shall we in our sparsely populated country hope to make the operation of the railway successful? It is not now in first class condition and as years go by there must be large expenditures on capital account.

It is a very unsatisfactory agreement from the Colony's standpoint. The Reid Company retains all that is of much value and what is not profitable to them is given over to the Colony, including a railway system that is in poor condition and the dock which has been described as unsafe. There is nothing in the agreement to be optimistic over but there appears to be a display of friendship to the Reids that is in striking contrast to the statements made concerning them by the leader of the Government. Time and again we have heard of the deadly enmity of the Government to the Reids. Why is there this sudden show of friendship? Why has the much heralded enmity turned so suddenly to this practical friendship? As a matter of fact, no Government has ever been so friendly to the Reids as this Government has been and the result of that friendship will be that while the Reids are released from all their obligations the taxpayers will be called upon to pay millions of dollars.

For these reasons I must vote against these Resolutions and I cannot see how any Newfoundlander with red blood in his veins who knows the facts can vote for them.

MR. CASHIN:—Mr. Chairman, before these Resolutions are disposed of I would like to place on record my strongest protest against the manner in which the present administration are dealing with the Reid Newfoundland Company, in that they are here giving them two million dollars for contracts which they never carried out. In 1920, just after the present Government came into power, they discovered that the Reid Newfound-

land Company were bankrupt and unable to perform their contractual obligations. It would appear to me that if that was so, was it not the duty of the Government to say to the Reid Newfoundland Company that "you have a contract with us; you have to carry out that contract, or get out." But what did they do? This Government, just back from the country, hungry for power and filled up with the idea that they could make a railroad pay, immediately took upon themselves the task to run the railway and they told the people that the Reid Newfoundland Company were a bunch of crooks and that they had "cooked" their accounts regarding their losses in connection with the operation of the railroad. One of the big guns on the opposite side of this House took charge of the railway and as a result of the first year's operations lost one and a half million dollars, to be paid for by the taxpayers of this Colony. Now the railroad was never run like that before. The following year Sir George Bury was brought here to give expert advice as to how the railroad should be run. He remained a few days having a look round and then went out,—at a cost of \$15,000 to the people of this country—but accomplished nothing, beyond advising that it would be a good thing to have a terminal built at Argentia. The same year a Mr. Smith of the C.P.R. was brought here to study our railway conditions. He remained here just one day, as in that time he sized up the situation and left again on the return trip of the cross country train. The next new importation was Mr. Morgan, who, no doubt, is a thorough railroad man in every respect, as I knew his capabilities personally, having worked with him for three or four years in Western Canada. He told us that it was impossible to run our railway without an annual loss of \$750,000. To-day if the Government takes

an able man and should have been supported. Mr. Morine, himself, if he were here to-day would probably admit that he erred when he took this step, and he might say, as we all would say, that we are sorry we opposed Sir James, because we have suffered and the country has suffered. The contract he placed on the table of this House was the best contract that was ever negotiated with the Reids, and if it had been left alone we would not be in the muddle we are in to-day. The Reids had to carry out their contract, and were putting forth their best efforts to make the railway a paying proposition and to carry out the obligations they owed to this country. Then they lost a hundred thousand, two hundred and fifty thousand and three hundred and fifty thousand per year on operating. Since the war owing to inflated prices, high salaries, etc., they have lost not less than four hundred thousand, five hundred and six hundred thousand per year in trying to carry out their contract. The present government made political game out of the railway situation. They said that the Reids were trying to wring money from everybody, the people or the government, on every occasion. As I remember, the Reids gave very reasonable statements from time to time showing very clearly why the railway operations showed a deficit on all occasions. Our Government under the leadership of Sir M. P. Cashin did give the Reids some financial assistance to help them carry out their contract. These concessions which were granted were only reasonable. My point, Mr. Chairman, is that if you had left the Reids alone and simply gave them to understand that in giving them help to carry out their contract and to operate the railroad we could not go beyond our means, everything would have been all right. This country is almost bankrupt. You made it so when you took over the respon-

sibility of the railroad and appointed a commission to run it. Now you have to pay two million dollars to the Reids as a gift. You say "Now, my dear friends, take that and we'll take over all responsibility." If the company had defaulted it would have been time enough then to take over the onus of running the railway and you would not have to pay two million dollars to the Reids. If the Reid interests had defaulted that was the end of your liability. They had no claims on us as a colony or as a government. The case was clear cut. But what a blunder you made. I don't know who were your advisers when you appointed your commission that led us into this railway swamp. I don't know what your railway policy is going to be. Mr. Downey said that the railway in his belief, could be operated on a sound commercial basis successfully. No doubt Mr. Downey believed that the whole system was being given to him, since he possibly has the Ministership of Railroads in his pocket or in his head when he made that statement. He had no such conviction. No government can operate the railway successfully. Every man, woman and child in my district would be looking for passes every time they were coming to or going from town because they would argue rightly that it was their railway. Mr. Downey would not have five minutes rest because I would have the life tormented out of him for passes. An old friend would come to me for a pass. Surely, I would go down to Mr. Downey and he could not refuse me; would not refuse. I would get all the passes I needed when I liked. How would you expect to operate a railway successfully if this went on. It is all trash. Bunkum! Get the idea out of your heads. I was delighted this afternoon, because the matter had given me much concern, seeing I could not pass a vote on the railway resolutions without some in-

over the railway to run they have first got to spend five million dollars on capital account to put it in shape to travel over. Still we are asked to vote two million dollars to the Reids for not carrying out their contract. That is the sum and substance of the matter. In reality we have to pay Reids four million dollars, because two million dollars at five per cent. interest for twenty amounts to another two millions, or four millions altogether. The members on the Government side of the House know perfectly well that they are doing wrong when they are voting for these Resolutions; but they have not got the manliness or pluck enough to get up here and say so, because they have no red blood in their veins; they are whipped into line to vote for all deals that the Government brings forward.

I spoke to Mr. Morgan when he was in St. John's on several occasions and he offered several suggestions as a solution to our railroad problem, and I think some of those suggestions were put before the Government; but I do not think that any of them were like the one that the Prime Minister sent broadcast to this country on the eve of the elections, namely, that a group of wealthy capitalists were coming to this country to operate the railroad and make it a paying proposition. I venture to assert, Mr. Chairman, that no group of capitalists ever offered to run the railroad, in view of the condition that it is in, because, as I have said before, you've got to first spend a large amount of money on capital account to make the railway fit to run.

Take the Dry Dock. My friend Captain Randell, who represents Trinity Bay in this House, knows quite well that the dock is in an unsafe condition at present and that in order to make it an asset to the country the Government will have to spend on it

at least three quarters of a million dollars.

As to the seven or eight steamers, they don't amount to anything but a bunch of junk. Still we are called upon to pay the Reids four millions of dollars in full settlement for the railway muddle. We were told prior to the elections that the Humber proposition was being taken up between the British Government and the Newfoundland Government on a 50-50 basis. The people voted for the Government on that understanding. When we came here we found that the Newfoundland Government had merely a second mortgage in the deal, which, as already stated, is not up to much; we found that such statements of the Railway and Humber were given out for the sole purpose of deliberately deceiving and hoodwinking the people of this country. Members on this side have said that the Prime Minister deceived the people; but, in my opinion, it was worse than that, the whole lot of the Government members deliberately deceived the people.

I suppose that in finishing my few remarks that the Government paper "The Daily Mail" will again echo forth tomorrow and say as it says this afternoon, namely, that the Cashins are trying to throw themselves on this House. I take exception to such stuff and I do not think that this House or the people of this country should stand for any such rot that is printed and published no matter what party the paper belongs to. Mr. Chairman, I strongly object to the following article, which appears in today's "Daily Mail," under the caption of "Injurious and Beneficial Gas." Here is the article which I will read to the House. (Reads article). The party who wrote that knows nothing about gas. When there was any gas going around during the war, the party connected with that paper kept far enough away. He has no pluck or

manliness. Now I want to tell the soldiers of this country who survived this war that this fellow Mosdell, the Editor of the "Daily Mail," has been given a position on the Pensions Board by this Government at a very large salary. Still we are told that nobody but patriotic Newfoundlanders are sitting on the Government side of this House, and yet they stand for this sort of stuff. When the war was on practically all the members of the Government were running away and if they heard a shot fired they would take cover. The Government showed their cowardice during the period of the war and now they are duplicating their cowardice by tolerating the dirty low down hound who edits their paper to come here and take personal spleen. That article that was written by Mosdell was inspired by the Prime Minister. Both of them refused to take an active part in war work here; but two or three days ago at a memorial service we had the Prime Minister place wreaths on a monument to commemorate the memories of those who had fallen in the war. I believe honestly that soldiers in France turned in their graves at the thoughts of it. And then they write dirt and are afraid to meet one publicly. I care not what is written about me; but I blame it on the present Government because every member thereof is backing the Prime Minister who controls that paper and each one of them benefits directly or indirectly as a result of that paper's activities.

Speaking of the railroad again, I predict that, within another twenty years, a million dollars a year will have to be paid the Reids in addition to what has already been paid them; or thirty million dollars altogether. Still there is no individual member on the other side of the House who will get up to justify that, except Mr. Grimes, who stated yesterday, in his endeavour to make a good case out of

Government controlled railways, that Australia and New Zealand were making them pay.

Now take the Canadian National Railway which is running through a wonderful country, the Peace River district, a better country than the C. P.R. goes through—and still they cannot make it pay even though they have better engines. And the C.P.R. is ready to buy them out and even at this moment correspondence is passing between the Government and Lord Shaughnessy with a view to buying them out. It is impossible to make the railway here pay with trains running across country drawing 11 or 12 cars with about 250 tons of freight and with engines consuming as much coal as those of the C.P.R. The latter however draw 70 cars and some of them are oil burners. Now at the rate of about \$15 a ton for coal the local road is faced with a fuel bill of over a million dollars yearly. No, Mr. Chairman, I am sorry I cannot agree with the Government on this matter, or please the Government press by sitting down and saying nothing, but I will express my opinion and give their representative a chance to go down to his office and write up another squib about me. In conclusion, Sir, I again repeat that I will not vote for the resolutions now before the Chair.

MR. VINNICOMBE:—Mr. Chairman, before these resolutions go through I would like to say a few words in reference to them. I voted for the Humber Deal though we are taking chances on it for we have to take chances as conditions are to-day. But when the Prime Minister went to the country in the elections he did not tell the people anything about taking over the railway. During the campaign the Opposition candidates said they would, if returned, put through a better Humber Deal but the people thought otherwise and turned them down. I venture to say now that there

is not a man on the Government side who knew anything about this Railway Deal till now. If he had he would not have gone to the country as a Squires candidate, because he would be too good a Newfoundlander. It would have been fatal to the chances of the Government to have told of it beforehand though probably Sir Richard Squires and a few others had it in the back of their heads all the time. Perhaps some of the gentlemen opposite will now get up and express their views on the railway question as Mr. Downey has done. And in doing so Mr. Downey cast a serious reflection on Sir Wm. Coaker as to his connection with the handling of the road. Instead of paying two millions for the railway it has been pointed out by several of my colleagues that we will have to pay 4 millions. Since the contract of 1898 we have been listening to Government threats of putting the Reids in their place but none were so pronounced in this direction as Sir R. A. Squires. Some of the gentlemen opposite are new to this House but the older members heard his statements and when Mr. Cashin said a few days ago that this railway deal was crooked he was asked could he see straight. I do not think he committed any mortal sin by saying that, when the Prime Minister had already said the Reids were crooks and cooked their railway accounts. But they still hold 40 per cent. of the voting power in connection with the Humber proposition though there is no guarantee that they are not crooks. Now here to-night, Mr. Prime Minister, you are putting them in their place alright. You are making a Happy Christmas of it for them. I think we ought to congratulate Mr. H. D. Reid on his manipulation of this deal. I am glad the Prime Minister is now coming in to hear my remarks. It strikes me that in connection with this railway business Sir Wm. Coaker was a great

friend of Mr. Reid and the Hon. Prime Minister got jealous and handed the gift of 2 millions to them. I venture to say that Capt. Randell would not have dared to go to his district and tell the people the Government was going to take over the railway, if he had he would not have been elected. Would Mr. Simmons or Mr. Calpin have gone to Mr. Grace if they had known the road was to be taken over. I very much doubt it. Now, as I said before I will not vote for this railway deal as I think it is the biggest steal ever perpetrated on the country. If it had been taken over 5 or 6 years ago the country would be millions to the good. But in face of all that has happened in the last few years we are now told that the Government can run it. I do not believe Mr. Jones thinks the Government can run it as he knows he and the other members would be overwhelmed with demands for passes and the whole thing would be a burlesque as far as passenger traffic is concerned. As Mr. Hunt has already pointed out it was said that English capitalists were going to take over control of the road but no mention of who they are has yet been made. If I knew that anybody but the present government was taking it over I might vote for it. To take over the road with an anchor already around our necks and for generations to come, is simply shocking. If I were on the Government side I would walk across the floods before I would vote 2 millions for this railway. Now take the matter of the Dock. It has been pointed out that the carpenters employed there run the risk of their lives daily as the whole structure is in very bad condition. The street railway is to be taken over too so it seems that Newfoundland is going in to the junk business. None knows better than Sir Wm. Coaker what complete failure must result if the railroad is taken over by the Government. As

I said before the Prime Minister in his election campaign never mentioned the taking over of the road but went to the country on the Humber proposition. If he had even mentioned the Reid deals not one of you gentlemen on the Government side would be sitting in your places there to-night. Now, Mr. Chairman, I wish to register my strongest protest against the payment of this 2 millions but if you could point out that someone else besides the Government—those English capitalists for instance—were to be in charge of operations, I might vote for it. You ought to take a manly stand Mr. Prime Minister, and say that the railway deal has nothing to do with the Humber proposition. The Reids are not concerned with the Humber as the Armstrong Co. will build their own branch lines. There is no such thing as not going on without the railway—that is only a red herring being drawn across the trail. Now, Mr. Chairman, I do not intend to vilify my opponents because of their opinions as they may think you can run the Humber without the railway, but I again protest against the giving of 2 millions to the Reids for a road that it is impossible to run as a paying proposition.

MR. WALSH:—Mr. Chairman, I hope in a very few words to put my attitude before the country as to this most important measure. I wish, Sir, to heartily endorse the position taken by the Hon. Leader of the Opposition. Whatever opinions may be as to Government ownership, I think the experience of the last four years should be sufficient to convince us of the futility of Government control. You not only proved yourselves unable to run the railway, but every other enterprise that you have interfered with during your whole term of office. The management of shipping, sale of salt, regulating of codfish sales and everything else that you put a hand to, re-

sulted only in increased losses. I do not say that this is the only Government that has made mistakes, but in a country situated as this is, it is utterly impossible for a Government to interfere with such projects and meet with success. I trust that the hope expressed by Sir Wm. Coaker that a man will be found outside to take over the railway before November, will be realized. I hope that such a man will be found. We had Mr. Morgan here—and he was fully competent as shown by the fact that he has been associated for 15 years with the C. P. R. and they are not in the habit of paying large salaries to incompetent men—but he had no real control. The way the railway has been interfered with by politicians since its inception—not by this Government alone—is simply deplorable. It has been held up for political camouflage to deceive the people and lead them to think that those coming into public life were going to cleanse it of all abuses. Personal attacks might be made on members of the Government but that is not my intention, my only purpose being to point out that no effort should be spared to get a capable man to take over the railroad. It is a pity that the records of this House have gone abroad showing up the deficit of 1½ millions yearly as that will make it harder to get competent men to come in here and take charge at a reasonable figure. Unless new sources of revenue are opened up for the railway it is hopeless to try and continue to run it. As I said before Newfoundland is faced with a crisis and it is time for the best brains to get together and try to find a way out. To-day we are faced with a situation in Canada whereby thousands will be deprived of a living. A huge strike is on at Sydney and thousands are out of employment. To-day myself and colleagues received telegrams from some thirty men who were forced to leave this

country saying they are once again idle. It is time as I said before to grapple with this situation and find a way out. In three months time we will have the snow again and are to again be faced with the same situation as last year when the people had to get their clergymen and others to telegraph their representatives here to get them work. As I said before, Mr. Chairman, it is my intention not to vote for these resolutions. If we had a man here to run the road I would be one of the strongest supporters of this measure, but because of the contemptible way in which it has been juggled with by the Government and in view of the manner in which they handled other utilities, I cannot vote for it. I cannot see on the Government side one man who knows anything about railroading. Sir Wm. Coaker it is true had one or two years experience and I am glad he is big enough to say that the Government cannot run it successfully. Therefore I am convinced that neither Dr. Campbell nor Mr. Downey can operate it. As Mr. Hunt said, I hope the railway will not be made a political dumping ground and whoever goes in charge be hunted down by supporters of the Government for jobs. If I could see the possibility of securing a capable man Mr. Chairman, to run the railway, I would support these resolutions but at present I cannot do so.

MR. WOODFORD:—Mr. Chairman, this afternoon when the House was about to adjourn, I wanted to say a few words in reference to the Railway Resolutions before the Chair, and while I did not intend to make any speech or take any part in the debate, yet it struck me forcibly that I am the only man in this House to-day, who voted for the '97-'98 Contract. While several speakers on both sides of the House to-day made reference to this contract, I was one who felt I was right in my judgment when I voted for that measure, so ably introduced by the

late Sir James Winter and so ably supported by Mr. A. B. Morine. Sir James Winter has been referred to, and was one of the ablest lawyers, politician, statesmen and jurist in the Country at that time and since. He was a recognized able man, and the man who stood by his shoulder was also looked upon as a promising brilliant man. To-day I am proud that I voted for that contract, which was introduced by two such excellent men as I have referred to, and if that contract had been kept in force and not interfered with we would not have these resolutions before the House, and the Reid Newfoundland Company would be obliged to carry out their contract. And this, Mr. Chairman, they were willing to do, because at the head of that company was Sir Robert Reid, a man of undoubted ability, a self-made man, with his millions to carry out his obligations to this country. And because this gentleman had great faith in the natural resources of our island, he invested every cent of his capital in our forest and mineral lands and in the railway with the knowledge that by operating these he would make money. That is why I stand here this evening, Mr. Chairman and gentlemen, to say that if this company had been left alone, and not held out to the people of Newfoundland as being the hot-bed of all political trickery, we should to-day have the proper contractors, operating that railroad, and fulfilling their obligations. Unfortunately a little trouble occurred over which Mr. A. B. Morine, who is well known, and whom we all recognize as one of our leading public men, separated from his colleague and leader Sir James Winter. These two gentlemen differed on some measure, which I know all about, but which it would not suit me to give the details of, because no good could come of it. However, our party differed and divided. Half followed Sir James Winter and half Mr. Morine. Sir James Winter was

an able man and should have been supported. Mr. Morine, himself, if he were here to-day would probably admit that he erred when he took this step, and he might say, as we all would say, that we are sorry we opposed Sir James, because we have suffered and the country has suffered. The contract he placed on the table of this House was the best contract that was ever negotiated with the Reids, and if it had been left alone we would not be in the muddle we are in to-day. The Reids had to carry out their contract, and were putting forth their best efforts to make the railway a paying proposition and to carry out the obligations they owed to this country. Then they lost a hundred thousand, two hundred and fifty thousand and three hundred and fifty thousand per year on operating. Since the war owing to inflated prices, high salaries, etc., they have lost not less than four hundred thousand, five hundred and six hundred thousand per year in trying to carry out their contract. The present government made political game out of the railway situation. They said that the Reids were trying to wring money from everybody, the people or the government, on every occasion. As I remember, the Reids gave very reasonable statements from time to time showing very clearly why the railway operations showed a deficit on all occasions. Our Government under the leadership of Sir M. P. Cashin did give the Reids some financial assistance to help them carry out their contract. These concessions which were granted were only reasonable. My point, Mr. Chairman, is that if you had left the Reids alone and simply gave them to understand that in giving them help to carry out their contract and to operate the railroad we could not go beyond our means, everything would have been all right. This country is almost bankrupt. You made it so when you took over the respon-

sibility of the railroad and appointed a commission to run it. Now you have to pay two million dollars to the Reids as a gift. You say "Now, my dear friends, take that and we'll take over all responsibility." If the company had defaulted it would have been time enough then to take over the onus of running the railway and you would not have to pay two million dollars to the Reids. If the Reid interests had defaulted that was the end of your liability. They had no claims on us as a colony or as a government. The case was clear cut. But what a blunder you made. I don't know who were your advisers when you appointed your commission that led us into this railway swamp. I don't know what your railway policy is going to be. Mr. Downey said that the railway in his belief, could be operated on a sound commercial basis successfully. No doubt Mr. Downey believed that the whole system was being given to him, since he possibly has the Ministership of Railroads in his pocket or in his head when he made that statement. He had no such conviction. No government can operate the railway successfully. Every man, woman and child in my district would be looking for passes every time they were coming to or going from town because they would argue rightly that it was their railway. Mr. Downey would not have five minutes rest because I would have the life tormented out of him for passes. An old friend would come to me for a pass. Surely, I would go down to Mr. Downey and he could not refuse me; would not refuse. I would get all the passes I needed when I liked. How would you expect to operate a railway successfully if this went on. It is all trash. Bunkum! Get the idea out of your heads. I was delighted this afternoon, because the matter had given me much concern, seeing I could not pass a vote on the railway resolutions without some in-



formation, when Sir M. P. Cashin obtained the statement from Sir William Coaker that he would not be a party to government management of the railway. Sir William Coaker once made a statement to me, when he sat on this side of the House as the Leader of the Opposition of that time. He said "Woodford, I don't want to be the Leader of the Government, I want to be in a position to dictate to the Government of the day. I want to be the dictator." He said this down by the Court House. If I was as wise then as I am now I would have taken him into the Court House and got him to make an affidavit. However I was not cute enough. He is a fine able man. We all know his worth and ability. If he were not such a great man we know he would not have the support of my friend Mr. Grimes, or of Mr. Hawco. We all know that Sir William Coaker has been the dictator; the maker and breaker of you people. At the raising of his hand or the wink of his eye you divide or come together just as he may wish. Are you challenging my statement, Mr. Higgins?

MR. HIGGINS:—No. I am only delighted at the way in which you express my own opinions on the subject.

MR. WOODFORD:—I am telling the truth. I never did tell a lie in my political life in a matter that might be considered serious. I never told a lie in any matter of importance. Possibly I have done so as a joke but never otherwise. Now there is one gentleman over there who looks very serious. I know that young member, Mr. Brown, has come in here with the highest conceptions as to how we should conduct ourselves in this House. I know Mr. Brown is a fine looking honest man. Now I want to give Mr. Brown a little bit of advice. Don't take matters too seriously. Smile like my friend Mr. Downey or like the Minister of Justice or Mr. Hawco. Look at my friend Mr. Half-

yard there. He is quite happy. Thinks a lot and says nothing. He is full of villany. Oh, I take that back. I mean political villany. He and I often joked about matters that at the time looked serious enough, like the fact that the Reids are putting it all over you when in this agreement you are going to pay them another two million dollars. I noticed that my colleagues in their speeches gave every credit to Mr. H. D. Reid for manoeuvring so as to force the Government to make this agreement so as to satisfy them. He deserves every credit for his ability in fooling you people and making you come in here in a body to vote just as he wants you to about this rotten railway and rotten dock. That honest man, Captain Randell, has all honour due him for standing up when he was asked and telling in that straightforward manner of his that the dock was in a rotten condition; that the men were continually afraid that something would collapse; and that it would take seven hundred and fifty thousand dollars to put it in good condition again. That is a nice little present thrown in. They are giving us a worn out railway and a worn out dock but we all know that they are keeping the electric light works and the street railway. I am told that the electricity used in running the machinery on the dock comes from the Reid plants. Why not take over this as well for your own use, otherwise you will be getting a bill every year for forty or fifty thousand dollars for this electric power. You might do this since you are going to be manager of the dock.

CAPTAIN RANDELL:—I don't know anything about it.

MR. WOODFORD:—But perhaps you will be when this House closes. Perhaps you will get some knowledge about it when the House closes. Just at present there is some man in full charge of the railway system but per-

haps as soon as this House closes some other man may take the whole thing away from him. When I referred to Mr. Downey I was only trying to find out something. That is why we want you fellows over there to say something. Deep down in his system Mr. Downey knows something about the dock and the railway. Did I tell you about the men that the government sent to work up at the dock and barns and other places? No? Well, it seems that the government sent some of its supporters up to the dock, barns and work shops to go to work and they were refused admittance. They were refused because they were not competent to do the work. They had not been trained. It takes some time to train a man for these jobs. If the government takes over the railway men like Mr. Sinnott and myself who have nothing to do, we may have a little money laid aside but don't say anything about that, may go up to these places to get jobs but we are not trained men. We have no experience to take the jobs. The same applies to our own supporters. If you give positions on the railway to your own supporters you will be turning it into a political swamp. Next election everybody will be looking for jobs on the railway. There will be no company. It is going to be placed in the hands of some important member of the government. That is what is going to happen, it will be used for political purposes. You have used millions on it already, and you have no regard for them and you do not care so long as you can retain power. That railway is going to become a political swamp; mark my words, and time will tell whether I am right or wrong. Time will tell. If you can convince me other wise then, I will sit down. That is my honest opinion; nevertheless you will go on and everybody who wants a job who supported you will get it; that is the story. My friend there from

Placentia Bay will carry down that in the next election. I am sorry that the Minister of Justice is a party to all this.

Now Sir William Coaker when he found out he was losing millions of dollars on the railway he threw up the job. Honest man, I say he is, that is what the members on this side of the House say. Yes he is an honest man. Sir William Coaker put us straight for the first time this evening although we were trying to extract some thing from him for a long time, and he said that the Government was not going to run the railway, while Mr. Downey on the other hand says that the Government can run it successfully, that is Mr. Downey's conviction; while Sir William Coaker says no I am not going to be a party to it. Are you on the other side of the House going to follow him?

MR. WINSOR:—Are you going to follow him?

MR. WOODFORD:—Yes I am, in so far as that goes; but we all want to bring our families over the railway free of cost, if you do not allow us, when you come around again to look for votes you will not get them, you may get a kettle of boiling water instead. Those promises may be made during the next election campaign. When you are looking for votes that is what you will do. I do not think that Mr. Hawco made any promises.

MR. HAWCO:—No I did not.

MR. WOODFORD:—You made the most ridiculous and extravagant ones that I have ever heard of; you sent a barrel of flour to every family that supported you. I do know that you made the most extravagant promises. I say that during my whole political career, and I can go back some twenty years that I swear I never made a promise that I did not attempt to fulfil, that is why I can go back to my people and say that I did my best. It was said the other day that the only

honest man in the country to-day was the Hon. George Knowling, but I say that I am the only honest man in the country. Probably my friend Mr. Brown from Twillingate District is a fairly honest man, I believe so, and I do not think that he made any promises, but if he did when I find out that he made some and broke them then we part friendship.

Now Sir to return to the point again. When I found out from Sir William Coaker this afternoon that the Government was not going to run the railway I was satisfied.

Mr. Chairman, I want to make a plea on behalf of and concerning the work of section men on that railway around Harbour Main District. This may not interest you very much. There are only three men employed, scarcely ever four. These men are really slaves, they have to go out there in all kinds and conditions of weather, and work like slaves on half pay. I have not been asked by them to take this matter up, but I am doing it because I am thoroughly conversant with the conditions under which they have to work, and the enormous demands made upon them. I am surprised at my friend Mr. Grimes that he has not mentioned it before. I have watched them myself working from six a.m. to 7 p.m. in all weathers; constantly on the job, and they are paid the miserable small pittance of \$2.00 per day or \$12.00 per week. You all know that the railway is only half ballasted and you know that they are responsible for the safety of the railway; you also know that the sleepers are wide apart, and only a little ballast in places, all of you tonight know that they are slaves. They are afraid to say anything because they do not know but what they may receive their dumping ticket in the morning. You all know that they are slaves, I know that young men who went on fifteen years ago are old and worn out men today, you know

that Sir William Coaker. I know that you would nod your head and say yes. I say for God's sake who ever takes over that railway in future see that these men get something decent for their slavery, I am in earnest over this. Mr. Hawco knows it and so do you Mr. Downey. These section men are afraid to say anything, but I say in God's name wake up and give them some of the plums that are going; plums that are being thrown around everywhere.

You cannot expect Mr. Chairman to run the railway successfully unless you have a staff of capables and those should be fully paid men who have the work at heart. I know that is what Mr. Downey would do if he were given the job to-morrow. The reason that the railway does not pay is because of the condition of the roads. Go up to Canada and see the roads there; why it is a pleasure to ride on them. As I told Mr. Downey some time back of the awful mistake of 1898 when we went to Harbour Main first. We advocated for railways and progress, in that year starvation was rampant. My self and my colleague the present Judge Morris went up there; there was such a strong sentiment against the Government, my opponent was my old school master, Mr. Fenelon, the then Colonial Secretary, but my intentions were good and honest. We went out there and we rolled up fifteen hundred votes against one hundred and eighty-three, the number that Mr. Fenelon got. Well Sir our policy at that time was to build a rail. We all know the new Finance Minister will provide the necessary funds. He is going out as soon as the House closes into the highways and the byways to raise money. He is, after all the responsible man and I trust that when he does succeed in raising a loan he will put in a few extra thousands for the poor men who have to work on railway sections day after day under

the broiling sun. If you are going to do railway work, for goodness sake give the men you employ a living way across the country. We made a proposition that no man was to be paid less than \$1.25 per day and that agreement was carried out, if it had not been I would not have stood by the Government. The Reid Nfld. Company did not intend to have a minimum wage at that time but we made them and that is why I brought up the point the other day for the men to be paid \$2.50 as a minimum wage. But my point is this that all our men at that day, there were fifteen hundred there, the best railway men that could be procured, and we got a good railway. Now, Sir, I hope that the sons of those men who worked on that railway will be paid living wages. Tomorrow and by the orders of the Prime Minister those section men whom I referred to some time back should receive something decent for their labours. Yes we should send it out to-night, send out instructions that the wages of section men be increased from \$2.00 to \$2.50 per day, until such time of course when it will cost them less to live, until flour gets cheaper, until church collections become less and we have less garden parties that we must attend.

Now Sir William Coaker I am going to call upon you to give instructions to the Prime Minister to-night because you are the only man who can give them, you are the whole show. Give instructions to the Prime Minister to-night and tell him to ring up that the pay of the section men is to be increased from \$2.00 to \$2.50, you all know that I am right and I want every one of you to get up and say that you are in favour of it and say it will be done; and I shall then vote for the resolutions if you do that otherwise I do not intend to vote on them because of the bungle that you made when you took the railway out of the

Reid Nfld. Company's hands. Of course you will have to carry out the resolution because it is for your own men, the men who voted for you and put you here, and they may again, if you do the right thing by assuring them here to-night that they will in future obtain a living wage. If it was up to this side of the House, I wouldn't sit with them another day if they did not accede to that demand. These men who have spent the best part of their lives on section and other railway work are old, worn-out men before they are fifty. Why? Simply because they cannot get food enough to sustain their bodies while they work. They are actually hungry. Now, Mr. Chairman, that is not fair; it is not decent, and that's what will happen on the Humber if you do not make provision for a minimum wage.

Mr. Downey a few days ago gave us to understand it was his clear conviction that the railway could be successfully operated by the Government. I cannot agree with him because of our past experience of Government control. It may be that we are too extravagant in our aspirations, perhaps we expect too much from the system. There is one thing I feel certain of and that is that we do not want Winter trains across Country. There are trains run at times and to points for no apparent reason. Why is this done? Is it to please some member of the Government? I have no doubt it is, but why should trains be run to please any member at a cost of thousands of dollars to the country? Cut out the cross-country section of the railway altogether and run your trains only to those points that will pay. The Grand Falls people will say "how are we going to get our mails?"

MR. BROWN:—Exactly, how would we get them?

MR. WOODFORD:—How did you get them before there was a railway?

MR. BROWN:—There was no Grand Falls before there was a railway.

MR. WOODFORD:—There were other important centres which managed to get their mails alright. I remember very well when the railway was first mooted, all the business people were against it and I believe they were right. It was a mistake ever to have built the railway across country at all. However, now that you have the railway in your own hands, get to work and do something to give our people employment and let us have the better times we looked forward to before the election. You are going to pass these Resolutions and I think you have done well so far as the progress in this House is concerned, considering the few short sittings you have had. The responsibility for the whole thing is yours; you took that responsibility when you appointed the Railway Commission nearly three years ago and now you must accept it. I have always stood by my convictions and I shall do so when the time comes to cast my vote on the measure now before the chair. When I voted for the '98 Contract I believed in it and I believe it was the greatest blunder ever made in this country when it was amended, not only the first time in 1901 but by subsequent governments.

In conclusion, Mr. Chairman, I have only to express the sincere hope that now the Government have the railway on their hands, they will not make the fatal mistake of letting it become a political swamp but that just as soon as it is humanly possible to do so they will get a competent contractor to take it over and relieve the Colony of what must, under Government control, become the greatest burden our people will be called upon in future years to bear.

MR. DOWNEY:—Mr. Chairman, laté tho' the hour be I think the House

will bear with me for a minute or two to permit me to clarify a statement which I made here some days since on the question of the operation of the railway under Government ownership. As to the soundness of the statement then made, I may say that I am as sure now as then. I made it as the result of experience gained through being in close touch with the Road and its operations since the year 1898, which enabled me to grasp a pretty intimate knowledge of its possibilities under proper management.

Immediately on the inception of cross-country railway traffic I saw that the railway could be made of very material service to the country in developing a fresh fish trade that would re-act most beneficially to the interests of the regular business in salt codfish as it would lessen the quantity to be so disposed of and might thus, probably, be reckoned upon to enhance prices. Having this conviction and with this object in view I organized a fresh fish business at Port-aux-Basques and, without being at all egotistical, I may say that it was the only fresh fish business ever projected in the country on sane and practicable lines. The proof of this is in the fact that the business I refer to has been in continuous operation since its inception. I only remained directly connected with it for 5 years as I found that, owing to the fact that winter communications were always interrupted, little or no hope could be entertained for the expansion of the business to the extent that was easily possible.

Not once in the five years that I was connected with this business had we the advantage of continuity of traffic throughout the winter season and continuity of communication is an indispensable factor in ensuring profitable returns. The first year we lost the railway through the going out of the Exploits River Bridge; other years

through serious washouts in Barachois and other sections and, again, through loss of other bridges on other parts of the line, and only once, so far as I remember, was interruption caused by natural snow blockade.

In those years the railway people had not the experience of river ice conditions and in the construction of the bridges did not make the provision that subsequent experience showed was necessary to ensure stability of some of the structures.

Notwithstanding the difficulties arising from this source the volume of business done was very considerable, there being each summer season from 120 to 130 to 180 tons of fresh salmon exported, a like quantity of halibut, live lobsters and other fishes, and there was no limit to the quantity of fresh codfish that might most profitably be shipped had the railway given the measure and continuity of service that one was warranted in expecting from it.

After the first 4 or 5 years operations, when the line was equipped with only a limited number of light locomotives, and with primitive appliances in the matter of snow plows, &c., the road was kept open with very slight interruptions for a number of years, yet of late years, with vastly more powerful engines and an equipment of very efficient rotary plows and other appliances, traffic has been almost continuously suspended each winter. This may possibly be accounted for by the fact that the road bed has considerably deteriorated and cannot stand up under the grinding service that is called for in order to utilize to the measure of its capacity the new and powerful equipment that had been provided, hence we had nothing of late years but continued interruptions of winter service.

When I made the statement a day or two since, that it was possible for the Government to successfully oper-

ate the road, I of course meant that the road could be operated by the Government but not as a Government—in other words, my contention is that the Government can successfully operate the road by placing its control in the hands of an efficient and non-political Commission.

It may with advantage in this connection be remembered that no insuperable difficulties have been found in keeping the road open between St. John's and Millertown Junction, or even beyond this to a point known as Mary March's, and that on the West Coast it is equally practicable to keep the road open between Port-aux-Basques and Kitty's Brook. The intervening link of about 23 or 24 miles that connects Mary March's with Kitty's Brook is the one that presents the extreme difficulties in winter operation.

As the inception of the great Humber project will render continuity of winter traffic an absolute necessity it will, sooner or later, become imperative upon the Government to divert the road between these two points to a new location that will present fewer of the difficulties to winter traffic that are existent in the present location. With this done, tho' there may be minor difficulties immediately after severe storms, there would be nothing whatever to interrupt, for any material period of time, continuous winter railway traffic between St. John's and Port aux Basques.

For many years I have known the difficulties of the Topsail section and in the past winter I had an especially trying experience as I was compelled to cross from Millertown Junction to Curling by dog team, and certainly the conditions were most trying.

There is no getting away from the fact that, as we must from now onward have continuous cross-country communications in the winter season, this can only be successfully and

economically accomplished by diverting the railway between Mary March's and Kitty's Brook to a new and more favorable location.

MR. SULLIVAN:—Where would you start from to build those few miles of road that you refer to?

MR. DOWNEY:—If I required to locate a competent authority to consult with on this matter, the gentleman who has just asked the question would be probably the first I would call on, because he has had the advantage of experiences along the entire railway line, and especially in the vicinity of the Topsails.

Now, Mr. Chairman, I was not trying to make political capital, either for myself or for the Government, by making these statements, or those previously made—in fact, I found that the Members of the Government were hostile to a man to the opinion that I entertain. I am speaking now merely to clarify the statements previously made that I assure you, Sir, were not made with any ulterior motive in view.

I fully concur with the remarks of the Hon. Member for Harbor Main, Mr. Woodford, in the interest of the railway section men. In all my experience I know of no class of men who for years have worked so continuously, so laboriously, and been subjected to such extreme physical hardships as the section foremen of the Newfoundland Railway, and I know of no class of men in the country who have been so illy requited for the labors given. It is only since the period when war necessities created an enhanced value for labor that these men have been paid anything at all above the ordinary rate for the daily labor of a ten-hour day, yet these section men have been compelled in the past to work every day in the week, including Sundays when necessary, and to put in all the overtime that might be demanded of them to work

on coal fights, and snow fights and to be at the beck and call of every Road Master and to do all this additional labor and to endure all the privation incident thereto without one solitary cent of remuneration therefor over and above the ordinary pay for a ten-hour day. The treatment accorded these men has not alone been inhumane but it has been absolutely inhuman.

The unfortunate feature of the railway to-day is that the road bed has become lamentably deteriorated and requires attention from end to end. It is not to-day able to stand up under the heavy traffic of the present equipment and, consequently, it is idle to hope for continuity of winter service. But with the present equipment, if we put the road in proper shape and parallel the Topsail section, it is my opinion, based upon the experience of many years, that the railway can be operated without any material interruptions the whole year through, even under the most adverse weather conditions.

Several members of the Opposition in speaking have referred to the Dry Dock as being in a rotten state. I believe I am warranted in stating that there is not in this House, or probably in the country, anyone who is or should be more familiar with the Dry Dock and its condition than I am. Forty years ago I was identified with the survey for its location, with its excavation, the piling, the dredging and other features of its construction, and I am quite certain that there never has been a more workmanlike and substantial job turned out in this country. If it presents a delapidated appearance to-day, as has been stated here many times, that delapidation is merely superficial. I am pleased to be in a position to state and to assure the Government that in acquiring the Dry Dock they are not getting a tumble-down affair, as claimed by the Opposi-

tion. The fundamental features of the Dock are as substantial to-day as when originally constructed. The abutments, the altars, the floor, and other parts of the Dock's equipment, require renewal, but this can be done for a cost not exceeding \$100,000 to \$120,000 and then the Dock will assuredly give another 40 years of efficient service. The materials, viz.:—concrete, first quality pitch pine, white oak, &c., used in the building of the Dock, are in condition to-day to fit the Dock for efficient operation. Its grid and the foundation upon which it is placed are as secure as the proverbial Gibraltar, so that with the improvements that I have briefly specified, and which can be effected for a very moderate outlay, the country will have possession of a great public utility that should, for very many years in the future, be capable of rendering a measure of service that will warrant the hope that St. John's may be sought as a haven of refuge by the large number of ocean steamers that meet disasters in the prosecution of their voyages.

MR. SULLIVAN:—Mr. Chairman, the Resolutions dealing with the settlement of the Reid claims and the future operation of the Railway, entail tremendous responsibilities both at the present time and in the years to come for the people of the country and any decision that the Government may come to on this matter carrying with it as it must surely do enormous financial obligations which can only mean further taxation on an already overtaxed people, should cause any Government to be extremely careful as to the policy they adopt. As usual this Government has walked into the trap that was set for them, and, from the different speeches made here this afternoon by Opposition Members, I am sure that members of the executive Government must be feeling very uncomfortable indeed. There is no

doubt but that the Government made a mistake and a grave mistake in connection with this whole railway business because they seem to have taken the wrong view of the matter from the start. There is no doubt in my mind, Mr. Chairman, but that the Government at first accepted the idea that the Reid Newfoundland Company had defaulted; but the Government now seem to realize that the Reids have not defaulted, and they are trying to get out of the mess they are in. If the Reid Newfoundland Company defaulted a year and a half ago—or rather if they had been allowed to default by the present Government—this much vexed question would have an entirely different complexion on it to-day, and it would be unnecessary for this House to vote them one cent compensation, because we would have immense claims against them for non-fulfillment of their contract. But what do we find? We find that the Reid Newfoundland Company, these strong, keen business men—men who have matched themselves for the past twenty-five years, against every Government in power in this country and always emerged successfully—have played the game again and this Government has made it possible for them to demand a settlement in their favor. I believe that the Reid Newfoundland Company studied every action they took and always knew what they were doing. They secured the best legal advice obtainable and always kept themselves informed as to whether they had or had not defaulted. As a result look at the spectacle we find to-day through incompetence and incapacity, the Government are compelled to make a two million dollar settlement with the Reid Newfoundland Company, a settlement that might never have to be made or at all events not until their 1901 contract had expired. I am surprised that members of the Government side,



more especially that Cabinet Minister, have not attempted to make some kind of apology for their conduct.

It is true that the Prime Minister read a lengthy article here a few days ago and he spoke so fast that it was impossible to follow what he said. Judging by statements that have been made by members on this side of the House—we have heard nothing from the Government side to refute them—the public at large will think that the Government is giving away two millions of dollars to the Reid Newfoundland Company, without getting any returns therefor. Surely it is not the duty of the Opposition to explain what the country is getting back from the Company. Seemingly it looks as if the Government want the Opposition to help them out. The whole trouble is, as I have already pointed out, the Government played the game for the Reids, and, as the Reids have not defaulted, now they must settle with them, instead of protecting the public, in the event of the Reid Newfoundland Company defaulting they would have no claims against the country. But it is not the two million dollar settlement that I take exception to, rather do I think the settlement a fairly good one; but the future operation of the road under Government control is the serious aspect of the question. Contrary to the views held by some of my colleagues on this side of the House and in spite of the adverse criticism levelled at the present condition of the railroad, I do not hold that the railway is in a rotten state. Spend money in ballasting the road and it will be alright to operate for years yet. The road on the western end of the railway line was never in better condition than it is this year, though it yet needs a considerable lot of ballasting. Now if the Government intends to provide labour for the unemployed why cannot they get to work, if they have any initiative in them,

and engage men for ditching, snow-fencing, ballasting and otherwise improving the road whereby they would get some returns and some benefit for the money they would spend, instead of squandering hundreds of thousands of dollars by putting men to work on Halls Bay and Badger Road and other useless places.

If the Reid Newfoundland Company had defaulted it was all up with them; if they have not, you have to settle with them now. If you do not settle, they can probably take action against you for damages, and if that happens, we will have to take a dose that we took in 1901.

Let us go back and review what happened in 1898 when the Government sold the reversion in the railway to the late Sir Robt. G. Reid for a million dollars. Three years after in 1901 the Government of the day decided to take back the railway and paid the Reids back their million with interest amounting to \$120,000. They took back certain lands which were given under the 1898 Contract and had to pay the Contractor \$890,000, and besides had to pay for improvements in less than three years the modest sum of \$960,000. In reviewing the facts which I am stating it will be well to bear this in mind that when the Reids entered into the 1898 Contract they expected to operate for the term of fifty years and were probably not so particular in keeping accounts of detailed expenditure as they have been since, but they learned a lesson. Then, the 1901 Contract was not entered into with their eyes shut, and since that day every improvement has been carefully noted, so that when the day comes for a final reckoning I am sure that their position will be a strong one? If the Reids learned something so did we and it cost us \$4,500,000. One million five hundred and sixty thousand dollars of this was the telegraph award.

It would be well for us to remember that for the last twenty-two years the Reids have paid out immense sums in securing the opinion of the best legal experts in England and Canada and they have done everything possible to place themselves in a very strong position to substantiate a large percentage of the claims they have against the Newfoundland Government. Perhaps the different Governments of the day that have been in power since 1901 have followed the same lines as the Reids and may have just as strong data to put forward to rebut the Reid claims, if the Government has such evidence then let us have it, now is the time to discuss the matter and settle it once for all.

Should a settlement be arrived at without going to arbitration? The cost in connection with arbitration will be enormous and the case will drag on for years. And perhaps after all it may be found that the Reids have not defaulted in their contract in which event they could take action against the Government for damages for wrongfully taking over the railway, knowing the Reids as I do it is to be supposed that any steps that they have taken in connection with the non operation of the road have been carefully considered and they have acted on the best legal advice obtainable. No doubt the legal fraternity would be very glad to see this matter go to arbitration as it would mean an assured income for the balance of their natural lives for the lawyers who would be lucky enough to secure retainers from the Government.

I remember that several of our best lawyers were retained to prepare the Government counter-claims against the Reids. After the 1901 Contract Sir William Horwood I think was Minister of Justice at the time proceedings started, associated with him were men like Lord Morris, the late Mr. Martin Furlong, the late Mr. C.

Emerson and Mr. O'Neil Conroy who is now and has been for a number of years the local legal adviser of the Reid Newfoundland Company. Besides the gentlemen I have mentioned the Government secured skilled engineers from the C.P.R. experts in their line, and also had the opinion of the best legal advice in Canada. The result was, as you all know this country had to pay the Reids \$4,500,000. Besides legal fees, engineers fees and all other expenses in connection with the Arbitration which must have been no very small amount. The railway award lasted a year and the final decision in connection with the Telegraph award was not given for two years, let us remember the Arbitrators only dealt with the happenings of three years but see what it cost the country.

How long would an Arbitration last now? as a period of twenty years would have to be covered. The Reids have all the evidence collected during that period. What evidence has the Government?

It is generally admitted that some compensation should have been given the Reid Nfld. Co. for the extra burden placed upon the railway during the war, some say at least one million or one and a half million dollars, other Governments gave aids to public utilities during that trying period, should we do so or should we not? That is the question that needs to be decided, if we decide in favor of the Reid Newfoundland Company that they are entitled to some consideration for extra work performed; then how much will we give them?

The settlement which I understand the Reids are prepared to accept is \$2,000,000 of 5% Bonds against all claims if we have to pay them anything on account of war work, then, with the assets they hand over to the Government I am prepared to say that

in my opinion the adjustment is reasonable.

The Prime Minister has told us repeatedly that the Reid Newfoundland Company cannot continue to operate as they are not in a position to do so financially, if they had the money and could have continued to operate then the Prime Minister is to blame for relieving them of that burden and handing over to the public a further legacy of debts amounting to about \$5,000,000 incurred during the Commission's years operating, the Burry year and the Morgan year, who will be the scape goat for the coming year it will be hard to say.

I spent seven years on the engineering staff of the Reid Newfoundland Company during the construction period. Since I severed my connection with that Company in 1901 I have followed with interest the different disputes that occurred and which invariably meant digging into the Treasury to pay the claims which the Reids were able to substantiate. It behoves us to be careful and see that we make no more false steps, that may entail further millions out of the public of this country.

Not a man in this House wants to give the Reids one dollar more than they are entitled to, it is not pleasant to have to vote them two million dollars, but before we turn down the offer which is outlined in the Resolutions should we not reflect and consider what has happened in the past, before we object to what is a solution and a settlement of all claims by the Reid Newfoundland Company against the Government of Newfoundland. We are not philanthropists, neither are the Reids, we have found them in the past to be hard-headed business men and they generally managed to get their pound of flesh. The Government has a very grave responsibility to bear in accepting or rejecting this offer of a final settlement. If they re-

ject it and the matter goes to Arbitration it may cost us six million instead of two million.

The Government must think it is better to settle for two millions now than to risk arbitration later when they might have to pay a considerably larger sum. That may be so, but why did the Government allow the Company to get the strangle hold on them.

Now what does the Reid Newfoundland Company propose to give the Government in return for this full adjustment for all claims. I remember at last session of this House a statement was tabled of a claim of actual expenditure by the Reids and further more the values were checked by the Government engineer and Mr. Morgan and I think it was agreed to that the figures were not unreasonable; the amount was \$6,456,657, and related to rolling stock and improvements as follows:—

Buildings .....	\$ 808,867.91
Sidings and Y's .....	534,772.59
Bridges and Culverts.. ..	148,517.70
Ballasting, etc. ....	45,417.72
Snow Fences .....	32,411.86
Rolling Stock on hand ..	1,658,445.00
Train Lighting Equip- ment .....	69,672.17
Buildings unpaid for at Port Union.....	7,445.55
Balance due on 1917 ac- count Carbenear term- inus .....	6,458.05
Unsettled claims Branch Railways .....	255,081.39
Car Shop and Equipment (St. John's) .....	72,808.87
Locomotive Shop Equip- ment .....	96,304.40
Station and Freight Shed Equipment and Stock ..	24,138.99
Section and Round House Equipment .....	131,037.64
Plans and Drawings at St. John's Office .....	23,022.00
Coaling Equipments .....	10,138.66

Telegraph Lines, 900 miles at \$250.00 .....	225,000.00
Station Supplies (Stationary) estimated .....	30,000.00
St. John's Offices (Equipment) estimated .....	36,694.14
Sleeping Car Equipment estimated .....	15,254.52
Dining Car Equipment, estimated .....	7,202.70
Stock at St. John's, estimated .....	100,000.00
	<hr/>
	\$4,311,591.86
Express .....	\$ 700,000.00
Steamers .....	979,800.00
Steamers (Stock and Equipment on hand) ..	50,000.00
Timberland due under 1904 Contract, 207,613 acres at \$2.00 per acre	415,266.00
	<hr/>
	\$6,456,657.86
	<hr/>

With reference to the eight steamers the Reid Newfoundland Company are handing over to the Government, some people contend they are not worth much, if that is so, how is it that insurance at Lloyds has been placed on them for considerable amounts, I have been informed on reliable authority that it is very difficult now to insure steamers at Lloyds for more than their value. I give you here the steamers and insurance in force:

S.S. Home .....	\$ 91,000
S.S. Clyde .....	91,000
S.S. Kyle .....	227,500
S.S. Sagona .....	150,150
S.S. Meigle .....	136,500
S.S. Argyle .....	91,000
S.S. Petrel .....	45,500
S.S. Glencoe .....	136,500

All the Railway stations along the line built since 1901 Contract, all the additional sidings, Y's, Round Houses, Section Foremen Houses, all the Engines and Rolling stock, with the exception of what has been put there

since the Commission took over the Road three years ago. The Granite Railway Station with its equipment which would alone cost at the present time if we had to build \$250,000. The Express Company, the Dock, 900 miles of Telegraph line, following the main line of railway and the Branch Lines, all improvements to the Road bed such as ballasting, new culverts, snow fencing, additional, and large bridges. The Sub Station at the Dock. I remember when we located the line into St. John's West that it ended on the Promenade, since then, the Municipal basis has been filled in and on made ground there is now three or four miles of sidings, with Freight Sheds to handle all traffic and machine shops fairly well equipped. If we had a competent man here in charge of the dock, and had it repaired as Mr. Downey suggests and with thoroughly equipped machinery installed, we would get much of the repair work that is now going to Halifax, because we are better geographically situated than that port. I want to congratulate Mr. Downey on his optimism—it is a great thing to see someone in a hopeful mood. He thinks the road can be operated with very little loss. Well! the Railway is a public utility and the people must be prepared to shoulder some of the burden. I do not think he is right in his figures of the loss previous to 1912. Is it a good thing to advertise this? We will soon be looking for someone to operate. I do not think under proper management the losses will be very serious as the rolling stock and road bed is in very good repair, and with the new machinery on the Humber giving about \$250,000 in additional traffic the losses should not be more than \$300,000. If the Government get a good contractor to operate the road I would not be against giving him a substantial subsidy. It is impossible for it to be run as a Government depart-

ment. It is true that roads are run in Australia and other dominions by the Government, but could that be done here. If you want to get out of this situation without losing millions under Government control you will have to appoint a Commissioner with full authority, and if you attempt to interfere with or dictate to him there will be heavy losses all the time. I do not see what the Government can do now. You are up against it—you have played the game wrongly. The Hon. Prime Minister last year said that the Reids could not operate the road, but if they had the money they should have been compelled to do so and we would not have had to pay out vast sums for the Burry and other commissions.

It is your business to settle this problem and I know it is no use for the Opposition to talk even if we did so for a month—so get down to business as it is you who will have to answer to the people in the years to come. I know it is no good to further debate those Resolutions as they will pass as the Government intends them to and on your heads will rest the responsibility.

MR. J. MOORE:—Mr. Chairman, I rise for the purpose of registering my protest against the Resolutions before the Chair, not so much against the payment of two million dollars to the Reids, as against the way railroad matters have been handled the past few years, owing to the interference of this Government. Let us go back to the year 1920 when the Government took over the railway to operate. I well remember reading the speech of the Prime Minister at that time, his opinion about the railway and his bitter denunciation of the Reids for the way they had operated the road. I think, Mr. Chairman, it is a great pity that the Minister of Justice at that time did not seek legal opinions from outside this country, as was done

since in 1922, and have that advice tabled here so that we could know our standing in relation to the Reid Newfoundland Company. Had we got these opinions in 1920 I think that our position today here in regard to the railway would be entirely different. If the Reid Newfoundland Company had been allowed to default in 1920, we then had in our hands all their holdings in this country, including that of the Humber, and we could have taken over the road to run for the unexpired lease of thirty years. I have no doubt but that is what would have happened, if legal advice had been sought in time; further, I feel sure, that if that had been done, this Government would have inaugurated the Humber scheme instead of the Reids. Then again the Incorporated Companies Act was brought in by the Minister of Justice in 1919 enabling the Reid Newfoundland Company to escape some of their penalties under the Railway Act. I think that, if the Newfoundland Government in guaranteeing nine millions of dollars, principal and interest in connection with the Humber Deal, had gone into this thing on a 50-50 basis with the British Government, as promised the electorate two months ago, the people generally of this country would have given the Government the credit of having enacted one piece of wise legislation.

I gather from the remarks of the member for St. George's that none of the members on the Government side are in accordance with his views concerning Government operations of the road. Probably the Government have some other plans in view as to the running of the railway. As I have already stated here, I am not opposed to paying Reids for the road, nor am I against paying a subsidy outside of Government control to any fair reliable Company to run it; because this is the time to formulate some

plan for the future operation of the road. Give a reliable company say \$750,000 a year to run it. In 1920 when the Government took control of the railroad, a measure was brought before this House and was not passed as unanimously as people were led to believe, and certain members of the Government had gone so far as to send in their resignation as protests against a certain number of the Government and a certain number of the Reid Newfoundland Company taking over the railway. Hundreds of men who expected to get to the Humber are still out of employment. Only within the last few days I learned that the Government had started a road building scheme to get rid of some of the people who were looking for work on the Humber. I understand that the Government are extending the Badger Road to Bishop's Falls. My opinion is that these men could be given more constructive and more useful employment than that. Would it not be more advantageous to the Government to employ the men at fixing up the road-bed? I remember when Sir William Coaker was Chairman of the Commission that ran the railroad in 1920 and when the number of section men was increased all over the road for the purpose of filling in new ties and doing other repairs to the road. I think five men were engaged where three men worked before. Subsequently there was an apparent endeavour to economize and the staff of section men was reduced to less than it was before, with the result that the roadbed gets back to an even worse condition than it was before. Consequently, I think that instead of putting these men to work on the Badger Road that they would be more profitably employed on the railroad. If this suggestion is not acted on now, within a short while we will of necessity have to do it.

I must, therefore, register my pro-

test on the grounds mentioned against Government control absolutely, even with an operating commission composed of a couple of members from the Government side and a couple outside the House, and despite the opinion held by the hon. member for St. George's. As I have already pointed out, I am not opposed to paying Reids two millions of dollars; but I will support any measure that the Government will bring in that is clear of Government control. No one can tell what it is going to cost to run the railway under Government control for a year until the Finance Minister brings in his Estimates after the 30th day of June next year.

MR. P. F. MOORE:—Mr. Speaker, I do not intend to take up the time of the House, as my colleagues have already expressed their views, which are similar to mine, on this matter. When the Leader of the Opposition addressed the House, he conveyed my feelings as to those resolutions which we have been discussing all the evening. I say, Sir, that when the Commission headed by Sir Wm. Coaker took over the railway our troubles began, and I would not be doing justice to the constituents who honored me by returning me to this House if I voted for their mistakes. I am sorry that I was not here when the honorable member for St. George's spoke on the railway matter. I do not think that he, nor anyone else can make the railroad pay. I would take the opinion of Mr. Morgan before his. He was a man of experience, and even he could not run it without a loss of \$270,000, and I would believe him before the member for St. George's. He gained a lot of experience, and so did the country, through the bungling of the situation. I do not want to occupy the time of the House as I know the minds of the gentlemen on the Government side are made up and that this measure is going through,

no matter what we say. But I do wish to state that there is now no public spirit in this country outside the House, or we would not be speaking here to-night. Twenty-five years ago this measure would not be allowed to go through so peaceably, but the men of that period are asleep in the cemeteries, in the Church of England cemetery near Quidi Vidi, out at Belvedere and up on Waterford Bridge Road. There is no public opinion here now, Sir, I repeat. Where to-night are the merchants who opposed the 1898 Deal, or their descendants. We of the Opposition have done all we can the last few years to have the railway matter settled but without avail, so I will not occupy the House longer but close by registering my vote against these Resolutions.

MR. SINNOTT:—Mr. Chairman, it must be evident to every member of this House that the Reids are getting clear of this railway that has been sweeping them into debt but that the Government is not to be congratulated on taking over the responsibility and placing it upon the shoulders of the people who are already by far too heavily burdened. I cannot vote for these resolutions, Sir, as I do not feel like placing additional taxes on the people. As my colleagues on this side of the House have dealt with the measure at length I will not take up the time but I now wish to register my strongest protest against these resolutions.

MR. HIGGINS:—Mr. Chairman, before the House rises there is a matter that after all is perhaps apropos to the Resolutions and which I would like to bring up. And I would like to deal with this subject now because Sir Wm. Coaker and the Hon. the Prime Minister are in the House. As a general rule I am not inclined to pay much attention to anything that may be said about me in the newspapers, but I would like to avail of the

kind fortune that the Fates have played me in this instance. Now, about three years ago in the Fall election a statement was made by the Prime Minister's paper quoting him as making a charge against me at Bell Island that during the N.I.W.A. strike I was present, with a member of the present Government, at Reids offices and took their part against the workingmen. The statement has now been made by a gentleman in the Daily Mail who if I were not addressing you, Mr. Speaker I would say was a white-livered cur. But I am here in this House. If I were not I would also call him an unmitigated liar, but being here I can only say that he deals with the truth most penuriously. Now gentlemen of such warped minds are to be met with in our community, but there is an old adage that chickens come home to roost and it is a long lane that has no turning, and one will usually find that the man who sits silently and listens to things being put across at election times that are in no way justified, will learn that matters will right themselves in the end. Now this thing did not give me or my colleagues much concern at the time as it was answered in 1919 by the return of myself and two colleagues as the representatives of St. John's East. And the same thing happened in 1923. So far as effect goes, this lying charge had none but I would like to seize this opportunity to give Sir Wm. Coaker a chance to publicly accept responsibility for this statement or to refute it; and if he tells the truth he will say that it is a myth of those who have not the courage to make a charge to a man's face but go behind his back to create slander. Such a man does not fight as he ought to fight. In justice to the Hon. Prime Minister I may say he was not at Bell Island but the statement appeared in his paper and if he says he was not responsible I will accept his word. It is rather sig-

nificant however that it has been repeated now. A few days ago the question of a minimum wage for those engaged on the Humber was brought up here, and it was appropriate as should there be an over supply of men they might have to work for less than \$2.50 a day which is little enough. I think that even the gentlemen opposite will grant that we have in no way played the part of obstructionists but have assisted the Government in every way and established a record for the quick putting through of business. I think that as spokesman for the Opposition I may say that our conduct has been only such as to forward legislation and has been of a constructive nature. That all the amendments we brought forward have been accepted is the best justification of our criticism and the proof that important improvements could be made in the measures you brought forward. For instance, take the exemption clause in the Humber measure. This read "for ever" and on our amendment was altered to 50 years, which is certainly a most marked advance on the original act. This alone would justify our stand on this matter and I think the whole tenor of the Opposition was to assist even to a far greater extent than is generally expected of that party in a country where politics is so strenuously played as here. I only wish to give my two honorable friends, the Hon. the Prime Minister and Sir Wm. Coaker, a chance to clear themselves and I do not care how it is done. As to fighting in any cause I am old enough to scrap for myself but I would like to treat with men who I hope are not gentlemen only in guise but such in fact. I will now quote the article in the Mail to which I have referred.

"The Mail has noted with considerable interest the amendments proposed to the Humber Agreement by the gentlemen so affectionately referred to by his party organs and his colleagues as

'leader of the Opposition in the House.' That minimum wage amendment possesses a peculiar fascination for us. It reminds us of something totally different that happened a few years ago. The interested parties were the same. Mr. W. J. Higgins shared prominently in the incident. The workmen of Newfoundland were vitally affected. The subject of wages was also under debate.

"The occasion was a strike of the members of the N.I.W.A. for more pay. The incident was staged at the offices of the Reid-Newfoundland Company, who were resisting the demands of the men. Mr. Higgins attended the conference between the Reids and the workmen. But Mr. Higgins was not then championing the cause of the wage-earners. Most emphatically not. His position then was that the minimum wage was the smallest wage the men could be induced to accept. He was endeavoring to get them to take less than they thought they earned. He was championing the cause of the corporation against that of the common people.

"On that occasion a member of the present Government was present. He argued in favor of the increase demanded by the men. He thought the men were in a position to enforce their demands. Mr. Higgins expressed a totally different opinion. He declared the belief the men were beaten, that they could no longer afford to remain in idleness, that they could not feed themselves and their families and that they would have to accept whatever terms the corporation offered them.

"Oh, yes, we know that it was Mr. Higgins duty to earn the retainer which placed his legal services at the disposal of the Reids. He was in honor bound to fight the demands of the wage-earners to the last ditch. It was his business. And we do not pretend to insinuate, even, that he'd forsake principle for pay, no matter how



tempting the latter might have appeared.

"Mr. Higgins has now changed his tactics and, presumably, his mind. He has a perfect right to the display of such mental variety. As a rule nobody disputes the right of the gentle sex to the display of such a characteristic. Still, if Mr. Higgins is bent on asserting his right to such a womanly display, far be it from us to say him nay.

"Doubtless Mr. Higgins has a perfectly good excuse for abandoning the cause of the corporations for that of the common people. One does not fight corporation causes unless one is rewarded therefor. Conversely, and logically, one who has fought for the corporations for pay fights these corporations only because it pays to do so. Mr. Higgins is now fighting a political campaign. He poses in the House of Assembly as aggressively in favor of the workmen as aforesaid he opposed their claims. Then he disputed their right to what they demanded and their ability to enforce their demands. Now he alleges he is the one and only champion of the toiler against the bold, bad, greedy and grasping politicians.

"Mr. Higgins is a very interesting personality. He is all the more likeable for his political inconsistencies. He must be a cause of perpetual surprises to himself. His facility for changing front on questions and principles certainly surprises the onlooker. But it will be more than surprising to all of us—it will be nothing less than a miracle—if Mr. Higgins succeeds in persuading any considerable number of people that his arguments for a minimum wage clause in that Humber Agreement are inspired more by his love of the workmen than by his desire to exploit the subject to the political benefit of his party."

Mr. Chairman, such an incident never occurred in any shape or form.

I never was present in Reids' office either with Sir William Coaker or with any other member of the present Government for the purpose of settling any strike or any matter dealing with workmen or any other matter. I had no connection whatever with the Reids and their labor troubles, or with the Railway Commission. It is a fabrication and right here and now I ask Sir William Coaker if in any house, office, room, street, barn, or train or any other place he ever met me in the discussion of Reids' troubles with their workmen, and if he is able to get up and say that I did he must of necessity say what is untrue. I ask the honorable member to answer my challenge.

SIR WILLIAM COAKER:—With regard to the matter referred to by the Leader of the Opposition I have to say that at no time did he ever attend with me any meeting with the Reids or the Railway Commission. There had been meetings for the discussion of labour troubles but Mr. Higgins at no time was present. The statement that he was present at any meeting at which I was present is untrue.

HON. THE PRIME MINISTER:—In respect to this matter I can say that I neither heard or knew of any such meeting.

MR. HIGGINS:—Did the Prime Minister ever make the statement on Bell Island?

HON. THE PRIME MINISTER:—Not to my knowledge.

MR. WOODFORD:—I call the attention of the Minister of Marine and Fisheries to the fact that I asked him some weeks ago for a statement of the expenditures of monies by his department in the District of Harbour Main. I hope he has not forgotten them.

HON. MINISTER OF MARINE AND FISHERIES:—The statement of the amounts allocated was prepared and sent up here, but I did not know

that the honourable member wanted the returns.

MR. WOODFORD:—I did not get either.

HON. MINISTER OF MARINE AND FISHERIES:—I will get them prepared for you again.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill with some amendments.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Whereupon the Bill entitled "An Act further to Amend the Act 6 Geo. V (1915) Chapter Four entitled, 'An Act for the Confirmation of a Contract with the Newfoundland Products Corporation Limited,'" was read a third time and passed, and it was ordered that it be engrossed, being entitled as above, and that it be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.

Pursuant to order and on motion of Hon. the Prime Minister the House resolved itself into a Committee of the Whole to consider certain Resolutions relating to the Newfoundland Railway and other matters.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the Resolution without amendment.

On motion this report was received.

On motion for adoption of the Report the House divided, when there appeared in its favour:

Prime Minister,

Minister of Justice,

Minister of Finance,

Minister of Marine and Fisheries.

Minister of Education,

Hon. Mr. Foote,

Sir W. F. Coaker,

Mr. Grimes,

Mr. Winsor,

Mr. Abbott,

Mr. Randell,

Mr. Calpin,

Mr. Simmons,

Mr. Cramm,

Mr. Hawco,

Mr. Hibbs,

Mr. Jones,

Mr. Brown,

Mr. Downey,

Mr. Scammell, (20)

and against it:

Mr. Higgins,

Sir M. P. Cashin,

Mr. Hunt,

Mr. Sinnott,

Mr. Vinnicombe,

Mr. J. Moore,

Mr. Cashin,

Mr. Sullivan,

Mr. Woodford,

Mr. Fox,

Mr. P. Moore,

Mr. Walsh, (12)

so it passed in the affirmative, and was ordered accordingly. Whereupon the Bill entitled "An Act for the Settlement of Certain Disputes Relating to the Newfoundland Railway and other Matters," was read a first time and it was ordered that the said Bill be read a second time to-morrow.

The remaining Orders of the Day were deferred.

Mr. Hunt gave notice of question.

Mr. Higgins gave notice of question.

Mr. Walsh gave notice of question.

It was moved and seconded that when the House rises it adjourn until tomorrow afternoon, at three of the clock.

The House then adjourned accordingly.

THURSDAY, July 5th, 1923.

The House met at three of the clock

in the afternoon pursuant to adjournment.

Hon. the Minister of Finance tabled the Public Accounts, June 30th, 1923.

Pursuant to order and on motion of Hon. the Prime Minister that the Bill entitled "An Act for the Settlement of Certain Disputes Relating to the Newfoundland Railway and other matters," be read a second time, the House divided, when there appeared in its favour:

Prime Minister,  
Minister of Justice,  
Minister of Finance,  
Minister of Marine and Fisheries,  
Minister of Education,  
Hon. Mr. Foote,  
Minister of Public Works,  
Sir W. F. Coaker,  
Mr. Grimes,  
Mr. Winsor,  
Mr. Abbott,  
Mr. Randell,  
Mr. Calpin,  
Mr. Simmons,  
Mr. Cramm,  
Mr. Hawco,  
Mr. Hibbs,  
Mr. Jones,  
Mr. Brown,  
Mr. Downey,  
Mr. Scammell, (21)

and against it:

Mr. Higgins,  
Sir M. P. Cashin,  
Mr. Hunt,  
Mr. Sinnott,  
Mr. Vinnicombe,  
Mr. J. Moore,  
Mr. Cashin,  
Mr. Sullivan,  
Mr. Woodford,  
Mr. Fox,  
Mr. P. Moore,  
Mr. Walsh, (12)

so it passed in the affirmative and was ordered accordingly.

Whereupon the said Bill was read a second time, and it was ordered that he said Bill be referred to a Commit-

tee of the Whole House on to-morrow.

The remaining Orders of the Day were deferred.

Hon. the Minister of Finance tabled Report of Auditor General, Section B.

HON. THE MINISTER OF FINANCE:—Mr. Speaker, I beg to lay on the table of the House a copy of the Public Accounts.

MR. HIGGINS:—Might I ask if we could have a rough summary of statement showing the expenditure for the past eleven months. Of course we do not expect to have them detailed as these.

#### NOTICE OF QUESTIONS

MR. HUNT asked Hon. the Minister of Justice (1) when it is expected that the Labrador Boundary question will be heard before the Privy Council; (2) what are the names of the English and Newfoundland barristers and solicitors at present engaged on behalf of the Colony; (3) what amounts have been paid to each up to the present time; (4) what amount has been paid to Sir P. T. McGrath for services rendered; (5) how it is intended that the sum of \$12,500.00 set forth in the estimates for 1923-24 will be expended.

HON. THE MINISTER OF JUSTICE:—Tabled reply to sections one and two. The amounts of the other sections are being prepared and will be ready in a day or two.

MR. HUNT asked Hon. the Minister of Justice to lay on the Table of the House a statement showing what amounts have been paid since January 1st, 1922, under the head of Civil and Criminal Prosecutions, giving names of parties receiving same.

HON. THE MINISTER OF JUSTICE:—The answer of this is quite a lengthy one for it includes such amounts as jurors fees and cabfare to and from the penitentiary. If the honourable gentleman would like to look over the accounts at the Department he is quite welcome to.

MR. HIGGINS asked Hon the Minister of Marine and Fisheries: (a) What amount of money was allocated for the construction of the pier at Grand Bank; (b) a statement showing in detail amount expended; (c) what is proposed to be done with the balance, if any, remaining of the amount allocated.

HON. THE PRIME MINISTER:—It will take a few hours to prepare this information, but I will table it as soon as it is prepared.

MR. WALSH asked the Minister of Public Works to lay on the Table of the House a statement showing: (a) What public roads are in course of construction in any part of Newfoundland at the present time excluding any roads over which the Newfoundland Motor Association are exercising jurisdiction; (b) is the work being done by contract; (c) who are the contractors; (d) were tenders asked for said contract; (e) how much per mile is being paid for only such road being built.

MR. CALPIN (on behalf of the Minister of Public Works) tabled reply.

MR. WALSH asked Hon. the Minister of Justice (a) if his attention has been drawn to a serious charge made in this House a few days ago against a Minister of the Crown; (b) does the Hon. Minister of Justice intend to take any action with regard to said charge, so as to vindicate the minister so charged if he is innocent, or to punish him if he is found guilty of using the public funds of the Colony to defray personal election expenses as charged by a member of this House.

HON. THE MINISTER OF JUSTICE:—Tabled reply.

HON. THE PRIME MINISTER:—I have just received from Sir W. G. Armstrong Whitworth Company Ltd. answers to questions to which reference has already been made. This is

as furnished in reply to Sir Michael Cashin's question of yesterday.

MR. HIGGINS:—With regard to item two of the Order of the Day, "An Act to amend Chapter 23 of the Consolidated Statutes of Newfoundland (Third Series) entitled 'Of the auditing of public accounts,'" what is the nature of that bill?

HON. THE PRIME MINISTER:—It relates to the section of the act providing for an auditor general. During the past two years the work has become too great for the present officials and it has become necessary to provide for a department with an Auditor General and a Deputy Auditor General.

MR. HIGGINS:—Is it too much to ask who is to be the new Deputy Auditor General?

HON. THE PRIME MINISTER:—The Hon. Alex. Mews.

SIR M. P. CASHIN:—Mr. Speaker, before the House adjourns I would like to draw the attention of the Prime Minister to the unemployment situation in St. John's. Here in the city there are several hundreds of men without food and the other necessities of life. At different times deputations have called on the Government and they have received many promises and I would like to ask the Prime Minister if any program has been mapped out to cope with the unemployment situation.

HON. THE PRIME MINISTER:—From personal observation I may say that the unemployment situation is gradually being dealt with. One hundred and fifty St. John's West men have been given employment within the past few weeks. Arrangements have been made with the municipality to guarantee expenditure to enable the Council to open up certain works. A month ago they received a guarantee for twenty thousand dollars, and a further guarantee of sixty thousand dollars for works was given about two

weeks ago. The Mayor made it clear that there were to be no relief works in the accepted sense but that value in labour would be demanded for every dollar spent.

SIR M. P. CASHIN:—I called at the Municipal Council and was told that this money had been already spent.

HON. THE PRIME MINISTER:—Yes. Forty of the hundred and ten thousand guaranteed.

SIR M. P. CASHIN:—The sixty thousand is not being spent at the present time and there is no possible opening up of works for the unemployed. The Government should make some move in this matter. It is not because men voted according to the dictates of their consciences that they should be made to do without a means of support.

HON. THE PRIME MINISTER:—There are eighty men employed in making the road of four miles at Bishop Falls.

SIR M. P. CASHIN:—Yes, the Goodyear Brothers are receiving seven thousand five hundred dollars per mile. Why not spend this money in some part of St. John's during the next two or three months until the new fish comes into St. John's. Representation has been made to the Government with regard to the situation and results have been the result. I hope something will be done in connection with this before the next sitting of the House. Why not spend this money in St. John's instead of out there in the woods. There are over two hundred unemployed in the District of St. John's West who must not be allowed to starve. The situation in the District of St. John's East is not so acute because most of the men are fishermen in the outports and longshoremen in St. John's but in St. John's West the people are starving and when they asked for bread you 'gave them a stone.' I am not go-

ing to be satisfied as a representative of the people of St. John's West without exhausting every means in my power to obtain some means for them to live. Here is a statement from the Longshoremen's Protective Union of their visits to the Government and of the treatment they received.

MR. HIGGINS:—I don't wish to delay this House longer than is necessary. I would merely like to suggest that the Government might accept the idea put forward by Mr. Moore in his remarks a few days ago. He stated that a great deal of improvements were necessary in the vicinity of the dock and the station. I think that it would be a good idea to follow his advice and have the member of the Government who has charge of this particular department arrange a meeting with the present manager of the railway and have employment given to the men at once. If this were done the improvements would be an asset to the country and the money would be well spent.

MR. HUNT:—I wish to endorse the statements made by my hon. colleague, Sir Michael Cashin, with reference to the present unemployment in St. John's West. These facts must be known to the Hon. Prime Minister because committees from the unemployed have called upon him from time to time and I wish to make a plea to him through you, Mr. Speaker, on behalf of those who have families, and who have been unable, through no fault of their own, to obtain any work in the city or elsewhere. I do not make any plea for those who expect to obtain any relief without giving something in return, but there are hundreds of able-bodied men who are walking the streets of St. John's in vain for an opportunity to obtain work whereby they can make provision for their families. Many of these have no food and no firewood in their homes and their situation at the present time

is both helpless and hopeless. I do not make this appeal from any partisan or political motive whatever, but I do make it on the broad grounds of humanity. Men come to me every day looking for assistance, and I know that both Sir Michael Cashin and the Prime Minister must have given men assistance from their private means on many occasions. However, private help can do very little to relieve the present situation, and in fact nothing can relieve it unless work is provided by the Government. It must be very hard indeed to go home night after night to children who have no food and who have insufficient clothing. I do not make any appeal to sentiment but I am sure that if those who are sitting here had to leave this chamber and go to homes such as these men have to go to we should be inclined to give the matter immediate attention. For these reasons I wish to make an appeal to the Prime Minister to do whatever he can to relieve the present situation. I know from personal knowledge the distress that exists here at the present time, and that being so I do not care if my appeal appears to be an abject one or an appeal from a member of a defeated party. The power to relieve the present situation is in the hands of the Government and particularly in the hands of the Prime Minister, and I urge him on behalf of those who cannot find work to do something immediately whereby the sad conditions that now prevail in the District of St. John's West may be remedied immediately.

MR. FOX:—I wish to add my support to the remarks just made by my colleagues. I don't think the situation should need to be stressed further. Conditions in St. John's are frightful. My colleagues of St. John's West and St. John's East have met cases that were truly piteous. The men are not begging and they don't want relief work as we know it. They want sup-

port for themselves and their families from useful employment. I am surprised that the Government has not done something before. Something must be done quickly because the situation is becoming more acute daily. This discussion is entirely non-political and this appeal made in behalf of hundreds of hungry families in St. John's should not fall on deaf ears. It behoves the Prime Minister who is himself a member for St. John's West to use his influence to the best of his ability in remedying the situation. The people of St. John's East are relatively as poorly off as the people of St. John's West and I would tell the Government not to hesitate but to act quickly.

MR. WALSH:—In supporting the motion of adjournment I must say that I was sorry to receive the answer of the Attorney General that no direct charge had been made against a minister of the Crown. I made a definite charge. Here is the question I asked.

Reads Question five of Order paper of July 5th.

Reads answer to Question five of Order paper of July 5th.

The other day Sir M. P. Cashin said that he had seen cheques issued by a minister of the Crown against the country's funds to pay his personal election campaign expenses. I, in following Sir Michael Cashin, said that I had seen and could produce cheque issued by Alexander Campbell, the Minister of Agriculture and Mines, in favour of a cabman of St. John's West and drawn on the pit-prop account. Does the Hon. Minister of Justice say summons? I am not going to do that. It is the duty of this House to safeguard the funds of this Colony. The Hon. Dr. Campbell is under suspicion and it is the duty of the Minister of Justice to give him opportunity to publicly vindicate himself if he is innocent or to mete out to him the proper punishment if he is guilty. Mr. Hunt

asked for a detailed statement of the pit-prop account. He has received no answer and it would lead one to infer that all is not right. Some years ago on whispered suspicions only auditors were brought here and cost the Colony fifteen thousand dollars. Perhaps the Hon. Doctor is not guilty. It is nevertheless the duty of the Minister of Justice to attend to his stewardship. I have read the cheques and I can produce them. I again make the charge that I did see cheques issued by Alexander Campbell, Minister of Agriculture and Mines, in favour of one H. Bugden, of St. John's West, for cab or motor hire during the campaign preceding the last general elections, and drawn on the pit-prop account.

MR. HIGGINS:—If we are going to stand on strict parliamentary ruling I propose an amendment to the motion to adjourn. I move that this House does not adjourn until the Minister of Justice takes his seat.

HON. THE PRIME MINISTER:—The adjournment was to be taken so as to give myself and the Minister of Justice a chance to get busy.

MR. WALSH:—Mr. Speaker, I beg to repeat my question which I asked the Attorney General a few minutes ago. I want to say that I do not feel satisfied with the answer to my question on the Order Paper of yesterday. I asked the Attorney General if he had taken any steps to investigate the charge made in this House by Sir Michael Cashin some days ago, that a Minister of the Crown embezzled public funds to defray his private election expenses during the present political campaign. The answer as tabled does not satisfy me. I followed Sir Michael Cashin in his speech when he made the charge, and I stated in the course of my remarks that I saw cheques issued by one Alexander Campbell for cab hire or motor hire and charged to the public funds, namely, to the Pit

Prop account. The question was asked by Mr. Hunt the other evening for detailed statements of all pit prop accounts, and he was told that there was no pit prop account. This is merely hair-splitting, as there is a pulp wood account which amounts to practically the same thing. Now Mr. Attorney General it is up to you to investigate those charges. Now since the charge has not been definite enough, before, I propose to repeat it more explicitly. I now state that during the recent election campaign in the West End of St. John's the Hon. Dr. Campbell paid for cab hire or motor car hire by cheques issued from the department of Agriculture and Mines, signed by Alexander Campbell as Minister, and drawn in favour of one H. Bugden, a cabman or motor car driver on the West End stand. If that does not constitute a definite charge I do not know how to make one. The Hon. Dr. Campbell was going around in the vicinity of the Cross Roads, and it is the first time that I have heard of people going around the Cross Roads looking for pit props. It is the duty of the Minister of Justice to investigate. I have named the Minister, I told the amount of the cheques, named the man to whom they were paid and have stated the work was done for election purposes. It is now up to the Attorney General to investigate, and if the Minister is guilty punish him adequately, and if he is innocent exonerate him.

HON. MINISTER OF JUSTICE:—Mr. Speaker, within the last five minutes I have heard for the first time a definite charge made in this matter; I did not hear Dr. Campbell's name mentioned before. I did hear Sir M. P. Cashin say that a Minister of the Crown had used funds of the Treasury to pay election expenses. My position is such that I cannot take notice of every statement made in this House. If I were to take notice of every state-

ment that is so made I would do very little else. The proper course for the hon. member who has made the charge to pursue is to swear out a deposition in the regular way. Now the member for Placentia has only mentioned that he saw a cheque or cheques payable to a cabman and charged to the pit prop account. There is not sufficient in that to warrant my taking it up. If the member for Placentia makes a definite deposition in the regular way to the effect that the Hon. Dr. Campbell issued cheques from the Treasury to pay for cab fares in connection with his election campaign then I will take the matter up. If a definite charge is made I will do my duty.

MR. WALSH:—Mr. Speaker, apparently the Minister of Justice forgets that auditors were brought down here in 1919 to investigate fictitious charges. You also sent men up to Ferryland to make inquiries, and investigate, it is not necessary to import people here to do it because we have lots of local detectives who are capable of investigating the matter. The amount that I am certain of is only seventy-two dollars used up in the same way? We have been pleading here this afternoon for some means of relief to help the unemployed in keeping body and soul together and yet Dr. Campbell and other Government officials are given blank cheques with power to fill in any amount which they require.

SIR M. P. CASHIN:—Mr. Speaker, before closing I want to say a few words. I heard the charge made by the member for Placentia, I also heard the answer given by the Attorney General. I do not think that the way mentioned by him is the regular course. Suggestions, not charges were made against me some years back, and while I was out of town the Auditor General was placed in my department to make certain inquiries about the bounty paid on the schooner "Lorina"

by the present Prime Minister who was then Minister of Justice and the then Prime Minister E. P. Morris, now Lord Morris. When I arrived back to town I demanded a stay of proceedings, but was told by the Attorney General of that day that the inquiry had to proceed, this was done to me because I was not as pliable as they would have liked me to be. A different procedure is taken now. It is the Attorney General's business? What are you going to do about it? It is one of the most serious, if not the most serious charges ever made in this House against a Minister. The Attorney General's answer is simply a hair-splitting answer. If some poor boy had stolen a loaf of bread to satisfy his hunger, a half dozen policemen would be sent after him and he would be jailed. Now a Minister of the Crown is charged with a serious offence and a hair-splitting process is gone through to save an inquiry. The public will draw the conclusion and rightly so that the Government is afraid to investigate.

It was moved and seconded that when the House rises it adjourn until to-morrow afternoon at three of the clock in the afternoon.

The House then adjourned accordingly.

FRIDAY, July 6th, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Sir M. P. Cashin gave notice of question.

Pursuant to order, and on motion of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole to consider the Bill "An Act for the settlement of Certain Disputes Relating to the Newfoundland Railway and other matters."

Mr. Speaker left the Chair.

Mr. Jones took the Chair of Committee.



Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the Bill without amendment.

On motion this Report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Whereupon, on the motion that the said Bill be read a third time, the House divided, when there appeared in favor of the motion

Prime Minister,  
Minister of Justice,  
Minister of Finance,  
Minister of Marine and Fisheries,  
Minister of Education,  
Hon. Mr. Foote,  
Minister of Public Works,  
Sir W. F. Coaker,  
Mr. Grimes,  
Mr. Winsor,  
Mr. Abbott,  
Mr. Randell,  
Mr. Galpin,  
Mr. Simmons,  
Mr. Cramm,  
Mr. Hawco,  
Mr. Hibbs,  
Mr. Jones,  
Mr. Brown,  
Mr. Downey,  
Mr. Scammell, (21)

and against it:

Mr. Higgins,  
Sir M. P. Cashin,  
Mr. Hunt,  
Mr. Sinnott,  
Mr. Vinnicombe,  
Mr. J. Moore,  
Mr. Cashin,  
Mr. Sullivan,  
Mr. Woodford,  
Mr. Fox,  
Mr. P. Moore,  
Mr. Walsh, (12)

so it passed in the affirmative and was ordered accordingly.

Whereupon the Bill entitled "An Act for the settlement of Certain Disputes

Relating to the Newfoundland Railway and other matters" was read a third time and passed, and it was ordered that it be engrossed, being entitled as above, and that it be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.

Mr. Cramm, on behalf of the Select Committee, appointed to draft a reply to His Excellency's Speech, presented the report of the Select Committee, as follows:

To His Excellency Sir William Lamond Allardyce, K.C.M.G., Governor and Commander in Chief in and over the Island of Newfoundland and its Dependencies.

May it Please Your Excellency:

We, the Commons of Newfoundland in Legislative Session assembled, beg to thank Your Excellency for the Gracious Speech which Your Excellency has addressed to both Houses of the Legislature.

(Sgd. I. R. RANDALL,  
I. R. RANDELL,  
S. J. FOOTE,  
M. S. SULLIVAN,  
C. E. HUNT.

Assembly Room,  
July 6th, 1923.

On motion this report was received and adopted.

The remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises, it adjourn until Monday next, July 9th, at three of the clock.

The House then adjourned accordingly.

MONDAY, July 9th, 1923.

The House met at three of the clock in the afternoon pursuant to adjournment.

Hon. the Minister of Finance gave notice that he would on Friday next move the House into Committee of the Whole on Ways and Means.

Pursuant to order and on motion of Hon. the Minister of Finance and Customs the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

**HON. MINISTER OF FINANCE AND CUSTOMS:**—Mr. Chairman, in drawing the attention of the Committee to the Estimates for 1923-4, I would like them to first turn to page 1 where will be found a summary of the total votes for the different departments. The vote for the Department of Finance shows a decrease of \$1,045, of the salary of the Minister of Shipping amounting to \$4,000 which also provides for certain minor increases, principally in connection with pensions.

The next vote is that for the Dept. of the Colonial Secretary. There is a decrease here of \$1,200 brought about by the fact that the census vote has been reduced by \$3,000, while there is an addition of two messengers' salaries of \$744 each, an increase in the Vital Statistics vote of \$200 and a slight increase in Contingencies.

The Dept. of Justice shows an increased vote of \$19,587.50, brought about by an additional amount of \$7,500 for the administration of Justice, an increase of \$500 for contingencies and a magistrate for Labrador.

The vote for Education is also increased by \$38,356.00. That increase is accounted for by the extra votes for teachers' salaries and augmentation to the different Boards in accordance with the increase in population shown by the census returns. These votes are made; as the Committee is aware, on a per capita basis. There is also an increase in contingencies of \$1,500, while two votes have been dropped, including that of \$2,000 for the summer school.

In Public Charities there is an increase of \$11,968.00. This is made

up by increased medical attendance in the outports and miscellaneous, increased votes for paupers and lunatics, an additional amount for the care of wrecked crews, hospital charges for those unable to pay for themselves and outport nursing. While there is an increase of \$25,000 for Public Health, the Small-pox vote has been reduced by \$6,500.

The Dept. of Marine and Fisheries shows an increase of \$21,327.00, brought about mainly in connection with the shipbuilding bounty for which there is an increased amount of \$15,000. There are also a number of increased votes for light houses.

In the Dept. of Public Works there is an increase of \$37,250, made up largely by the increase for repairs to public buildings which was cut down a couple of years ago. There are also a number of increases under contingencies and a special road grant which was dropped last year has been put back. This is, of course, not really an increase.

The Dept. of Posts and Telegraphs shows an increase of \$11,914.02. This includes provision for increased expenditure owing to the interruption in the regular mail services, new stamp issues, bags and seals, carriers, etc.

The Customs Dept. vote is decreased by \$20,881. Last year there was a vote of \$100,000 for refunds. This has now been cut down to \$80,000.

There is an increase of \$150,000 in the vote for the Controller's Dept. This is merely for Customs duties for which there was no provision last year and is but a matter for accounting.

The vote for the Dept. of the Assessor of Taxes shows an increase of \$1,800. This is accounted for by the fact that the salary of a clerk which was formerly paid out of General Contingencies has now been put in the regular Estimates.

Contingencies show an increased vote of \$4,552.00 caused by bonus of

\$3,000 on exports of cold storage fish and interest on Harbor Grace Water Company stock amounting to \$1,252. In the vote for military pensions there is a reduction of \$12,000. The Auditor General's Dept. contingencies shows certain apparent increases but these are not increases, they are amounts that have been transferred from general contingencies to the regular Estimates.

MR. HIGGINS:—What is the intention with regard to the Department of Shipping?

HON. MINISTER OF FINANCE:—There is only one clerk and a stenographer there at present and these will be retained there to attend to the necessary work in connection with the operation of the boats till they are contracted for.

MR. HIGGINS:—What about Mr. Foley and the others in the Coastal Office, how are they paid?

HON. MINISTER OF FINANCE:—They are paid out of the subsidy vote. That is a regular amount as subsidy is credited to the steamers Portia and Prospero just as it was paid when they were owned by Messrs. Bowring Bros. and all expenses and salaries in connection with the running of them are paid out of that vote. This system has been carried out since Sir John Crosbie's time in the Department of Shipping.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on to-morrow.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again on to-morrow.

The remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises it adjourn until

to-morrow afternoon at a quarter past twelve.

Sir M. P. Cashin gave notice of question.

The House then adjourned accordingly.

TUESDAY, July 10th, 1923.

The House met at quarter past twelve of the clock in the afternoon, pursuant to adjournment.

Mr. Speaker informed the House that in accordance with the intimation received His Excellency the Governor would receive the Address in Reply presently.

Accordingly Mr. Speaker and the House proceeded to Government House, and being returned to the Assembly Room, Mr. Speaker informed the House that His Excellency had received the Address of Thanks, and had been pleased to reply as follows:

Government House,  
St. John's, Newfoundland.

Mr. Speaker and Gentlemen of the Honourable House of Assembly:

I thank you for your Address in Reply to the Speech with which your present Session was opened.

(Sgd.) W. L. ALLARDYCE,  
Governor.

July 10th, 1923.

Mr. Speaker informed the House that he had received a message from the Legislative Council acquainting the House of Assembly that they had passed the Bill sent up entitled "An Act Further to Amend the Act 6 George V (1915), Chapter Four, entitled 'An Act for the Confirmation of a Contract with the Newfoundland Products Corporation, Limited,'" without amendment.

Mr. Speaker informed the House that he had received a message from the Legislative Council acquainting the House of Assembly that they had passed the Bill sent up entitled "An Act for the Settlement of Certain Disputes Relating to the Newfoundland and

Railway and other Matters," without amendment.

It was moved and seconded that when the House rises it adjourn until Thursday afternoon at three of the clock.

The House then adjourned accordingly.

FRIDAY, July 13th, 1923.

The House met at three of the clock in the afternoon, at the call of Mr. Speaker.

At a quarter past three of the clock the Gentleman Usher of the Black Rod appeared at the Bar of the House with a message from His Excellency the Governor commanding the attendance of the House in the Council Chamber.

Accordingly Mr. Speaker and the House attended His Excellency the Governor, in the Council Chamber.

And Mr. Speaker and the House being at the Bar of the Council Chamber, His Excellency the Governor was pleased to assent to the following Bills:

"An Act Further to Amend the Act 6 George V (1915), Chapter Four, entitled 'An Act for the Confirmation of a Contract with the Newfoundland Products Corporation, Limited.'"

"An Act for the Settlement of Certain Disputes Relating to the Newfoundland Railway and other matters."

It was moved and seconded that when the House rises it adjourn until Tuesday next, 17th inst., at three of the clock.

The House then adjourned accordingly.

THURSDAY, July 12th, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Sullivan gave notice of question.

Mr. Moore gave notice of question.

Mr. Cashin gave notice of question.

Mr. Walsh gave notice of question.

SIR M. P. CASHIN asked Hon. the Colonial Secretary, in the absence of Hon. the Minister of Posts and Telegraphs, what amount of taxes paid by Commercial Cable Co., and on what number of cables for the past year.

HON. THE COLONIAL SECRETARY:—There was no information in connection with the Colonial Secretary's Department or the Department of Posts and Telegraphs. The question has been referred to the Finance Department and the answer will be forthcoming on to-morrow.

SIR M. P. CASHIN asked Hon. the Prime Minister for details of the payments under Minute of Council of \$637.00 and \$1580.00 Heading (ii) in the Public Accounts in the Department of the Prime Minister and Colonial Secretary.

HON. THE PRIME MINISTER:—If my honourable friend will refer to the Estimates he will find that they are the same as they were last year; he will also find that the salary for a filing clerk was \$720. It was impossible to secure a capable male filing clerk at \$720, less a reduction, under the Act, amounting to \$83, or \$637 all told. Inter-departmental arrangements were consequently made by which the work of the filing clerk was thrown on the other clerks of the Department and the \$637 was divided amongst them. With respect to the amount of \$1580 of the Colonial Secretary's Department the same principle appertains. There was a clerk short in the Department and it being impossible to get outside help sufficiently to do the work for the small salary voted, the amount in question was divided up amongst all the other officials of the department on a percentage basis to do the work.

SIR M. P. CASHIN asked Hon. the Prime Minister for details of amount of \$5000.00 charged against him in the Public Accounts 1921-22.

HON. THE PRIME MINISTER:—

The \$5000 referred to and which we discussed at the last session of the Legislature was a payment to myself in connection with the raising of the Loan and which payment was the same as was previously made in connection with the raising of other loans.

SIR M. P. CASHIN asked Hon. the Prime Minister to table a detailed statement of the cost to the Government of the Handbook issued by Dr. H. M. Mosdell in 1921-22, showing to whom the several payments were made and amounts in each case.

HON. THE PRIME MINISTER:—The information is being prepared and will be ready by to-morrow.

SIR M. P. CASHIN asked Hon. the Prime Minister for a detailed statement of amounts paid on account of Tariff Commission and members there to date.

HON. THE PRIME MINISTER:—The information is also being prepared.

SIR M. P. CASHIN asked Hon. the Prime Minister for a detailed statement of payments made to the several Superintendents of Education and their assistants for the years 1919-20, 1921-22, 1922-23 by way of salaries, expenses, perquisites or otherwise.

HON. THE PRIME MINISTER:—There is no information under my control as to that matter and it has been referred to the Hon. Minister of Education.

SIR M. P. CASHIN asked the Minister of Finance to lay on the Table a statement showing for what service the late Speaker, Mr. Penney, received the sum of \$2,500, and the Chairman of Committees, Mr. Hibbs, received the sum of \$1,680, as shown by the public accounts.

HON. MINISTER OF FINANCE:—I beg to table the information.

SIR M. P. CASHIN asked Hon. the Minister of Justice to lay on the table a statement showing what amounts, if any, have been received by the Hon.

Prime Minister on account of the Labrador Boundary case since the present Government assumed office.

HON. MINISTER OF JUSTICE:—The amount was \$5,000, paid in April 1923.

Pursuant to order and on motion of Hon. the Minister of Finance, the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

MR. HIGGINS:—Mr. Chairman, the Hon. Minister of Finance in a reply to the honourable member for Carbonear stated that Hon. the Speaker received \$2750 while his sessional pay is only \$750.

HON. THE PRIME MINISTER:—The present Minister of Finance did not hold that position at the time and may not be able to explain in detail. That session was an unusually long one and extra payments were made to every official connected with the House.

MR. HIGGINS:—The answer flabbergasted me considering that his sessional pay is only \$750 and he had another \$1000 as a sitting member. But we will come to these things later. That answer alone is sufficient reason for me to thank the Hon. Minister of Finance for the manner in which he has tried to get information for us and those under him who so promptly followed his orders. I would also suggest to him that in view of the importance of the figures in the report of the Auditor General, the details of expenditure are satisfactory—that is at first blush. As to the Mines Department they are satisfactory to the extent of showing how more than a million is made up, but as Mr. Walsh says there is another million in connection with contracts that is not clarified. Then under the head of the Public Works there is a general statement of \$1,167,000. We are hoping to be able to

get information as to the amounts spent in the various districts and on relief work, etc. We do not expect to get the individual amounts but the Hon. Minister will agree that the statement as at present is very vague. We would also like to see how the amount of \$480,000 for Charities is divided throughout the country. I appreciate fully that the requests will mean extra work but in the long run it will save time in dealing with the Estimates. My suggestion to-day is that we adopt the practice as followed in other countries and in the light of the enormous expenditures made last year, largely by Minute of Council, seek to learn before we get the Budget from the Hon. Minister how far we can carry on. In the light of the present uncertain conditions it would not be wise for us to sit down here and pass such expenditures before learning just how much we can vote. It is impossible to proceed with the Estimates yet as we have had no chance of considering the figures involved.

**HON. MINISTER OF FINANCE:—**Mr. Chairman, as to the remarks of the Leader of the Opposition I may say that we will get the information as to the various votes as quickly as possible and will have the Budget ready for Tuesday.

**MR. SULLIVAN:—**Mr. Speaker, there is another matter of far reaching importance that I would like to refer to and that is whether there has been supplies given out by the Government for the fisheries.

**HON. THE PRIME MINISTER:—**None at all; if you will name an individual case in which such supplies were given out I will chase it for you.

**MR. SULLIVAN:—**If any supplies were given out the people of Placentia Bay would like to get their share.

**HON. THE PRIME MINISTER:—**No supplies at all were given out.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again.

On motion this Report was received and adopted, and it was ordered that the Committee have leave to sit again.

It was moved and seconded that when the House rises it adjourn until Tuesday next at three of the clock in the afternoon, unless previously summoned by Mr. Speaker for the purpose of receiving the Governor's assent to Bills already passed.

Hon. the Prime Minister gave notice that he would on to-morrow ask leave to introduce a Bill entitled "An Act respecting certain Rights, Privileges and Franchises connected with the Supply of Electric Light and Power to St. John's for Street Railway and other purposes."

The House then adjourned accordingly.

TUESDAY, July 17th, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Hon. the Prime Minister tabled annual report of Newfoundland Patriotic Fund, December 31st, 1922.

Hon. the Minister of Education tabled Report of the Department of Education.

Hon. the Minister of Education tabled Report of Council of Higher Education, 1922.

Mr. Sullivan gave notice of question.

Pursuant to notice and leave granted, and on motion of Hon. the Prime Minister the Bill entitled "An Act respecting certain Rights, Privileges and Franchises connected with the supply of Electric Light and Power to St. John's for Street Railway and other purposes," was introduced and read a first time and it was ordered that the said Bill be read a second time on to-morrow.

HON. THE PRIME MINISTER:— The Hon. Minister of Finance was ready to bring in the Budget Speech but in consequence of the desire to bring in the change of tariff necessary in connection with the Spanish agreement and the preferential tariff with Jamaica it has been deferred. Special resolutions will have to be introduced dealing with the granting of preferential tariffs on the goods from the countries mentioned. If certain changes are made Jamaica will include Newfoundland in the advantages of her treaty.

MR. SULLIVAN asked Hon. the Minister of Finance and Customs to inform this House: (a) What is the full pension paid W. J. Blandford; (b) what position W. J. Blandford held in the Civil Service; (c) how many years he was in the Civil Service; (d) when was he appointed.

HON. MINISTER OF FINANCE:— The information is not in my department but is being obtained from the Dept. of Public Works.

MR. SULLIVAN asked Hon. the Prime Minister, in the absence of Hon. the Minister of Agriculture and Mines from this House, to lay on the Table a copy of all contracts made by the Government, with one Mr. Rogers, or other person, for the sale of Government pulp wood and or pit props.

HON. THE PRIME MINISTER:—I beg leave to table the answer.

MR. SULLIVAN asked Hon. the Minister of Finance and Customs to lay on the Table of this House a detailed statement of the \$2500 which was paid the Trinity Bay Mining and Developing Co., charged in the Contingencies Account 1922 and 1923.

HON. MINISTER OF FINANCE:— I will have the information before the House adjourns.

MR. P. MOORE asked Hon. the Prime Minister for detailed statements of amounts paid to R. Cramm from 1920 to date and to state for what the

several payments were made and date of last payment.

HON. THE PRIME MINISTER:—I will table the information as soon as received.

MR. P. MOORE asked Hon. the Prime Minister for a detailed statement of \$221.55 on account of motor supplies from Dodd's Garage as listed in public accounts 1921-22 under heading Model Farm, also state where supplies were used.

HON. THE PRIME MINISTER:—I beg to table the reply.

MR. CASHIN asked Hon. the Prime Minister to table a statement showing for what services D. J. Davies was paid the sum of \$1000.00 in addition to his regular salary.

HON. THE PRIME MINISTER:— That was a payment made Mr. Davies for services as the Government representative on the International Scientific Research Committee. I think he was appointed about 1921.

MR. CASHIN asked Hon. the Prime Minister to table in detail statement of vouchers, etc., of \$375.00 paid to Dr. H. M. Mosdell respecting copies 5000 facts of Newfoundland. Also state the total sum that has been paid for 5000 facts and handbooks issued by Dr. Mosdell including printing of same.

HON. THE PRIME MINISTER:—I will table the information as soon as received.

MR. CASHIN asked Hon. the Prime Minister for a detailed statement of the \$2500.00 paid the Tariff Commission.

HON. THE PRIME MINISTER:— That information is being prepared and I will table it this afternoon.

MR. CASHIN asked Hon. the Minister of Justice for a detailed statement of the amount of \$6049.25 paid by his Department on account Imperial Expenses 1918-19.

HON. MINISTER OF JUSTICE:—

There is no record of that in the Dept. of Justice.

MR. WALSH asked Hon. the Prime Minister for a detailed statement of vouchers, etc., of Mr. W. R. Howley for which he was paid the sum of \$1000.00 as professional services as charged to General Contingencies Account.

HON. THE PRIME MINISTER:—He was engaged as counsel for the Colonial Secretary in the Burgeo-La-Poile election recount. The petition was filed on the assumption that the election was not valid in that the Colonial Secretary had failed in his duties. The point was raised by Mr. Morine, but failed.

It was moved and seconded that when the House rises it adjourn until Monday afternoon next, 23rd inst., at three of the clock.

The House then adjourned accordingly.

MONDAY, July 23rd, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

At quarter past three of the clock there being no quorum, and the members present, Hon. Dr. Barnes and Sir William Coaker, Mr. Speaker adjourned the House until to-morrow afternoon, at three of the clock.

TUESDAY, July 24th, 1923.

The House met at three of the clock

MR. HIGGINS:—Mr. Speaker, I wish to present a petition from the people of Bauline, in the District of St. John's East, for the erection of a breakwater. I would like to point out to the Minister of Marine and Fisheries that the inhabitants of Bauline, who are very industrious and hard-working, are exposed to considerable hardship due to the want of a breakwater. Some two years ago the breakwater which then existed, was destroyed, and to show the extreme ne-

cessity of the case they are prepared to give free labour for the construction provided the Government will grant the small sum of seven hundred dollars to buy the necessary materials. I would like to ask the Minister of Marine and Fisheries to give his attention to this matter as soon as possible.

MR. FOX:—I wish to endorse that petition just presented by my colleague Mr. Higgins. The work is very necessary and the amount required is small. The people are prepared to contribute their labour freely. Of late twenty-four boats with their engines and all their gear have been lost because there was no breakwater for their protection. I feel sure that the Marine and Fisheries Department will appreciate the situation and grant the necessary funds.

MR. VINNICOMBE:—I wish to support the petition. The people are hard working and go through considerable hardship. The Department should see that this breakwater is provided for at once. I don't think that party politics should interfere in this matter at all. Every one of the seventy men of the place has signed the petition and I hope prompt attention will be given to this matter.

The remaining Orders of the Day were deferred.

HON. MINISTER OF JUSTICE:—Mr. Speaker, in moving the adjournment of the House I desire to say that since the House last met, the Government as a Government has gone out of office. The resignation of Sir R. A. Squires as Prime Minister automatically carried with it the resignation of all the members of the Executive Government. As His Excellency the Governor has pointed out to me, Ministers are still retaining office as the King's Government must go on, and the constitutional practice is for them to retain office until they are succeeded or the positions are other-



wise filled. His Excellency sent for me yesterday afternoon and asked me to form an administration and, while realizing the magnitude of the task, I told him that I was prepared to make the attempt.

Sir, the Government is primarily formed by the people and can only function while it has the confidence of the House. In fact I go so far as to say it can only function at times when it has the confidence of the people.

Last evening I was unanimously elected Leader of those who sit on this side of the House, but that does not necessarily mean that I become Prime Minister.

I have to form a Government, and in that undertaking and in view of what I have said, I propose to attempt to form what in my opinion will be an administration of strength and stability and one which will possess the confidence of the country at large. In view of the situation and of general conditions, I want to ask here and now every member of the House, whether sitting on this side or on that, and, in fact, every member of the community to make any little sacrifice that may be necessary for the welfare of our common country. If this is impossible and I cannot form such a Government, then I am quite ready to go back to His Excellency and, while telling him of my failure, ask him to send for someone who may be more successful. It will take some little time to make the necessary arrangements, and I therefore move that at its rising this House adjourn until Tuesday next at three o'clock in the afternoon.

It was moved and seconded that when the House rises it adjourn until Tuesday afternoon next, July 31st, at three of the clock.

The House then adjourned accordingly.

TUESDAY, July 31st, 1923.

The House met at three of the clock

in the afternoon, pursuant to adjournment.

Mr. Cashin gave notice of question.

Mr. Moore gave notice of question.

HON. THE PRIME MINISTER—

Mr. Speaker:—Before the orders of the day are proceeded with I beg leave to say a few words, with the permission of you and the House. Since I last addressed the House I have succeeded in forming an administration and in carrying out the task imposed upon me by His Excellency. When called upon to form a Government in view of conditions in the country and in order to make the Government a more representative one, I approached the Hon. and learned Leader of the Opposition and requested the co-operation of that party. In the interests of the Colony they were prepared to assist, but in negotiating the details of an amalgamation we came to a deadlock and negotiations came to an end. I must express my regret that I failed but I take this opportunity of saying how I appreciate the personal tribute of confidence they paid me in preparing to co-operate under my leadership. Accordingly, Sir, I have formed a Government from the material I had at my disposal on this side of the House, and I am glad to say I have a united party behind me. The history and experience of previous Prime Ministers are not such as to encourage me to undertake the responsibilities of the position and I am further discouraged by the legacy left me. It cannot be denied that the party and the Government have sustained a severe blow by reason of recent happenings. Undoubtedly public confidence has been shaken. Then, Sir, I have to ask myself the question "How can I restore that confidence?" My answer is, first, by an impartial and immediate investigation into the departments concerned. The commission of enquiry must have carte blanche. It must have an absolutely

free hand. The commission must be one in which the public will have confidence, and I will even go so far as to submit the names to the Leader of the Opposition before the commission is appointed. I owe it to the country, to my party, and to myself to have this investigation and to make it as thorough as possible. We all want to start with a clean slate. Secondly, we think we can restore confidence by adhering to the path of rectitude and by seeing that no charges can be levelled against my administration, and thirdly, by prudent honest administration to merit the approbation of the country. I make no pretensions to statesmanship. I do not profess to be one, but by these simple means it may be possible to restore confidence. I count upon the healthy and helpful criticism of the Opposition towards this end. We shall of course come in for criticism, harsh criticism, but I think I am safe in saying—to use a common expression—they will not hit me “below the belt.” And, Sir, by the time a general election is upon us, if I have not inspired the confidence and trust I have anticipated I shall gladly and willingly transfer the burden to more capable shoulders.

MR. HIGGINS:—Mr. Speaker, following the example of the Hon. the Prime Minister, I have to ask the permission of yourself and the House for saying just a word or two. At the outset I desire to thank the Leader of the House for the very open manner in which he has just addressed us, and for his frank admission that the desire to form a Coalition Government emanated from himself and those who supported him. I think in making this admission publicly he has done himself credit. I go further and say that in his desire to avail of the recent and unexpected political development to change the lines of demarcation which unfortunately are at present existing in this Assembly he has set an ex-

ample in liberality of thought that should not quickly be forgotten. Every right-thinking man must deplore the present unnatural division which exists in this House. And so, when an opportunity was offered to alter this situation, and the offer was made from a majority of the House, it may be wondered why this proposal was not accepted. Well, Mr. Speaker, the answer is simple. It was not a question where we were masters of our own destiny. To me, personally, the matter of associating with the new Prime Minister would have been a pleasure. As a life-long friend I have had especial opportunities to confirm the statement I now make as to his honesty of purpose and absolute trustworthiness. It will be a great disappointment to me if in his new office he fails to live up to the high opinion I have always held of him.

It might also be asked why an opportunity to obtain what is commonly referred to as “place and power,” namely offices of emolument for ourselves was thrown down. Well, I think I speak the thoughts of Sir Michael Cashin (who because of his seniority in the House was associated with me in the discussions that have recently taken place) that we felt we were helpless. We could not think alone of ourselves and our friends on this side of the House. There was a power beyond us. We were merely the servants of the people who sent us here, and so had to act as we thought was proper in their interests. We did not seek office; the request came from the other side. We were prepared to go a long way to assist in making a stable Government, but there was a limit to our co-operation. Right from the outset we insisted that the party led by the late Prime Minister should go on. His successor in office had the unanimous support of his party, and there was really no absolute necessity for a further strengthening of his ranks.

He had a majority of 21 to 13. He and his associates had decided to dethrone the late Prime Minister, and we were but spectators to the unexpected tragedy. The reasons for this change of leadership were matters to be explained by them. Despite rumours to the effect that this was a "plot"; despite the propaganda that it was a religious "frame up" so that we could obtain power and monetary remuneration, we are to-day in the House exactly as before the change of leadership in the Government ranks. We retain our solid front, and the only loss is from the opposite side. No, Mr. Speaker, we did not desire to ride into power over a corpse. We do not, to use a football expression, like to win the game by a "penalty kick." We would rather secure our goal by other and more sportsmanlike means of play. Nevertheless it is but due to the new Prime Minister and his colleague, Sir William Coaker, for me to say that in their conferences with Sir Michael Cashin and myself they displayed a spirit of interest in the public welfare that is to their credit. It is probably better that we were able to meet and part in this spirit, and that it was impossible to come to a common basis of agreement.

Who knows but that it was providential that the opportunity has occurred to get matters cleaned up. Things could not go on as they have been going, and it is due to the members of the Government themselves that there should be a full and complete investigation of the happenings that have led up to the present situation. It is not fair, until we see how far the members of the Government are responsible for what has taken place, to comment here upon the unfortunate affair which in our private capacities we all so deeply deplore. We are hopeful of a full and careful house-cleaning by a tribunal which, to use an expression that is inelegant but expressive, will "white-

wash" nobody. If ever there was a time when party differences should be dropped and party affiliations left out of consideration it is while this enquiry is being proceeded with, so that, while we may criticise where it is found necessary to do so, I think it will be found that whatever criticism is offered from this side of the House will be of a helpful nature rather than that which may be calculated to impede the progress of the business of the legislature. We on this side have every wish that the Hon. Prime Minister may receive the fullest support from the members of his own party, and I will go so far as to say that if they were not prepared to give that support they would not be worthy of the place which they occupy in this House. Therefore, Mr. Speaker, it is our intention to do everything possible to facilitate the Hon. Leader of the House in cleaning up the mess that he is confronted with, but when the decks are properly cleared for action again we can assure him of a fair and determined fight. We do not want to charge him until he has both legs on the ground. In this spirit we extend to the Hon. the Prime Minister the assurance that there will be no cause for complaint so long as he lives up to the promise that he has given to have a thorough investigation by an impartial board. This is a feature which, no matter how we may be disposed personally, we cannot cloak up. It is not a personal matter but one which affects the whole country and of which the country must have full information. This enquiry may restore confidence at a time when confidence is sorely needed because there are difficult times ahead and unless the public can have faith in those who are in high places, in those who are responsible for the expenditure of public monies, our position will be very little better than it was before.

Pursuant to order and on motion of

Hon. the Minister of Finance, the House resolved itself into a Committee of the Whole on Ways and Means.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

HON. THE MINISTER OF FINANCE AND CUSTOMS:—Mr. Speaker, I approach the presentation of the annual Budget with much diffidence because I recognize that the few weeks during which it has been my honour to occupy the onerous and responsible position of Minister of Finance and Customs of this Dominion have been altogether too short to enable me to get such a grasp of the general financial situation that I can on this occasion address you with the assurance and authority which is so desirable in an important matter of this sort. I have found the situation particularly difficult because I have had to retain the general supervision of the Ministry of Shipping which was the Department which I held up to a few weeks ago, and in addition to that the pressure of Legislative responsibilities has further encroached upon the time which I would otherwise have had to give full and careful study to our financial problems. I therefore feel that I shall have the indulgence of the House on this occasion, if I deal with the matter briefly and rely almost entirely upon the official statistics provided in the report of the Auditor General and statements and estimates which I have secured from the responsible officials of that Department. I think, however, that the entire House will agree with me that in view of the very short period of time in which I have had to get in touch with the Department of Finance and Customs, the House would prefer my quoting official figures and semi-official estimates rather than that I should submit statements and estimates for the preparation of which I would undertake

to assume sole responsibility in spite of the brevity of my tenure of office.

In the Budget Speech delivered on the 25th of May, 1921, by the late Prime Minister, Sir Richard Squires, the revenue for the fiscal year expiring on the 30th day of June, 1922, was estimated at \$8,404,500.000. It can readily be understood that the attempt to make close estimates of the Customs tariff the collection of which is made on an ad valorem basis is at all times hazardous and particularly hazardous in view of the unsettled and abnormal post-war conditions. I therefore feel, and I am sure this House will concur in my statement, that the Estimates of the late Prime Minister were most conservative and business-like, for, as a matter of fact, in spite of the abnormal depression of that year the revenue actually collected exceeded the amount estimated by the sum of \$95,180.92. The exact figure is \$8,499,680.92 while the amount estimated as per the late Prime Minister's Budget Speech was \$8,404,500.00.

#### Duty Off Salt Bulk Fish.

As I have already said, it is not an easy thing to make an estimate at the beginning of a year. In the Budget Speech also delivered by the late Prime Minister, Sir Richard Squires, on the 5th day of April, 1922, the revenue for the fiscal year 1922-23 was estimated by him at \$8,953,000.00. The estimate was based upon the tariff then in force and as amended by the Resolutions submitted to the House contemporaneously with the delivery of the Budget. It will be remembered that after the delivery of the Budget Speech an acute situation arose with respect to the prosecution of our staple industry, the fisheries, and as a result certain substantial reductions in taxation were made on various necessary articles in connection with outfitting for the fishery. At a later date when market conditions abroad became so depressed that

it was patent to all that, having regard to the prices which could be secured for our staple article and having regard to their depreciated exchange in our markets, the fishery could not be prosecuted during the year at a profit, and when the time arrived when the wholesale merchants of the country were placing orders abroad for this spring's fishery it was seen that further reduction in taxation should be effected, in the hope that thereby the fishery industry might be stabilized and the cost of outfitting materially reduced. An effort was made in two directions:

1. By a removal of the export tax on dry codfish and a refund of export tax which had been collected up to the date of that decision on the proceeds of last year's voyage. (I am now recommending that the export duty be taken off Salt Bulk Codfish entirely and a resolution to that effect will be submitted to the Committee.)
2. The elimination of the twenty-five per cent. surtax which had been imposed some years previously for the specific purpose of securing additional revenue to meet the special War burden which the Colony was carrying.

There was also a large reduction in the tax on sugar, namely, a reduction of two and one half cents per pound. The aggregate of these reductions as at the 30th day of June 1923, is estimated at the sum of \$412,040.00. The actual revenue as at the 30th day of June is estimated at \$8,844,000.00. It will be thus seen that when in his Budget Speech of April 5, 1922, the late Prime Minister, Sir Richard Squires, estimated a revenue of \$8,953,000.00 on the basis of the tariff then current he was again conservative in his estimate, the revenue for the year on that basis actually working out at the approximate sum of \$9,237,040.00, which was \$303,040.00

more than his estimate. In view, however, of the special reductions in revenue subsequently made for the purpose of stabilizing our fishery operations, the gross revenue as at the 30th day of June is now estimated at \$8,844,000.00.

#### Reduction.

It will be remembered that during the debate on the Budget in the House of Assembly in April and May last, the necessity for material reduction in taxation was fully discussed, and the late Prime Minister, Sir Richard Squires, then pointed out that it was a question of policy to be subsequently decided upon as to whether it was best in the interests of the country to make cheaper outfitting for the fisheries possible and at the same time to face a deficit than to maintain the revenue at its standard at that time and have a surplus. That matter of policy was very carefully considered and discussed after the close of the Legislature, was later fully discussed and the opinion of some of our leading financiers taken thereon, and the decision of the Executive Government was that, having regard to world conditions appertaining particularly to our fish trade and generally with a view to cheapening the cost of goods to the consumer, the proper policy to adopt to secure an ultimate revival of trade was to make a sweeping reduction in ad valorem taxation on imported goods and report a deficit. While I was not then Minister of Finance and Customs, nor a member of the Cabinet and therefore was not closely identified with the policy then adopted in that connection, yet I fully agree that under trade conditions relating to the marketing of our goods abroad and the necessity for the stimulation of trade at home, that the decision was a wise one. I consequently have no hesitation whatever in reporting a shortage in revenue due neither to lack of imports on

the one hand, nor lack of trade and business ability at home on the other, but due to the policy of the Government in making a sweeping reduction in taxation which has meant the lifting in a very large measure of the burden of taxation on our people and a corresponding stimulus to the trade of the Colony. That that has actually worked out in fact is shown by the Customs returns as furnished week by week. These statistics show that the reduced duty meant larger importations and the comparative figures for the port of St. John's for the four weeks which have already passed of the new fiscal year, make that position quite clear.

My estimate of the revenue for the fiscal year 1922-23 is as follows:

#### ESTIMATE OF REVENUE ON CURRENT ACCOUNT, 1922-1923.

Customs .....	\$6,325,000.00
Postal .....	207,000.00
Telegraphs .....	169,000.00
Stamps .....	40,000.00
Crown Lands .....	80,000.00
Liquor Sales .....	550,000.00
Fines and Forfeitures .....	6,000.00
Fees Public Institutions .....	60,000.00
Broom Dept. Penitentiary .....	6,000.00
Interest Guaranteed Loans .....	84,000.00
Excess Profits .....	20,000.00
Income Tax .....	250,000.00
Sales Tax .....	60,000.00
Miscellaneous .....	500,000.00
Taxes, Cable and Bank .....	70,000.00
Estate Duties .....	140,000.00
Bank Tax 3/8 of 1% .....	125,000.00
Civil Service Reduction .....	150,000.00
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	\$8,844,000.00

#### Shows Deficit.

My estimate of expenditure on current account for 1922-23 is as follows:

#### ESTIMATE OF EXPENDITURE ON CURRENT ACCOUNT 1922-1923.

Interest on Public Debt .....	\$2,850,000.00
Finance Department .....	360,000.00

Colonial Secretary's Department .....	260,000.00
Justice Department .....	330,000.00
Education Department .....	800,000.00
Public Charities Department .....	480,000.00
Marine & Fisheries .....	320,000.00
Agriculture & Mines .....	100,000.00
Public Works Department .....	1,000,000.00
Posts and Telegraphs Department .....	1,300,000.00
Customs Department .....	440,000.00
Liquor Controller .....	617,000.00
Tax Assessor .....	12,568.00
Accountant of Contingencies .....	155,000.00
Military Pensions Board .....	561,865.00
Shipping Department .....	50,000.00
Old Age Pensions .....	90,000.00
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	\$9,526,433.00

This shows a deficit of \$682,433.00. During the past year the strain upon the various Departments has been very great because of unemployment conditions which necessitated special expenditures under the head of Department of Public Charities and Department of Public Works. Certain portions of these expenses have been borne on current account. Under the circumstances in view of the sweeping reductions which were made in taxation and the extra amount borne on current account because of the depressed conditions of the country which meant additional charges under this head by various Departments, the deficit is very much less than would be anticipated on the basis of the late Prime Minister's conservative financial estimate which he submitted to the House more than a year ago. The Estimates for the year 1923-24 already tabled called for an expenditure of \$9,106,153.57 under the following heads:

1. Finance .....	\$3,130,681.35
2. Colonial Secretary .....	65,554.00
3. Justice .....	336,025.88
4. Education .....	839,851.03

5. Public Charities . . . .	439,458.33
6. Marine & Fisheries . .	346,969.39
7. Agriculture & Mines . .	115,020.00
8. Public Works . . . . .	992,080.26
9. Posts and Telegraphs . .	1,244,465.83
10. Customs . . . . .	493,960.50
11. Liquor Controller . . .	65,864.00
12. Tax Assessor . . . . .	14,840.00
13. Contingencies . . . . .	170,617.00
14. Military Pensions	
Board . . . . .	699,766.00
15. Shipping . . . . .	50,000.00
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	\$9,006,153.57

I estimate the total revenue from all sources for the fiscal year 1923-24 to be the sum of \$9,150,000.00, made up as follows:

Customs . . . . .	\$6,980,000.00
Postal . . . . .	245,000.00
Telegraphs . . . . .	185,000.00
Inland Revenue Stamps . . . . .	50,000.00
Crown Lands . . . . .	80,000.00
Liquor Sales . . . . .	480,000.00
Fines and Forfeitures . . . . .	6,000.00
Fees Public Institutions . . . . .	45,000.00
Broom Dept. Penitentiary . . . . .	10,000.00
Interest Guaranteed	
Loans . . . . .	84,000.00
Excess Profits Tax . . . . .	30,000.00
Income Tax . . . . .	250,000.00
Sales Tax . . . . .	60,000.00
Bank Tax 3/8 of 1% . . . . .	125,000.00
Cable and Bank Tax . . . . .	70,000.00
Estate Duties . . . . .	150,000.00
Miscellaneous . . . . .	150,000.00
Civil Service Reduction . . . . .	150,000.00
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	\$9,150,000.00

#### Revenue Will Exceed Expenditure.

While the general finances of the Colony on current account are eminently satisfactory, yet it will be fully realized that it would be quite impossible to carry on current account the considerable capital expenditures which it is desirable and will be permanently beneficial to the Colony to incur in connection with many necessary public improvements. The estab-

lishment of the important industrial development in the Humber Valley will necessitate a considerable addition to the railway rolling stock and equipment. A substantial proportion of the rolling stock will be provided by the contractors themselves. They have already placed an order for early delivery for more than fifty cars of various kinds which will be used by them in connection with their construction work, and the handling of their own freight and material. This additional quantity the providing of which is not a matter of expense to us will, however, not approach the additional rolling stock and equipment necessary for handling the enormous volume of freight and the very greatly increased passenger and express services which naturally result from this industrial development. Then, again, the proposed further operations with which the Anglo Newfoundland Development Company is identified will necessitate considerable additional rolling stock. A large section of the line in the western portion of the Island over which the heavy freight required for construction purposes in connection with the Humber operations must pass will require special attention, as it is estimated that there will be seven capacity load freight trains per day passing over that section in connection with the new services only, which is in addition to increased general services for the country also passing over that section. To handle that service safely and efficiently considerable expenditures for the repair and improvement of road-bed and sidings are essentially required. Within the last few years the Government's policy of main line road improvements and new road building and in particular the erection of permanent concrete bridge work to replace wooden structures has been undertaken. This policy has been pursued under the direction of the Gov-

ernment Engineer. There is nothing so important to the life and development of a community as good main line roads and bridges. Major expenditures of this nature should be handled on capital account rather than out of current expenditure. The idea of replacing wooden bridge structures with steel and concrete work is necessarily more expensive initially but from the standpoint of the years it is very much cheaper. The work which has been done by the Government Engineer in these matters has been excellent and from time to time as necessity required permanent steel and concrete bridges will be erected as new bridges are required and to replace old bridges as the present wooden structures may require replacement or extensive repairs. It would have been immeasurably cheaper for the Colony had a policy of this sort been introduced many years ago because the great burden on current revenue on account of the Department of Public Works in connection with main line maintenance is due in a large measure to the continual expense incidental to the repair and maintenance of wooden bridge work some of which is of great length and importance.

#### **\$300,000 for Railway and Other Improvements.**

The experience which the Colony has had in relief works during recent years has been very unsatisfactory. It has been difficult, often quite impossible, to secure value in labour for money expended in connection with such operations. I consequently desire to take this opportunity of expressing the firm conviction that the policy of this Administration in discontinuing relief operations is wise and that such works should not be undertaken, but that on the other hand such permanent works as are imperatively necessary for the well-being and development of the resources of the country should be undertaken on

the basis of contract subject to a rigid inspection. Such a course would give employment to those who are able and willing to give value for money expended and those who for physical or mental reasons are unable to give value in work for the money expended should be handled through the various religious and philanthropic charitable organizations assisted where necessary by the Department of Public Charities in precisely the same manner as such assistance was given prior to the post-War turmoil which has so upset labour conditions and reduced efficiency.

To meet requirements for railway equipment and improvements necessitated by the industrial development of Newfoundland which as a result of the active policy of this Administration has been so largely undertaken and to provide essential permanent improvements in connection with road and bridge work and other necessary public utilities I propose to submit in due course resolutions authorizing the Government to raise a loan not exceeding \$300,000.00. In addition to the public improvements cited above the Municipal Council requires additional funds for extensions to water and sewerage services, and highways within the Municipality. The Government has already guaranteed an advance to the Municipal Council of \$130,000.00. A very much larger sum is urgently needed for capital expenditure in the Municipality of St. John's but up to the present no application has been made by the Municipality for anything beyond the amount named. The House is aware that there is no town, city or Municipal indebtedness of any kind in the whole Island of Newfoundland, but that the entire indebtedness of the Island, including all indebtedness which would be classed as town, city or Municipal, is included within the total of our funded debt. The debt of the Municipality of St. John's, for ex-



ample, is not a debt due by the Municipality of St. John's to bond holders, but is a debt due by the Municipality to St. John's to the Newfoundland Government, on which the Municipality of St. John's pays interest to the Newfoundland Government annually, the Newfoundland Government assuming the entire liability as part of its funded debt and paying the interest semi-annually to bond-holders. Thus when we say that the funded debt of Newfoundland at the present moment is \$55,030,027.66 we announce that there are not in the Island of Newfoundland any public obligations in the nature of town, city or Municipal debts, because all such debts are included within the Colony's funded obligations. In considering the public debt of Newfoundland in comparison with the public debt of other countries this factor is rarely mentioned, but I would take this opportunity of pointing it out to the Legislature as it is a factor of extreme importance and places the public indebtedness of Newfoundland in a very favourable position as compared with the total indebtedness of other countries.

#### Savings Deposits Increased Last Year.

The peak of Savings Bank deposits was reached in the year 1919, when the amount on deposit was \$21,019,375.69. In the year 1920 the deposits had dropped to the sum of \$20,543,937.99 or a drop for the year of \$475,437.70. There was a further drop in the year 1921, when the total amount on deposit was \$20,136,958.87, or a drop for the year of \$406,979.12. The records for the year 1922 show a slight improvement over 1921, the total on deposit being \$20,163,957.51, or an amount in excess of 1921 of \$27,016.64. This is a very gratifying position because it means that the drain of depression upon Savings Bank Deposits has stopped and the amount now on interest-bearing Sav-

ings Bank deposits in the various banks carrying savings bank accounts in this country is exceeded only by the savings bank deposits for the years 1919 and 1920, the deposits for the year 1919, which was our maximum year being only in excess by the sum of \$855,400.16. In other words, the result of the period of depression through which we have passed has been to reduce the interest bearing savings deposits of our people as against the year of our maximum prosperity by the amount of \$855,400.16, or 4.06%.

#### Preferential Tariff.

On the 27th of June, 1922, the Government of the Dominion of Canada entered into a Commercial Agreement with the Government of Jamaica, under which each Government was entitled to claim the privileges of the Preferential Tariff of the other Government.

Negotiations with respect to a Commercial agreement as between Newfoundland and Jamaica were commenced in March, 1922, but had not been concluded when the Legislature closed. The late Prime Minister, Sir Richard Squires, has informed me that in February last, the governor of Jamaica agreed to recommend to the Legislative Council of that country, that the Preferential Tariff be extended to Newfoundland, provided this Government gave similar preference to Jamaica. I accordingly submit to this Legislature a Resolution under which the Products of Jamaica will be admitted to Newfoundland at a rate 25 per cent. lower than the regular tariff. This will apply to cigars, sugar, molasses, fruit, or other such products of Jamaica as may be imported, and it is hoped that the lowering of the duty may encourage greater trade in these products. Under the General Tariff in Jamaica, salmon and trout pay a duty of 7s. per 100 lbs.; herring a duty of 2s. 6d.

per 100 lbs. fish, dried, salted, smoked or pickled, a duty of 4s.-8d. per 100 lbs. Under the Preferential tariff, these duties will be 25 per cent. less. Directly and indirectly we ship to Jamaica fish products to the value of \$300,000 per annum.

#### The Spanish Treaty.

In November, 1922, the late Prime Minister, Sir Richard Squires, proceeded to Madrid, in order to secure for Newfoundland the advantages under the Commercial Treaty between the United Kingdom and Spain, which came into effect on the 6th November, 1922. Under this Treaty, salted Codfish and stock fish and other articles produced or manufactured in the British Empire were admitted into Spain at a reduced rate of duty. The duty on salted codfish had been 32 pesetas per 100 kilgos., but that fixed by the Treaty was 24 pesetas, which is a very substantial reduction in the duty applying to Newfoundland codfish entering Spain. In return for this concession it was agreed that iron ore, corks and cork discs, grapes, walnuts, almonds (shelled and unshelled), onions, tomatoes, oranges, bananas, olive oil and preserved vegetables, the produce of Spain, shall not be subject to any Customs duty on im-

portation into Newfoundland or other territory of the British Empire, nor shall any prohibition be imposed on the importation of these articles, except such prohibitions as it may be found necessary to impose in time of war. It was also provided in the Treaty that wine and wine lees, brandy, and raisins, the produce of Spain, shall not be subject on importation into British territory to higher Customs duties than those in force at the date of the signature of the said Treaty. The late Prime Minister arranged that the provisions of the Treaty should apply to Newfoundland from the 6th day of November, 1922, at which date the Treaty came into force. I shall submit a resolution for the carrying into effect of these provisions in respect of importations from Spain.

For the information of the House I have caused comparative statements and tables which were published last year to be brought up to date so far as the returns have been completed. It has not been possible to get complete records as at the 30th day of June, as it will be several weeks before complete statistics are available from various sections outside of St. John's.

**REVENUE FOR TEN YEARS—COMPARATIVE STATEMENT.**

	1912-13	1913-14	1914-15	1915-16	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22
Customs	\$3,283,804.89	\$3,083,513.66	\$2,744,867.85	\$3,050,698.42	\$4,470,537.56	\$4,023,306.31	\$7,191,200.71	\$8,068,253.36	\$6,026,900.30	\$6,343,190.79
Postal and Telegraph	203,986.78	215,124.95	228,504.20	262,798.80	282,220.92	330,906.70	410,861.02	417,062.51	303,150.10	308,303.71
Crown Lands	105,008.99	146,021.30	94,165.02	86,554.59	83,093.07	77,030.43	92,336.22	90,805.20	79,347.58	73,933.89
Fines and Forfeitures	5,695.99	5,221.18	3,015.30	3,667.01	2,600.33	3,455.31	7,471.08	7,077.36	6,906.21	6,322.66
Liquor Licenses	5,366.50	5,006.45	4,838.50	4,728.50	4,536.37					
Inland Revenue Stamps	16,645.03	18,151.89	18,891.55	22,154.08	28,846.05	44,225.83	55,267.06	63,611.00	53,228.94	30,273.38
Interest Guaranteed Loans	58,396.44	56,313.64	56,485.24	56,485.24	56,485.24	56,485.24	56,485.24	56,485.24	56,485.24	81,479.82
Brown—Penitentiary	11,616.86	9,230.85	8,169.29	10,419.69	13,444.80	25,594.07	32,388.50	22,540.14	5,758.36	6,512.42
Fees—Institutions	3,965.03	4,450.20	3,563.45	3,771.67	3,393.53	5,683.45	4,921.45	4,974.58	5,708.77	26,961.17
Profit on Coils	84,560.00			794.12	95,472.56	104,561.29		35,563.23	3,894.26	
Taxes and Assessments	55,728.02	30,651.32	38,468.85	40,237.55	40,677.19	130,865.70	55,509.92	50,854.97	251,056.71	189,480.03
Estate Duties			9,843.16	106,804.42	17,349.78	88,255.04	55,501.82	103,896.41	45,252.46	66,054.10
Liquor Sales						6,462.02	138,779.77	193,091.15	348,208.15	467,563.37
Excess Profit Tax						640,450.83	976,306.48	621,266.32	798,716.64	111,838.28
Income Tax						49,881.00	64,530.73	98,008.34	87,672.38	187,761.75
Manufacturers' Sales Tax										61,606.31
Miscellaneous—General	84,674.70	30,335.72	41,126.83	47,117.48	106,987.14	52,828.06	303,821.53	165,979.00	310,592.50	237,260.04
Do. in aid of Revenue			*008,150.02							
	\$3,618,950.43	\$3,618,328.13	\$3,060,790.25	\$4,600,271.66	\$54,206,647.53	\$6,540,082.67	\$8,535,725.16	\$10,597,561.51	\$8,436,030.85	\$8,269,660.92

\*In 1914-15 \$500,000 was taken from Loan and \$108,150.92 from Reserve Fund, in aid of Revenue.

**Comparative Statement of Savings' Deposits in Newfoundland, showing amount of Deposits as at 31st December for each of the past Ten Years.**

	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922
Bank of Montreal	\$2,989,083.00	\$3,000,013.70	\$3,177,989.00	\$4,050,430.28	\$4,411,938.29	\$4,480,191.17	\$5,820,725.00	\$ 6,013,891.00	\$ 5,822,052.42	\$ 6,034,862.90
Canadian Bank of Commerce	63,335.95	102,282.95	196,894.34	284,268.36	339,607.14	349,305.87	542,289.04	715,063.93	750,667.45	701,760.71
Royal Bank of Canada	990,187.40	922,028.79	997,228.45	1,612,019.71	2,262,047.11	2,863,334.02	3,590,813.01	3,673,856.84	3,631,236.82	3,766,033.03
Bank of Nova Scotia	1,965,145.00	2,363,659.98	2,941,873.00	3,931,978.85	5,673,668.00	6,806,390.00	8,567,566.00	7,761,179.00	7,900,405.04	7,676,778.00
Government Savings Bank	2,794,117.64	2,483,732.95	2,411,848.16	2,410,829.63	2,484,049.57	2,215,794.16	2,507,384.02	2,389,027.22	2,172,895.14	1,984,542.81
Totals	\$8,781,668.96	\$8,871,718.43	\$8,714,820.95	\$12,280,807.27	\$14,681,637.11	\$18,166,735,055.22	\$21,019,775.67	\$20,543,837.99	\$20,136,658.87	\$20,163,975.51

Total Deposits as at December 31st, 1922 ----- \$20,163,975.51  
Average for the ten years ----- 15,313,896.00

Savings' Deposits as at December 31st, 1922, exceeds ten year average by the sum of ----- 5,480,079.91

Population of Newfoundland at last Census, 238,470.

Savings' Deposits for Newfoundland on a per capita basis ----- 84.48

Average Deposits for Newfoundland during the last ten years on a per capita basis ----- 64.18

Current year's deposits exceeds average on a per capita basis by the sum of ----- 20.22

## TABLES OF IMPORTS AND EXPORTS

Year	Imports	Exports	Total
1911-12	\$14,733,490	13,874,809	28,608,299
1912-13	16,012,365	14,672,889	30,655,254
1913-14	15,193,726	15,134,543	30,328,269
1914-15	12,350,786	13,136,880	25,487,666
1915-16	16,427,336	18,969,493	35,396,829
1916-17	21,318,310	22,381,762	43,700,072
1917-18	26,892,946	30,153,517	57,046,463
1918-19	33,297,184	36,784,616	70,081,800
1919-20	40,533,388	34,865,439	75,398,826
1920-21	28,909,727	22,441,267	51,350,994
1921-22	18,209,853	19,478,417	37,688,270

## EXPORTS OF DRIED FISH

Year	Qtls.	Value
1911-12	1,388,178	\$8,001,703
1912-13	1,408,582	7,987,389
1913-14	1,247,314	8,071,889
1914-15	1,094,242	7,332,287
1915-16	1,142,327	10,394,041
1916-17	1,568,020	12,876,847
1917-18	1,821,206	18,829,560
1918-19	1,681,770	24,316,830
1919-20	1,788,015	22,671,625
1920-21	1,365,792	13,334,954
1921-22	1,592,046	11,695,668

## EXPORTS OF THE SEAL FISHERY

Year	No. of Skins.	Value.
1912-13	212,285	\$321,551
1913-14	254,167	350,794
1914-15	255,761	376,343
1915-16	128,536	306,445
1916-17	250,225	433,791
1817-18	193,448	400,394
1918-19	146,728	398,575
1919-20	62,174	170,331
1920-21	100,118	147,935
1921-22	130,241	205,552

## EXPORTS OF COD OIL.

Year.	Tuns.	Value.
1911-12	2,576	\$ 286,523
1912-13	3,164	265,433
1913-14	4,118	386,825
1914-15	4,840	434,709
1915-16	5,130	682,334
1916-17	4,893	910,079
1917-18	7,350	1,768,724
1918-19	4,516	1,411,581
1919-20	4,979	1,435,872
1920-21	2,936	474,364
1921-22	5,837	594,096

## SEAL OIL.

Year.	Tuns.	Value.
1912-13	2,884	\$270,275
1912-13	2,884	\$270,275
1914-15	2,903	292,513
1915-16	2,715	403,640
1916-17	3,250	619,819
1917-18	910	195,052
1918-19	2,849	884,318
1919-20	1,003	262,353
1920-21	1,487	248,422
1921-22	1,730	176,008

## EXPORTS OF COD LIVER OIL.

Year.	Gallons.	Value.
1912-13	36,842	\$ 18,122
1913-14	26,218	17,010
1914-15	47,170	35,837
1915-16	142,637	254,562
1916-17	214,162	471,629
1917-18	321,969	674,093
1918-19	342,592	832,352
1919-20	291,351	726,852
1920-21	45,956	79,982
1921-22	48,559	28265

## LOBSTER FISHERY.

Year.	Cases.	Value.
1912-13	26,047	\$476,940
1913-14	16,074	347,941
1914-15	6,022	92,228
1915-16	10,491	148,303
1916-17	6,505	107,503
1917-18	8,279	170,737
1918-19	4,494	102,334
1919-20	9,079	325,769
1920-21	12,450	304,954
1921-22	12,006	229,947

SALMON FISHERY.			1914-15		
Year.	Tierces Pickled.	Value.	1915-16	1916-17	1917-18
1912-13	4,866	\$ 91,720	511,990	834,310	902,380
1913-14	5,621	101,498	731,080	709,338	780,271
1914-15	4,514	74,910	510,600	514,203	561,660
1915-16	3,047	47,182	484,322	621,376	643,687
1916-17	2,445	41,287			
1917-18	4,337	91,805			
1918-19	4,111	112,442			
1919-20	1,957	56,361			
1920-21	3,113	85,503			
1921-22	5,659	125,060			

SALMON EXPORTED FRESH.			WHALE OIL.		
Year.	Lbs.	Value.	Year.	Tuns.	Value.
1912-13	298,145	\$ 25,207	1912-13	1534	\$139,120
1913-14	251,182	21,794	1913-14	966	89,402
1914-15	197,446	16,918	1914-15	586	53,327
1915-16	173,409	14,126	1915-16	526	57,669
1916-17	144,068	11,783	1916-17	294	46,233
1917-18	74,434	7,033	1917-18	80	16,851
1918-19	134,729	15,537	1918-19	294	94,461
1919-20	222,335	30,157	1919-20	154	31,503
1920-21	596,520	91,964	1920-21	34	5,852
1921-22	810,340	116,662	1921-22	5	303

HERRING FROZEN AND BULK.			WHALE BONE.		
Year.	Barrels.	Value.	Year.	Tons.	Value.
1912-13	61,480	\$103,719	1912-13	382	\$12,380
1913-14	60,172	150,014	1913-14	399	9,990
1914-15	59,596	136,731	1914-15	248	6,899
1915-16	76,060	223,059	1915-16	14	1,836
1916-17	33,444	129,721	1916-17	132	2,498
1917-18	22,163	109,991	1917-18	—	—
1918-19	23,870	156,507	1918-19	—	—
1919-20	13,142	49,656	1919-20	—	—
1920-21	21,856	78,712	1920-21	—	440
1921-22	21,739	62,586	1921-22	—	—

LUMBER.			HERRING (PICKLED).		
Year.	Feet.	Value.	Year.	Barrels.	Value.
1912-13	413,000	\$ 6,306	1912-13	73,854	\$ 219,060
1913-14	4,269,000	106,620	1913-14	75,790	319,532
1914-15	66,000	1,166	1914-15	87,540	414,278
1915-16	1,770,000	31,008	1915-16	165,527	853,085
1916-17	7,620,000	147,493	1916-17	156,299	993,741
1917-18	20,500	395	1917-18	193,885	1,957,906
1918-19	487,563	24,564	1918-19	188,499	2,379,027
1919-20	1,609,903	54,908	1919-20	129,980	1,186,208
1920-21	1,680,808	70,835	1920-21	78,232	645,398
1921-22	1,824,709	63,599	1921-22	93,753	769,921

IRON.			COPPER.		
Year.	Tons.	Value.	Year.	Tons.	Value.
1912-13	1,243,200	\$1,367,520	1912-13	17,800	\$120,650
1913-14	1,245,797	1,370,375	1913-14	13,797	66,707
			1914-15	3,250	39,000
			1915-16	9,405	111,440
			1916-17	16,056	204,307
			1917-18	5,087	58,768

1918-19 .....	56 .....	673
1919-20 .....	— .....	—
1920-21 .....	3 .....	392
1921-22 .....	— .....	—

**PAPER.**

Year.	Tons.	Value.
1912-13 .....	44,424 .....	\$1,990,229
1913-14 .....	40,077 .....	1,795,488
1914-15 .....	40,556 .....	1,817,193
1915-16 .....	62,527 .....	2,801,769
1916-17 .....	33,389 .....	1,510,440
1917-18 .....	34,060 .....	2,302,243
1918-19 .....	22,819 .....	1,545,344
1919-20 .....	80,717 .....	4,725,660
1920-21 .....	62,311 .....	4,646,582
1921-22 .....	34,512 .....	3,088,260

**PULP.**

Year.	Tons.	Value.
1912-13 .....	51,487 .....	\$436,352
1913-14 .....	51,630 .....	373,676
1914-15 .....	48,643 .....	386,878
1915-16 .....	24,749 .....	271,892
1916-17 .....	30,018 .....	637,765
1917-18 .....	14,153 .....	404,449
1918-19 .....	7,151 .....	475,178
1919-20 .....	19,864 .....	334,276
1920-21 .....	26,838 .....	246,009
1921-22 .....	19,932 .....	364,514

**COMPARATIVE STATEMENT OF IMPORTS AND EXPORTS WITH VARIOUS COUNTRIES OF THE WORLD FOR THE FISCAL YEAR ENDED JUNE 30th, 1923.**

Countries	Imports	Exports
United Kingdom	\$2,036,218	\$4,866,821
Canada .. .. .	9,077,168	1,260,225
British W. Indies	330,514	1,015,286
Malta .. .. .	—	2,397
India .. .. .	7,382	—
Ceylon .. .. .	88,154	—
Belgium .. .. .	16,739	—
Brazil .. .. .	1,070	1,712,698
China .. .. .	85	—
Foreign W. Ind.	330	307,399
France .. .. .	12,367	—
Greece .. .. .	46,127	533,785
Holland .. .. .	30,144	445,071
Italy .. .. .	4,157	1,853,400
Japen .. .. .	3,432	—
Denmark .. .. .	1,259	1,000
Germany .. .. .	152	37,982
Norway .. .. .	218,226	—
Portugal .. .. .	54,583	2,877,714
Spain .. .. .	115,550	2,628,010
St. Pierre .. .. .	26,742	25,869
United States ..	6,127,958	1,911,749
Sweden .. .. .	14,499	—

**TEN YEARS' COMPARTIVE STATEMENT OF LIFE INSURANCE.**
**VALUE OF EXPORTS FOR THE FISCAL YEAR ENDED 30th JUNE 1922, CLASSIFIED APPROXIMATELY AS FOLLOWS:**

Products of the Fisheries	\$14,448,736
Products of Agriculture ..	21,326
Products of the Forest ..	474,423
Products of the Mines ..	655,694
Manufactures (paper) ..	3,088,260
Manufactures (paper) ..	364,514
Manufactures (boots, etc.)	2,217
Game .. .. .	264
Wines .. .. .	11,389
Old Metal .. .. .	3,019
Junk .. .. .	5,109
Miscellaneous .. .. .	403,466
	<hr/>
	\$19,478,417

	Amount Carried	Amount Premiums
1910 ....	\$5,686,577.02	\$224,354.51
1911 ....	6,193,823.14	257,032.79
1912 ....	7,004,962.38	292,349.43
1913 ....	7,748,119.95	309,079.99
1914 ....	8,340,139.06	328,501.30
1915 ....	9,023,465.22	384,993.76
1916 ....	10,264,908.16	440,419.40
1917 ....	11,562,744.48	533,948.12
1918 ....	14,252,386.96	679,882.51
1919 ....	17,562,843.32	1,080,523.92
1920 ....	24,018,306.73	860,294.70

The amount of securities deposited by the various Life Insurance Companies with the Government for the special protection of Newfoundland Policy-holders is \$3,486,062.12.

The several Life Insurance Companies doing business in Newfound-



Eggs, 1,013,149 doz. at 25c. ....	253,287.25
Cattle killed for food, 8,445 at \$35 .....	295,575.00
Sheep killed for food, 25,008 at \$5.00 .....	125,040.00
Swine killed for food, 8,256 at \$10 .....	82,560.00
<b>Tots<sup>1</sup></b> .....	<b>\$7,137,238.25</b>

## RETURN OF AGRICULTURAL PRODUCTS

As Compiled from the Census taken in 1921.

Oats, 8,883 at \$1.00 ..	\$ 8,883.00
Hay, 50,411 tons at \$52 .....	2,621,372.00
Potatoes, 536,089½ brls. at \$3 .....	1,608,268.50
Turnips, 63,906¾ at \$3.00 .....	191,720.25
Other Root Crops, 3,548 5-8 at \$4.50 .....	15,968.82
Cabbages, 6,873,983 heads at 5 cents .....	343,699.15
Fruit, 31,304 gals. at \$1.00 .....	31,304.00
Horses, 15,699 head \$100.00 .....	1,569,900.00
Cows, 18,029 head at \$80.00 .....	1,442,320.00
Other Horned Cattle, 9,587 head at \$80.00 .....	766,960.00
Sheep, 86,063 head at \$15.00 .....	1,290,945.00
Swine, 13,844 head at \$25.00 .....	346,100.00
Goats, 14,235 head at \$10.00 .....	142,350.00
Poultry, 225,689 at \$1.20 per head .....	270,826.80
Milk, 3,049,556 galls. at 60c. ....	1,829,733.60
Wool, 215,079 lbs. at 15c. ....	32,261.85
Eggs, 794,504 doz. at 60c. ....	476,702.40
Cattle killed for food, 7,663 head at \$80.00 .....	613,040.00
Sheep killed for food, 27,419 head at \$15.00 .....	411,285.00
Pigs, killed for food, 9,538 head at \$25.00 .....	238,450.00
<b>Total</b> .....	<b>\$14,252,090.37</b>

## Comparative Statement of Imports and Exports with Various Countries of the World for the Fiscal Year ended June 30th, 1922.

Countries	Imports	Exports
United Kingdom .....	\$2,036,218	\$4,866,821
Canada .....	9,077,168	1,260,225
British West Indies .....	330,514	1,015,286
Malta .....		2,397
India .....	7,382	
Straits Settlements .....		3,887
Ceylon .....	88,154	
Argentine Republic .....		
Belgium .....	88,154	
Brazil .....	1,070	1,712,698
China .....	85	
Columbia .....		
Costa Rico .....		
Foreign W. Indies .....	330	307,399
France .....	12,367	
Greece .....	46,127	523,785



Holland .....	30,144	445,071
Italy .....	4,157	1,853,400
Japan .....	3,432	.....
African South .....	.....	.....
Denmark .....	1,259	1,000
Peru .....	.....	.....
Germany .....	152	37,982
Austria .....	.....	.....
Norway .....	218,226	.....
Panama .....	218,226	.....
Portugal .....	54,583	2,877,714
Spain .....	115,550	2,628,010
St. Pierre .....	26,742	25,869
Switzerland .....	.....	.....
United States .....	6,127,958	1,911,749
Sweden .....	14,499	.....

**Comparative Statement of Approximate Value of Fishery Products as at  
December, 1920, and December, 1921.**

	1921	1922
Codfish (Large and Medium) per quintal .....	\$7.00	\$6.00
Codfish (Labrador) per quintal .....	4.50	4.50
Cod Oil, per tun .....	85.00	110.00
Cod Liver Oil, per gallon .....	.40	.40
Herring (Scotch Pack) per brl. ....	12.00	10.00
Herring (Split) per brl. ....	5.00	4.00
Salmon, per tierce .....	22.00	20.00
Lobster, per case .....	20.00	33.00

**Comparative Approximate Statement of Bank Fishery for the Years 1920-21**

	No. Vessels	Tonnage	No. Men	No. Qtls.
1922 .....	53	3,738	934	132,699
1921 .....	41	2,874	697	94,461

1921 Average per vessel .....

2,204 Quintals.

1922 Average per vessel .....

2,503 "

1921 Average per man .....

135 "

1922 Average per man .....

142 "

**RESOLUTIONS**

WHEREAS the Governor in Council in reciprocation for certain privileges extended by the Spanish Government in the case of importations of Newfoundland Products has deemed it advisable to grant free entry to the products of Spain enumerated in part 1 of the Schedule hereto and has agreed not to increase the present customs duties on the Products of Spain enumerated in part 2 of the Schedule hereto except such

increase as it may be found necessary to impose during time of war.

BE IT RESOLVED the articles enumerated in part 1 of the Schedule hereto when imported from Spain shall be admitted into this Colony free from duty and the customs tariff on the articles enumerated in part 2 of the Schedule hereto shall not be increased beyond the existing rate except it should be found necessary to increase the same during time of war.

**SCHEDULE.**

**Part 1.**—Iron Ore, Corks and discs, Grapes, Walnuts, Hazel Nuts, Almonds, Shelled and unshelled, Onions, Oranges, Olive Oil, Preserved vegetables, Bannas, Tomatoes.

**Part 2.**—Wine and wine lees, Brandy, Raisins.

**RESOLUTIONS II.**

WHEREAS the Governor in Council has raised a Loan of Thirty Thousand Dollars from the Bank of Montreal for the purchase of Fire Fighting Apparatus for the Fire Department, and it is desirable to provide for re-payment of the said Loan and interest thereon by a Tax upon Fire Insurance Companies,

BE IT RESOLVED (a) The said Loan is hereby declared valid. (b) Every Company accepting premiums of Insurance against fire upon property within the City of St. John's shall in addition to the tax provided for by Section 9 of the Revenue (amendment) Act 1905, 12 Geo. V. Cap. 34, pay to His Majesty for a period not to exceed three years from the date of the passing of this Resolution a further tax of one-quarter of one per centum per annum to be computed on the gross amount of premiums actually received by the said Company annually. The amount so paid shall be applied to the liquidation of the Loan referred to, together with the interest, at the rate of six per centum per annum thereon.

**RESOLUTIONS III.**

WHEREAS the Governor in Council in reciprocation for certain Tariff privileges granted by the Government of Jamaica on Products of Newfoundland imported into Jamaica has deemed it advisable to make a preferential Tariff on products of Jamaica imported into this Colony.

BE IT RESOLVED the duties imposed by the Revenue Act 1905 and the Acts in amendment thereof shall be subject to a reduction of Twenty-

five per cent. of the total amount payable in respect of goods the product of Jamaica imported into this Colony.

**RESOLUTION IV.**

RESOLVED that notwithstanding anything in the Timber Exportation Act 1921 or any other Act contained it shall be lawful until the 31st. day of December, 1923, to export timber to Great Britain Canada and the United States of America in accordance with the provisions of the said Act without payment of the export duty imposed by Section 4 of the said Act.

This Resolution shall be deemed to have come into effect on the first day of July 1922.

**RESOLUTION V.**

RESOLVED that (a) Section 1 of 12 Geo. V. Cap. 34 be hereby repealed except in so far as it affects duties imposed upon Wines and such like enumerated in Item 151 of Schedule A to the Revenue Act 1905 and Acts in Amendment thereof.

(b) The Surtax imposed by the said Section shall continue to be levied and collected in the case of duties imposed upon Wines and such like aforesaid.

This Resolution shall be deemed to have come into effect on the 17th day of February, 1923.

**RESOLUTION VI.**

RESOLVED that Schedule E of the Revenue Act, 1905, as amended by subsequent Acts be hereby further amended by striking out the following:

1. Fish, viz.: Cod, Haddock, Hake, Ling, Pollack, and Halibut, dried or otherwise preserved, N. E. S. when exported in sailing vessels of non-British registry, per qtl. 30 cents.

2. When exported in ships or vessels other than sailing vessels of non-British registry, per qtl. 10 cents.

3. Fish, viz.: Cod, Haddock, Hake, Ling, Pollack, Halibut and Turbot, fresh or exported from "salt bulk,"

without spreading or airing, N. E. S. per cwt., 10 cents.

Items 1 and 2 of this Resolution shall be deemed to have been stricken out of the Schedule on the 17th day of November, 1922, and Item 3 shall be deemed to have been stricken out of the Schedule on the 17th day of July, 1923.

#### RESOLUTION VII.

RESOLVED that, notwithstanding anything in the Act 12, Geo. V., Cap. 10, or the Schedule thereto contained, it shall be lawful for the Dominion Iron and Steel Company, Limited, and the Nova Scotia Steel and Coal Company, Limited, to ship iron ore from Bell Island free of export duty or royalty to any part of the world, including Nova Scotia, during the shipping season of 1923.

This Resolution shall be deemed to have come into effect on the 19th day of February, 1923.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress and asked leave to sit again on to-morrow.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again on to-morrow.

The remaining orders of the Day were deferred.

It was moved and seconded that when the House rises it adjourn until Thursday afternoon at three of the clock.

MR. HIGGINS:—Before the adjournment of the House I would like to mention one fact which was called to my attention only to-day, by some two of the men who have just come in from the Badger Road. It appears that the only stores that are open on this road are owned by the Goodyears and that the prices for foodstuffs and other necessities are so high that it is impossible to make anything worth while out of the wages of \$2.50 per

day which the men are receiving for their labour. They told this to Mr. Goodyear and he, so they told me, said that the stores were run by the Government and that the prices were what the Government made them. If the stores are run by any private concern it is certainly a scandal that they should be allowed to take advantage of the unfortunate predicament that the men are placed in by having only one supply store on the road. These men said that they can give me the bills. The prices are simply appalling. Men could not live. They could work for months and have nothing to show for their labour. I don't wish to make any statement unfair to the Goodyear people but this is what I have been told.

MR. PICCOTT:—The stores are run by the Goodyear Brothers.

MR. HIGGINS:—If they have the monopoly of the stores, then it is a crime that the men should be penalized. I invite the Prime Minister and the Minister of Public Works to make an inquiry into this matter and have it rectified as soon as possible.

HON. THE PRIME MINISTER:—I will be only too glad to make an inquiry. In fact I think that the Leader of the Opposition has done us a favor by calling our attention to this fact. To use an expression, often quoted 'This is the first time this matter has been brought to my attention.' I will consult the Minister of Public Works and if we can examine these bills we will be able to take the matter up right away.

The House then adjourned accordingly.

THURSDAY, August 2nd, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

At quarter past three of the clock, there being no quorum present, and the names of Members in attendance

being taken down, as follows: Hon. the Minister of Finance, Hon. the Minister of Posts, the Minister of Marine and Fisheries, Mr. Abbott, Mr. Simmons, Mr. Sullivan,—Mr. Speaker adjourned the House until to-morrow afternoon at three of the clock.

FRIDAY, August 3rd, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Walsh gave notice of question.

Mr. Moore gave notice of question.

Pursuant to order and on motion of Hon. the Minister of Finance the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

MR. SULLIVAN asked Hon. the Prime Minister to inform the House what is the Government policy in connection with Export Duty on Cod Oil and Scotch-Cured Herring. As Export Duty on Codfish has been removed, it would appear that the continuation of Export Duty on Cod Oil and Herring is more of an oversight than anything else.

HON. THE PRIME MINISTER:—I might say that the matter has not been considered by the Government, at least since I assumed office, and any change to be made, will be made during the passage of the Budget through the House.

MR. P. J. CASHIN asked Hon. the Prime Minister to lay the following information on the table of the House: (a) Who is Acting General Manager of the railroad at the present time; (b) what salary is being paid him; (c) has the Government instructed the Acting General Manager to purchase the winter's supply of coal; (d) have tenders been called for coal; (e) if tenders have not been called for, why not; (f) from whom has the coal been purchased and at what price—

per short ton or long ton; F.O.B. Sydney or C.I.F. Newfoundland ports; if purchased F.O.B. Sydney what freight is being paid.

HON. THE PRIME MINISTER:—I am having the answer to that question prepared. I may say that as far as part A of the question is concerned Mr. H. J. Russell is Acting General Manager of the railroad; the other answers have not reached me.

MR. P. F. MOORE asked Hon. the Colonial Secretary to table a detailed statement showing amounts due the Railway Commission or the Reid Nfld. Co., operating the railway on Government account for freight, etc., since July 1st, 1921; also state by whom amounts, if any, are due.

HON. COLONIAL SECRETARY:—The Auditor General is having the answer prepared and it will be available for the House on Monday next.

House went into Committee of the whole on Supply.

MR. HIGGINS:—In connection with the Pensions, three men are mentioned here, Mercer, Belbin and Norman. I am informed that they are better fitted than those appointed to replace them, being young and better fitted physically. Can anyone tell me why they have been pensioned. My statement is made on the authority of the people of their own district.

MR. SULLIVAN:—There is a man here—W. J. Blandford—who has been pensioned after only three years service. Why should he be put in and put out again in such short time. I saw an item in a public paper that he was to get \$400 but it is odd that he is down here for more than \$600 a year for life while representatives are unable to get a cent for road works.

HON. THE PRIME MINISTER:—We will let that vote stand.

MR. SULLIVAN:—Before the vote for legislation passes I would like to ask if it is the intention to cut the salaries of those in the civil service.

HON. THE PRIME MINISTER:—Under the Civil Service Act of two years ago certain reductions were provided for these have been made accordingly. Although \$4,000 is the amount voted here for departmental heads they receive only \$3200.

MR. HIGGINS:—That is all they are supposed to get.

MR. WALSH:—I think in the face of what has happened recently we should not rush matters through this House without ventilation. There is one particular object that I have always pleaded for but my pleas have fallen on deaf ears. I have pleaded that certain members of the community who have been worn out in service be granted \$50 a year. Numerous applications are on file signed by clergymen and others but when they call at the department in charge they are told the money has been eaten up. That is not good enough and I do not think that we should come in here and vote those funds without considering those who are deserving of this stipend. I for one while privileged with a seat in this House will never lose the opportunity to appeal for them. They have helped by their services to the country to keep the roof over this House and I ask the Hon. the Prime Minister as one of his first acts to grant this small sum to those who deserve it.

HON. THE PRIME MINISTER:—When I was at Sunday School I was taught the lesson of the importunate widow and I think the hon. member for Placentia has taken it to heart with good effect. I now intend to devote the former grant of \$15,000 for the Naval Reserve to the Old Age Pensions which will give the stipend to 300 people.

MR. WALSH:—I wish to tender my sincere thanks to the Prime Minister and I am glad to know that I and my colleagues have accomplished some-

thing to justify my appearance in this House for the last eight years.

SIR M. P. CASHIN:—For what service was the Inspector-General of Constabulary paid \$1000 which amount was charged to Pit Prop account.

HON. THE PRIME MINISTER:—I will find out the services for which he was paid the amount.

HON. THE MINISTER OF EDUCATION:—Mr. Chairman, there are one or two changes in section (a). The first is in connection with the salary paid to the messenger. He has to perform the duties of messenger to four departments, the Minister's and the three superintendents, and has a widowed mother dependent on him for support. His present salary is \$460. I have introduced a clause to increase his salary from \$460.00 to \$600.00. Another change is the dropping of the \$2000.00 for the summer school. There is also a change in the amount for contingencies. The Auditor General's statement shows no further balance in the trust account and it has been found necessary to increase the amount for contingencies by \$1500.00 for the three superintendents. In sec. (b) the grants to Boards have been increased by \$26,216.00 as the grant is per capita. There has been a change made in the amount of augmentation. It is the form of an increase of \$15,000.00. This has become necessary because of the fact that all teachers are graded. Some have risen to higher grades and consequently are eligible for larger amounts for augmentation. The superintendents find that they cannot pay these amounts without an increase. There is one other change in the amount for Special Purposes. Last year there was an amount voted for Emergencies. We find that we can drop this amount for this year. The total increase then is \$38,356.00, mak-

ing the total vote \$839,851.03. I beg to move this vote.

MR. SULLIVAN:—Mr. Chairman, I would like to draw the attention of the House to the salary paid to Mr. Dunphy of the Public Charities office. This is not at all in keeping with the work he does and the amount of money he handles. Members on both sides of the House have opportunities to recognize the importance of his work. If the Government would consider an increase for this very competent official I would be very much obliged.

HON. THE PRIME MINISTER:—Mr. Chairman, with regard to an increase in salary for Mr. Dunphy, I may say that he already has an application in for a bonus for past services. I may say, though, that I think that an increase in this case would be appropriate. There is a vote for a second messenger for my office which I think might be transferred to Mr. Dunphy and the Prime Minister's Office could get along with one messenger.

MR. HIGGINS:—Mr. Chairman, there is an idea that just came to my mind. Of course I don't expect the Government to act upon the suggestion immediately; but it seems to me that there should be some way to pay the Deputy Heads of departments according to the work they do. There are two names that come to my mind at first thought, one is Mr. Martin, the Register of Vital Statistics and the other is Mr. Adams, the Register of Deeds and Companies. It would be impossible to replace these two men with two others so competent and capable, at the salaries that these men are receiving at the present time. No man worthy of the position and possessing the peculiar fitness for the position would accept the very great responsibility of Register of Deeds and Companies for the present comparatively small stipend. Everybody in every branch of business is dependent

upon the Register of Deeds and Companies for information, and the correctness of the information affects the credit of firms very seriously. I must say that I consider Mr. Adams very competent. I say again, of course, that I don't expect this idea acted upon immediately but I thought that it would be well to call the matter to the attention of the Prime Minister.

MR. SULLIVAN:—Mr. Chairman, I would like to take this opportunity to ask the Government to consider some solution for the present unemployment situation that still exists. I have only to-day received fifty letters from some of my constituents begging for work of some sort and I would like the Government to give some consideration to the matter as soon as possible.

HON. THE PRIME MINISTER:—The unemployment situation has been a matter of anxiety for the Government for some time past. An amount is to be devoted to give employment and the question now is 'How can we get value for this money?' I think that the best way to manage the matter would be to appoint an independent committee apart from any party. This committee could spend the money and each member could check the expenditure. As far as the Government is concerned it is quite prepared to recommend a vote for the purpose. Just at present the point is that we haven't been able to decide how to make the expenditure. It seems to me, as I have said, advisable to choose some committee to whom the money could be allocated and it could spend it as it might see fit.

MR. SULLIVAN:—I must thank the Prime Minister for what he has just said. I think that the sooner some means of alleviating the severity of the present unemployment situation is found the better. There are thousands of bills now with no money to pay them. The hundred thousand dollars

voted by Minute of Council is gone and still bills remain. I don't encourage able-bodied relief. The work should be equally divided and only given to those who need it. I have no hesitation in saying that there is some considerable trouble ahead of the committee, but the fact remains that it is necessary for the Government to give some employment and I think I can assure the Prime Minister of the hearty support of this side of the House for any step he may make in the right direction.

SIR M. P. CASHIN:—I agree with the Prime Minister but I think that we will have to be careful. The months of August and September are the principal months of the codfishery and if employment of this nature is to be given and the people find it out it will demoralize the whole industry. Boats will be hauled up and everybody will wait for the Government to give relief. I think that the government will have considerable trouble in this matter. September and August are the two squid months and I have known cases when there was absolutely no catch made before the first of August and at the first of October all bills were paid and provisions for the winter bought and paid for. If help is going to be given before August and September are over there is going to be trouble. I would ask the Government to go slow.

MR. SULLIVAN:—There has been no fish caught in certain parts of my district, and the conditions there cannot be allowed to go on. You might put some of the men ballasting the railway, or cutting railway ties or snow fencing.

MR. HIGGINS:—In regard to the vote for the Block House I would like to have the Minister in charge get some one to inspect it. The place is a terrible state of repairs, and it would be wise to have the place fixed up a bit.

MINISTER OF PUBLIC WORKS:  
—The place is being attended to.

SIR M. P. CASHIN:—Before passing this vote may I ask the Minister in charge of the Department if any replies have been prepared in respect to the inquiries made in this House about money spent on Marine Works from March 1st to May 3rd. The question was asked many weeks ago, but so far we have not heard if any returns have come in. It has been said in this House that a large amount of money was given out, and many are quite sure that there was very little of it actually expended. I think you should adopt the practise of 1919 and have inspectors go through the districts and investigate everything. I do not wish to delay the House, but the sum of three hundred thousand dollars has been given out during the spring and as far as can be learned not half of it was actually spent. The same applies to Road Money. In Ferryland District the main grant was allocated to an irresponsible, a man that had no authority from this House and who could not be made answerable to us here. He handed out \$1500 to a winter-man, and \$750 to another individual who did not spend one cent of it on the roads. These are matters that should be looked into like many other things, and if you are going to clean up, these should be cleaned up too. The amount actually spent on roads and bridges and on marine works should be brought down to this House as quickly as possible. The worst feature of it is that this money has not been spent out of the general loan, but out of our district grant and we are entitled to have the matter done properly.

MINISTER OF MARINE AND FISHERIES:—I will have inquiries made.

MR. HUNT:—Mr. Chairman, might I ask the Minister of Agriculture if it would be possible to make a small vote

in aid of the funds and the furtherance of the aims of the Society for the Protection of Animals. The work of this Society is a very worthy one, and a small measure of assistance on the part of the Government would be of great help.

HON. THE MINISTER OF AGRICULTURE AND MINES:—Mr. Chairman, I fully recognize the importance of the work performed by the Society for the Protection of Animals, and I know that a great deal of good is being done by the organization. Regarding the request made by the hon. member for St. John's West I am certain that many advantages would be gained, and much helpful assistance given the aims and endeavours of this Society by a vote from this Department and I promise him that I will do my best to see that some measure of assistance be given by the Government to this worthy cause.

MR. HIGGINS:—Mr. Chairman, in regard to this vote for the Model Farm I would first like to hear the Government's opinion of this Department. In so far as the Minister is concerned we realize that he has just taken the affairs of his office in hand; but at the same time he has been in the same position as anyone else during the past few years, and knows as much as any of us about the various matters that have been given a lot of publicity lately. I would like to ask him if he is satisfied with the way the Model Farm has been run during the past few years, and with the uses to which it has been put. This particular Model Farm as it has been conducted for the last three years is a joke. The manner in which public money has been spent under pretext as being for this Model Farm is a farce and a scandal. Some of the things that have been pulled off there are a public disgrace. It is just as well to take this as the end of all underhand methods of such a nature as we have heard tell of for

three and a half years. We cannot stand any longer for this kind of thing, and we never again want to hear of a place called a Model Farm that is used to blow in money on, that is applied for other purposes. I am willing to help out the new Minister in every degree and I subscribe to his policy of Agriculture; but I do say that if a Model Farm as we have seen it, is to be nothing more than an eyesore, a scandal and a public disgrace it is better to close the place up in a hurry. I would very much like to hear the views of the Minister on the value and advisability of continuing such a Department.

HON. THE MINISTER OF AGRICULTURE AND MINES:—Mr. Chairman, I might say I have not been long enough in charge of the affairs of my department to know to what extent the matters to which my honorable friend, the Leader of the Opposition, refers, have been carried on and how much abused; but I can assure him that it is the intention of the Government to make a thorough cleaning up of everything that has not been carried on properly in the past, and that will not be to the best interests of the country in the future.

HON. THE PRIME MINISTER:—Mr. Chairman, may I say for the information of the Hon. Leader of the Opposition that we have taken the Estimates as they were when we came into office. Since then we have under consideration the abolition of the Model Farm, but I must remind him that it cannot be done right away, even though some of the vote be not expended at the end of the year. The matters referred to as having occurred within this department will come within the scope of the investigation we propose holding into various matters connected with the late Administration. I suggest the matter remain over for a while.

MR. HIGGINS:—Mr. Chairman, I



think that this is the time to mention the expenditure of one million five hundred thousand dollars, which have been placed under the heading of relief. This expenditure should be inquired into, and given a thorough investigation and consideration. I suggest that the accounts be placed on the table of the House. There was no million and a half dollars spent on relief, if it were spent the people who were entitled to it certainly did not get it; so it is now time to clear up this matter and find out where the money did go.

Now as far as this purchasing agent is concerned, I do not see the need of having a purchasing agent if he does not purchase. I do not put the blame for the affairs of the department upon the shoulders of the present Minister; but it is a fact that since 1919 the conduct of that department in purchasing supplies has been deplorable. The Minister of the Department himself was too good to be there; he was not the type of man for it; to use a common expression, it is no place for a minister's son. We need not go into the details of personality, but we know what kind of men were there. The people who actually ran the Public Works were really clerks from the stores on Water Street; they ran the department and the Minister too. It is something like the Fire Wardens, at the present time two of them are driving horses around town, and another is driving a street car. If there is going to be a purchasing agent let him purchase. What is the use of referring people to the purchasing agent when the purchasing agent has no power to purchase? I hope that this condition of affairs ceases immediately. It creates a lack of trust on the part of the people and does not insure a guarding of the rights and privileges of the Government, it only means the giving of paps, and the question of squander-

ing money. I want to see the accounts dealing with the spending of that one and a half million dollars tabled, as I do not believe that the money was spent at all. I therefore propose that this vote stand over.

SIR M. P. CASHIN:—Mr. Chairman, I support the motion to have this vote stand over. The Auditor General's report says: (Reads from the Auditor General's report). We do not know how those amounts have been spent. There is not one thing on the table of this House to show where the money went. Bring in the accounts, cart them up and dump them on the table of the House, so as we can examine some of them; if we were here until Christmas we could not examine them all. From the Auditor General's report we find that the Finance Department cost one million four hundred and fifty four thousand dollars; Agriculture and Mines one million five hundred and eighty five thousand five hundred and sixty eight gross; repayments, whatever that means, one hundred and fifty one thousand dollars; Public Charities one million seven hundred and fifty thousand dollars. What we want to know is what happened from the 30th of June, 1922, to the 30th of June, 1923. Surely it is not asking too much this afternoon when we ask to let this vote stand over until we get a chance to discuss it, and be shown how it has been spent. Surely it is worth it when the amount is one million seven hundred thousand dollars. Probably the chief offender is not here, but you were all parties to it. You won your election on it, and you also voted for it. That thing cannot go on. The honest thing is always the right thing in the end. This will not get you anywhere; take up the foreign papers and you will see where you are. Take the Model Farm for instance, that should have been closed up long since; anyway it should be closed up right now.

Fancy being asked to vote twenty five thousand dollars for it, you should send the cattle that are there down to George Neal's, or some other place and have them auctioned off. It is hard coming in here and listening to this kind of thing every day. This is a very poor position for us to be in.

MR. WOODFORD:—What prices have been paid for the goods purchased for the Government institutions? There must be an awful amount of extravagance going on. In our days we always asked for tenders for all goods to be supplied, and the lowest tender was always accepted.

MINISTER OF PUBLIC WORKS:—No, not always.

MR. WOODFORD:—Yes, almost without exception.

MINISTER OF PUBLIC WORKS:—You ought to know what was done when you were there.

MR. WOODFORD:—I do not think that it is right for you to have a purchasing agent there now, considering the powers that he has, which are practically nil. If the purchasing agent had unlimited powers in purchasing he would save you one thousand dollars. Now I want to know if you are running that department?

MINISTER OF PUBLIC WORKS:—I can assure you that I am running it, and don't you forget it.

MR. WOODFORD:—I do not mean that you are by any means incapable, I know you to be a very capable and competent man; but I do know what was done previous to your time by your predecessors. Now I know that orders have been sent all over the town for supplies. Unlimited quantities and unheard of prices. I remember Mr. Grimes a few years ago when I was Minister of Public Works scrutinizing the bills very closely, and he even went to the extent of questioning the price of a few packs of needles, because they were a little higher than they could have been pur-

chased elsewhere. He must have been on his feet for three or four hours denouncing this purchase. He had that time cried out for a purchasing agent. Now the reason that I point out the need for a purchasing agent is because of the saving it would mean to the department. A few years ago the position was promised to a certain man by Sir E. P. Morris (now Lord Morris). At that time there was no need of a purchasing agent, as we had our board, and we met every week, they were all competent and experienced men on the Board; men who were thoroughly conversant with the prices, and quality of goods needed by the department. This appointment was promised to this man, and it was well known that it was never intended to be given him. I was always blamed for keeping him out of that position. The man was Mr. Goodison, a late Speaker of this House. We all knew and you knew that the position was never intended to be given him. He was told that he would have had the position, only Woodford was opposed to it. But if this man had been appointed, his powers would have been unlimited, and he would act for all the departments, including Marine and Fisheries Department.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had passed certain resolutions, and asked leave to sit again on to-morrow.

On motion this report was received and adopted and it was ordered that the Committee have leave to sit again on to-morrow.

The Minister of Marine and Fisheries gave notice that he would on to-morrow ask leave to introduce a Bill to encourage Trade with the West Indies.

The remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises it adjourn until Monday afternoon next at three of the clock.

The House then adjourned accordingly.

MONDAY, August 6th, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Hon. Minister of Posts tabled Report of the Post and Telegraph Department for year ended June 30th, 1922.

MINISTER OF MARINE AND FISHERIES asked leave to introduce a Bill to Encourage Trade with the West Indies.

MINISTER OF MARINE AND FISHERIES:—Mr. Speaker, I beg to ask that that Bill be deferred till tomorrow.

MR. WALSH asked Hon. the Prime Minister to inform the House if a Minute of Council has been passed authorizing the construction of one or more steamers, to be used at the Seal Fishery and West India trade. If so, to inform the House to whom the contract is given, and what are the terms of such contract, and to lay on the table of the House a copy of said Minute of Council or any document in relation to said proposal.

HON. THE PRIME MINISTER:—Mr. Speaker, in reply I may say that no Minute of Council has been passed in any shape or form. The only proposal that has been before the Executive in this connection is a Bill which is to be brought before the House in due course.

MR. P. MOORE asked Hon. the Prime Minister to table a statement showing the number, names, position and salaries of appointees to the Civil Service since March 1st, 1923.

HON. THE PRIME MINISTER:—I beg to table the reply.

HON. THE PRIME MINISTER:—In reply to a question by the honorable member for Ferryland on August 3rd I may say that the Acting General Manager of the railway is Mr. Russell. His salary as Acting General Manager has not been decided on and he is still on the old salary, I think \$300 a month. The coal supplies for the railway are purchased from time to time by the management of the railway; the Government do not issue any instructions in this regard. No tenders for this year's supply were called for as arrangements were made direct between the Railway and Coal Co.

Coal requirements arranged with the British Empire Steel Corporation cost \$6 per long ton F.O.B. Sydney.

Cost of freight as follows:

Humbermouth and Argentia, \$1.40 per long ton.

St. John's, \$1.45 per long ton.

Clareville and Lewisporte, \$1.50 per long ton.

MR. P. F. MOORE:—Mr. Speaker, I beg leave to ask question No. 2 on the Order Paper for August 2nd.

HON. COLONIAL SECRETARY:—I hope to have the information tomorrow.

HON. THE PRIME MINISTER:—Mr. Speaker, in connection with the question asked by Sir Michael Cashin with regard to the payment of \$1,000 to Inspector General Hutchings for special services and charged to Pit Prop account, I asked Mr. Hutchings to furnish me with particulars of the services rendered by him and to-day I received the following reply:

Inspector General's Office,  
St. John's, August 6, 1923.

Hon. W. R. Warren, K.C.,  
Premier & Minister of Justice.  
Sir:

In compliance with your request for information as to the services performed by me for which I was paid

compensation by the Government, I have the honor to advise you that such compensation was received for Extra and Special Services investigating, reporting, and advising in connection with Relief, "The Unemployed" and Labor conditions generally in St. John's, Harbour Grace, Carbonear, Victoria Village, Bay Roberts, Spaniard's Bay, Upper Island Cove, Shears Town, Avondale, Turks Gut, Clarenville, Badger, Hawks Bay, Bell Island, and other places, for the years 1921 and 1922, and involved a very large amount of work.

During these two years I was in consultation with the Minister of Agriculture and Mines, who had charge of that work, practically every day, most days twice, and some days three and four times, and frequently with the Prime Minister and other Members of the Executive, day and night.

My application for compensation was made in the first place to the Prime Minister, who requested me to ask the Minister of Agriculture and Mines to bring the matter before the Government. I was afterwards advised by the latter that he was instructed to pay me. I had no knowledge of, nor was I informed as to, which account my compensation was charged up. I do not consider it was my duty, or that it would have been pertinent for me to have enquired; and I presume the matter was duly considered, authority given, and payment made in due course.

I understand an investigation into these matters by an impartial Tribunal, has been promised by the Government, and I can assure you that I shall be quite prepared to justify my application for the special remuneration that was made for the services indicated.

I have the honour to be,

Sir:

Your obedient servant,

CHAS. H. HUTCHINGS,

Inspector General Consty.

MR. HIGGINS:—Mr. Chairman, without venturing on ground, so to speak already covered by Sir Michael Cashin, I would like to say about this matter, that so far as the Opposition are concerned that we disagree entirely with such a principle. The notion of the Police Chief getting a thousand dollars for special services, and to find the Head of the Police Force saying that he knew nothing about the matter until he saw it charged up to an account of which he was not in charge, is to say the least of it a reflection on all concerned. It is indeed a serious position for the Inspector General, and the Superintendent of Police also to find themselves in. We have known it to be an unalterable fact that in the past not even the latest recruit of our Police Force could be made to take a bribe, so therefore it is more than a shame, it is a pity that we find to-day, officials, prominent in his department, receiving remuneration for special services about which the Head of the Department, the Minister of Justice, knows nothing. It is striking instances of the many capacities of a man who holds a seat in the Upper House, who held a seat in the Executive, and was Minister of Agriculture and Mines, together with many other lucrative positions, actually managed to also run the Police Force. These will also be matters to bear some investigation when we have the general inquiry that has been promised us.

It would not be fair to the members on this side of the House if I did not say that we are entirely opposed to this kind of thing. The Inspector General was not entitled to it. It was not properly given to him, and cannot be properly retained.

MR. HIGGINS:—On the last day we asked the Prime Minister that the Model Farm be discontinued. I ask him now if he has considered the step.

HON. THE PRIME MINISTER:—Mr. Chairman, we have decided to discontinue the Model Farm, and to cut

out the vote for it for twenty-five-thousand dollars. By doing this we will be able to add five thousand to the General vote for Agriculture.

MR. HIGGINS:—In reference to the vote for the Agriculture Board, the Commissioners get \$2,700.00 each do they not?

HON. THE MINISTER OF AGRICULTURE AND MINES:—Yes.

MR. WOODFORD:—Just a word, Mr. Chairman, I would like to ask the Minister if he thinks it fair that the Secretary of the Board, who does all the work, gets only \$2,250.00 while each of the Commissioners get \$2,700.

HON. THE MINISTER OF AGRICULTURE AND MINES:—I might say, Mr. Chairman, for the benefit of the honourable member, that I acted as a Commissioner, and I am conversant with the work they have to perform; and I would say that if I had to again undertake the job, I would not do so for a smaller sum.

MR. HUNT:—Mr. Chairman, I would suggest that the vote for these Commissioners be discontinued. It is well known that they do no work, for there is no work there for them to perform. It is also known that the only worry they have is to know when they can draw their salaries. Under the present conditions we ought to conserve as much as possible, and cut out all useless jobs such as these.

HON. THE PRIME MINISTER:—Before I can accept a motion to that effect I shall have to find out just exactly what these Commissioners have to do. It has never before come under my notice, so I do not know exactly what to do at present.

MR. HIGGINS:—I would like to thank the Prime Minister very much for this offer. The thought just occurs to me that to make the vote for Agriculture only \$20,000.00, and with no Model Farm it seems ridiculous to spend eight thousand dollars on salaries for these three men. We are

glad to see that the Government is aiming at doing the same thing with these jobs as they have so well done in regard to the Model Farm.

The Chairman from the Committee of the Whole on Supply reported certain Resolutions, which were read a first time as follows:

Public Debt and Interest	\$ 241,612.82
Civil Government	44,004.70
Administration of Justice	31,488.00
Finance Department	3,130,681.35
Department of Colonial Secretary	51,554.00
Department of Justice	336,025.88
Department of Education	25,380.00
Public Charities	439,458.33
Department of Marine and Fisheries	346,969.39

The said Resolutions being read a second time, it was moved and seconded that the House concur with the Committee therein, and the said Resolutions were agreed to.

Pursuant to order and on motion of Hon. the Minister of Finance the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Jones took the Chair of Committee.

MR. SULLIVAN:—While we are on this question of ferries there are two or three matters in connection with them which I wish to call to the attention of the Government. Last year, in an effort of retrenchment I suppose, some of these ferries, which are so very necessary in certain parts of the district which I have the honour to represent, were discontinued and as a result the inhabitants of Mussel Pond, St. Joseph's and Admiral's Beach had to undergo considerable hardship. The mail has to be brought through Mussel Pond to Admiral's Cove and Colinet Island and as there is no steamer there is really a good cause of grievance and I would ask to have the ferries for this section replaced. There

is another matter in connection with the Government service in the District of Placentia and St. Mary's which I wish to call to the attention of the Minister of Posts and Telegraphs. Only to-day I received a letter from a man in the service of the Postal Dept. who complains that his salary of \$7.50 per quarter has been long overdue. He states that he has both written and telegraphed and has received no answer. I would ask the Minister of Posts and Telegraphs to look into this matter and also into the matter of the ferry for the people of Mussel Pond and I feel sure that he will realize that their request is a reasonable one. At Clattice Harbour the children have to cross the arm to go to school and a ferry is very necessary for their transportation. Now I would ask the Government to replace the ferry for Mussel Pond, Admiral's Cove and Musquito and to see to it that the courier whom I have just mentioned, gets his pay; also that the salary of the ferryman on Placentia Sound is put back to what it was before retrenchment, namely, pay the ferryman \$100 per year instead of the \$50 which he is now getting.

**HON. THE MINISTER OF POSTS AND TELEGRAPHS:**—I wish to support the request of the hon. member for Placentia and St. Mary's and would ask to have the ferry at Mussel Pond replaced. The Posts and Telegraphs money is to be spent in that manner which will give best service value. I am of opinion that if the ferries to which my honourable friend refers are replaced much money will, eventually, be saved and the service of my department considerably improved. I have, therefore much pleasure in supporting the motion.

**MR. SULLIVAN:**—I wish to thank the Hon. Minister of Posts and Telegraphs for the support he has given my request.

**MR. WALSH:**—I wish to thank the

Minister of Posts and Telegraphs for the support he has given to the petition to have the ferry at Mussel Pond replaced and I hope and trust that his support will be continued in the Executive Council. Whilst we are on the matter of ferries there are one or two others which I would like if possible, to have replaced. There is at the present time a ferry from Fox Harbour to Ship Cove. Now, this ferry is a very important one for the people of Placentia Sound as it is the custom to avail of it to reach the railway at Villa Maria. Originally the vote for this ferry was \$100.00. Last year the vote was reduced to fifty dollars and that amount is hardly in accordance with the service rendered and I would ask to have the vote increased to one hundred dollars as formerly. I also wish to draw the attention of the Minister of Public Works to the ferry at Salmonier. This ferry has been the cause of considerable trouble for some time. The vote which was eighteen hundred dollars was reduced to one thousand dollars but the people were satisfied if the service for which the ferry was put there was given satisfactorily. This, however, is not the case with the present contractor. He has repeatedly defied the people and even the Minister of Public Works, possibly not the present Minister but at any rate the Minister whom he superseded. The Deputy Minister of Public Works visited Salmonier and found conditions so bad there that he refused to go in the boat. The contractor has even used the ferry on occasions for his own business purposes and I think that the Government should take some measure to stop this state of affairs. I would like the Minister of Public Works to take this matter up at Salmonier. There would not, I think, be any trouble to get some person who would give good service for the present vote of one thousand dollars. Last year the ferry between

Sound Island and the main land was discontinued. The vote for this ferry was only twenty-five or thirty dollars and perhaps one might be led to think that it is not important. This however is not the case as people arriving from the railway at night are often put to considerable inconvenience to obtain some means to get to Sound Island. I hope the Government will appreciate the position and put the service back.

**HON. THE PRIME MINISTER:—**I feel sure that if the member for Placentia and St. Mary's will confer with the Minister of Public Works he will look after his requirements. It is the intention to bring in additional estimates and anything further can be supplemented. In the mean time these can go through as they are.

**MR. P. J. CASHIN:—**Mr. Chairman I wish to call the attention of the Minister of Posts and Telegraphs to a matter which was brought before this House by me some time ago. Shortly after the past elections the Government which was then in power saw fit to open a postal telegraph office at Ferryland. When I last brought this matter before the House considerable fun was made of it. Besides the cost of installation this office will cost the people of Newfoundland about six hundred dollars a year to run, whilst in comparison the revenue is practically negligible. I would estimate the monthly income of this office at about five dollars. Some years ago the Anglo American Telegraph Company opened an office at Ferryland and a very estimable lady, Mrs. Farrell, was appointed to run it. Her sole means of support is the revenue collected by this office for local messages. This lady has done great good for her country in so far as she sent her two sons over to the war, when called upon to do so, and just after the elections the recompense she received from the Government was the opening

up of a telegraph office in opposition to her in business. The sum of five or six hundred dollars may not seem very much to this House, but it must be remembered that the people of Ferryland do not want this office. As I said before there is an Anglo office there, and another one is of no use whatever. I hope that the Minister of Posts and Telegraphs will see some way to remove this office. I feel sure that the honourable members of Placentia and St. Mary's will know of some place in their constituency where it can be put to some use. I might recommend St. Shotts. This place is often the scene of wrecks. Only a short time ago the steamship Marvale was lost there and three or four hundred passengers were stranded, and the captain had to walk to Trepassy to send a message to St. John's. I think that the Government would find that the installation of this office at St. Shotts would be a benefit to the section of the country, and to the shipping element of the community as well.

**MR. P. F. MOORE:—**I wish to add my support to the request of my colleague when he asks that this telegraph office be removed from Ferryland. At first this thing was looked upon as a joke. Now I can assure this House that it is no joke and that the people of Ferryland do not want this office, and I ask the Government to take it away and give it to St. Shotts.

**MR. WALSH:—**This seems to me to be an extraordinary position. It is the duty of governments to try to improve the conditions of the countries which they are chosen to govern and here we have an unusual position of the Government trying to make the people of Ferryland take something which they do not want. I think I may accept this office for the people of St. Shotts. If the Government consents, taking it for granted that my

colleagues mean what they say when they state that they do not want the office at Ferryland. Some three and a half years ago I made arrangements to have an office opened at St. Shotts. The present Superintendent, Mr. Stott, called for tenders and the poles necessary were cut and paid for. Now there are none to be had. Those that were bought three and a half years ago are rotten and I question if one of them is fit for use. Now, however, it would give me great pleasure to thank the Minister of Posts and Telegraphs if he would be so good, on finding out that the office of Ferryland was obnoxious to the people of the district, as to have it transferred to St. Shotts. I think that suitable communication thus opened up will be most beneficial to the people of St. Shotts and to the shipping community in general. Now, I don't want this to be thought a hold up by me but I have been thinking that a telephone might be installed more cheaply and run more economically than a telegraph office and the money saved in that manner might be allocated to some other deserving business. I hope that the Government will give this matter attention and I hope to thank the Minister of Posts and Telegraphs for myself and the people of St. Shotts if he will be so kind as to have this office transferred.

MR. SULLIVAN:—Mr. Chairman, last year the Minister of Posts and Telegraphs promised a telephone line to St. Shotts as apparently he recognized the necessity of so doing. Now it appears only necessary for the present minister to endorse the proposal of the member for Ferryland to have the telegraph office at that place transferred since Mr. Cashin is so pleased to hand it over to us. Telephone service should have been installed years ago. A telephone might be also put in at St. Vincents. The cost of so doing would only be seven or eight dollars and with the telephone at St.

Shotts might be instrumental in saving many lives. I hope the Minister of Posts and Telegraphs will give this matter favourable consideration.

HON. THE MINISTER OF POSTS AND TELEGRAPHS:—Mr. Chairman, with reference to the telegraph office at Ferryland I may say that I have caused inquiries to be made and I find that the office is not at all desirable and that its utility is not such as would warrant its being kept there and that the members for the district are right in their contention. It is my intention whilst at the head of my department to have efficiency compatible with economy and as a consequence after inquiries I now consent to withdraw this office from Ferryland and devote the grant to St. Shotts. I may say that the department finds no room for extravagance and must move along close to the wall to meet requirements in accordance with the grant. Communication with St. Shotts is important from a humanitarian standpoint and as soon as material is ready will be opened up. In a few weeks Peter's River office will also be linked up. I hope that the members for Ferryland will be satisfied at this arrangement.

MR. CASHIN:—Mr. Chairman, I wish to thank the Minister of Posts and Telegraphs, both personally and for my constituents of Ferryland and for that most deserving lady Mrs. Farrell, whose income will now I trust be sufficient for her maintenance. For myself I may say that I am most satisfied with the arrangement.

MR. HUNT:—Might I ask Mr. Chairman as to the position of the Controller's office to-day.

HON. THE PRIME MINISTER:—Mr. Berteau is the acting controller at present.

MR. HIGGINS:—Mr. Meaney is only suspended. May I ask the Prime Minister what progress he has made with regard to the commission of inquiry into the recent happenings in



that Department? Is there going to be an inquiry into that Department at all?

HON. THE PRIME MINISTER:—Yes, that will be one of the first. I may say that I have been meeting with great difficulty in getting the right kind of men to act. If within the next few days I cannot get the commissioners, other steps will be taken.

MR. HIGGINS:—I would like to ask Mr. Chairman if it is the intention of the Government to start the inquiry before the House closes?

HON. THE PRIME MINISTER:—Yes, that is the intention.

MR. P. J. CASHIN:—Mr. Chairman, while on this vote I want to say a few words in connection with the appointment of Dr. Mosdell to the Board of Pensions. I strongly object to the retention of the Hon. Dr. Mosdell on the Board of Pensions while capable men who have done splendid service during the war are walking the streets. There are plenty of Military Officers around this town who have nothing to do, and who should have been on the Board. There are Captain Byrne and Major March, two very capable men who did yeomen service during the war, and should have been on the Board. Dr. Mosdell did nothing at all when the war was on. As a return soldier myself I personally object to a man being on the Board who committed the offence of delving into the files at the Militia Department, to get the records, for his paper, of men who valiantly went over seas, while he was home doing nothing. I ask the Hon. the Prime Minister to look into this matter immediately; and I also ask to have this vote stand over.

HON. THE PRIME MINISTER:—Mr. Chairman, with regard to that vote there may be objections to it, but I have been given to understand that ever since that Board has been formed there have been civilian on it. When it was first formed Sir Patrick Mc-

Grath, and the late Mr. Clift were members. The original number of the Board was three, Sir Patrick McGrath resigned, and then when Mr. Clift died Dr. Mosdell was appointed. At present we only have two on the Board, Dr. Mosdell and Dr. Parsons, one civilian and one soldier.

MR. P. J. CASHIN:—Mr. Chairman, while I appreciate all that the Prime Minister has said about civilians being on that Board I see no reason why the practice could not be broken away from now. In the case of Mr. Clift being on the Board, he lost two sons through the war, while Sir Patrick McGrath had a nephew who did good service. While I am not prejudiced in any way, yet I do not think that Dr. Mosdell should be there, the Government should appreciate the position of the returned men, and for my part regardless of what other members think, I shall stand firm in my opposition to Dr. Mosdell being on the Board. Personally I want to have that vote stand over. There are several ex officers around town who have nothing to do, they are out of a job, they have been told that they are not wanted, but that was not the cry when the war was on. It should not be allowed. If the returned soldiers had the same blood as they had in 1916 they would not allow Dr. Mosdell to stay there.

MR. MOORE:—Mr. Chairman, may I ask if there still exists a Ministry of Shipping.

HON. MR. CAVE:—We still have the coastal boats running, and it is still necessary to have some funds for repairs and insurance.

SIR M. P. CASHIN:—I object to that vote going through on the grounds that the House has nothing before it in the way of records to show how we stand financially with respect to that Department. There is no information in the Auditor General's report that can help the matter. May I ask how

many boats the Department of Shipping is operating.

HON. MR. CAVE:—There are six or seven.

MR. WALSH:—Mr. Chairman, while on this vote of shipping I want to point out the gross injustice that is being done to the people of Placentia and St. Mary's Bays. The whole of St. Mary's Bay and from Trepassey to Placentia is without service of any kind. I asked a few days ago when this would be rectified, and was put off with the answer that it would be when traffic warranted. Such a reply may satisfy the man who made it, but it does not satisfy me. It seems very much out of place when it is considered that, that district is bearing its share of railroad expenses, a railway it has no direct interest in. Now that is not good enough; the people up there pay dollar for dollar with the people in Bonavista and Trinity Bays, yet, the people in those two bays have more service, than freight, mail or passengers call for. The people in my district are entitled to have their portion of service from these boats. We are going to be faced with a deficit this year, and the people of Placentia Bay will have to pay their share with the people of Bonavista and Trinity Bays.

It is quite true that the Portia and Glencoe will be running on the regular service but the section between Trepassey and Placentia is absolutely neglected. People belonging to St. Mary's who want to come into the city now have to pay \$25.00 to make the journey by motor car which means \$50.00 for the round trip. I make this appeal in all good faith and I make it to you gentlemen opposite whose constituents are not deprived of the ordinary transportation services. I hope the Minister of Shipping, if there is to be one as I presume the present Minister of Finance and Customs will not continue to occupy the dual posi-

tion, will see that this matter is attended to. I appeal to the Leader of the House to see that when the Prospero comes off dock she will be immediately put on the Western service and in that way the section I refer to will be at least served fortnightly and not be entirely neglected as they have been the past three and a half years. I take it that this vote will be allowed to stand over for this evening till the information asked for by Sir Michael Cashin has been furnished.

MR. SULLIVAN:—Mr. Chairman, I wish to endorse all that my colleague Mr. Walsh has said with regard to the matter of transportation facilities for the section between Trepassey and Placentia Bay. I would like to call attention to the fact that the railway to Trepassey closes down when the first snow-fall comes and from then until it is re-opened in the Spring there is no communication whatever with St. John's except that furnished by a courier and it can be easily imagined what quantity of food stuffs can be brought over land. Last year the Cabot operated along this section as a private venture but there should be a subsidized boat to run there during the Winter and during the Summer months the steamer plying on the West Coast route should call at Branch and St. Bride's as these places are completely out of touch with all transportation facilities. I hope before the House closes the money will be provided in the estimates for a small steamer to take care of the need of this section during the Winter.

MR. HIGGINS:—Mr. Chairman, before the Committee rises there is a matter which I should like to refer to arising out of the voting of public monies. As I intimated to the Hon. Prime Minister in a private interview, I think the experiences of the past few months should have taught us something from which we might now benefit. It seems to have become an estab-

lished thing for people who are in no way responsible to this House to have control of the expenditure of public monies with power to fling it around where and how they please. If the present administration are sincere in their desire to have a general clean-up, this is one of the first abuses that should be put a stop to. In my opinion, and I think all hon. gentlemen on both sides of the House will agree with me, only elected representatives of constituencies should recommend expenditures for district needs to the heads of departments. This practice of irresponsible people going around the country spending large sums of public monies is an outrage. In many cases the money is not spent at all but nothing can be done about it because those to whom it is given do not have to account for it. It is the duty of the hon. Leader of the Government to see to it in future that such expenditures are directed or recommended by the men who will be responsible to this House. If there was an understanding that districts that happen to be in opposition were to be treated the same as the Government districts, many of the abuses that have existed of late would be quickly done away with.

Now, Mr. Chairman, might I, through you, ask the hon. Leader of the House to lose no time in having this matter set right. I may say that this request is made without any consultation on the point with my colleagues on this side but I feel that in making it I am voicing the wish of every hon. member of the Opposition. Those who should alone have a say in the spending of public monies are the elected representatives of the people. The people themselves sent us here and they must therefore take the responsibility for our acts.

SIR M. P. CASHIN:—Mr. Chairman, following on the remarks of the hon. Leader of the Opposition, I want

first of all to say that I heartily endorse all that he has said with regard to the expenditure of public monies. There is another matter, however, of immense importance to which I must refer. One of the largest, if not the very largest department of the country is not represented at all in this House. I refer now to the Railway. In 1919 when the new Government came into power they were so anxious about the railway that they took it completely out of the hands of the contractors and handed it over to a commission to operate. This commission was going to do wonderful things with the whole system; but after experimenting for a year or so they abandoned it in 1921. Then Sir George Barry was brought here at a cost to the Colony of fifteen or twenty thousand dollars to make a report upon the railway and following him Mr. Morgan came along to remain for a short time and finally departed like the others. Now there is nobody at all in charge who has any responsibility to this House. The railway is in charge of a young chap who up to a few years ago was a clerk in Reids office. He is a good enough chap and I have nothing to say against him, but surely he is not going to be responsible to this House for the operation of the road. Who is running the dock? Who is running the machine shops? We don't know. There is not a word in the Budget about this, the most important department of the Government. I ask the Prime Minister now if he has any program with regard to the future operation of the railway to submit to this House before it closes? I, for one, am not prepared to O.K. the present arrangement till we know we have something more substantial to depend on for the future. Whom do those who are running the railway, the machine shops and the Dry Dock, now report to? We were told in April, or May, by hon.

gentlemen on the other side, that an English corporation was going to take it over, but we subsequently found that that was not true, it was only a blind. The railway this year will mean a deficit of at least \$1,000,000. The deficit up to date is in the vicinity of seven or eight hundred thousand dollars. It will cost the Colony at least a million dollars to operate it for the next twelve months, yet there is nothing in the Budget about it. I am not blaming the present Government for this state of affairs, but I am not satisfied that the House should close till there is a definite program for the future before us. There is nobody of any weight or consequence in charge up there to-day.

**HON. THE PRIME MINISTER:—**Mr. Chairman, in reply to the observations of the hon. the Leader of the Opposition, I want first of all to state that with what he has said in connection with the expenditure of public monies and the desirability of heads of departments having the advice of district representatives rather than accepting the recommendations of persons outside this House in the matter of expenditure I am in entire accord but, before making any definite pronouncement on that point, I should like to have an opportunity of discussing the matter with the Executive. I shall probably be able to do this to-night.

With regard to the matter of the railway referred to by the hon. member for St. John's West, Sir Michael Cashin, I might say that while I have had very little opportunity during the week that I have been in office of studying the situation, I readily see the force of Sir Michael Cashin's remarks. The railway was taken over by the Colony on the 1st July and in the meantime, Mr. Russell who is acting General Manager has been responsible for the operation of the road. Mr. Russell is a capable and efficient of-

ficial and, altho fairly young, he has spent all his life in work connected with railway operation. He enjoyed the fullest confidence of the Messrs. Reid and it was mainly upon their recommendation that he was placed in charge. From what I have been able to learn the railway is going along smoothly and satisfactorily under his management and, in my opinion, it is much preferable to have a young Newfoundland in the position, provided he possesses all the necessary qualifications, than to import a man from outside of whose fitness or otherwise we have little or no personal knowledge. When the late Government brought in outsiders, as in the case of Sir George Bury and later Mr. Morgan, they were severely assailed. With regard to the other departments of the system, these are at present being carried on as in the past. When the Reids go out finally they propose, I understand, to take with them some of the older officials such as Mr. McNeill, Mr. Henderson, Mr. Powell and Mr. Crawford, some five or six, I think, in all.

**MR. HIGGINS:—**Is Mr. Joyce going also?

**HON. THE PRIME MINISTER:—**No. I have had some discussion with the Reid Company and Mr. Russell and they are satisfied that, for the present, the railway can be operated satisfactorily under similar conditions as have prevailed during the past six months. Business is improving and with the advent of the Armstrong Whitworth Company the outlook for greatly increased traffic is decidedly encouraging. While increased equipment will be necessitated by the handling of their freight, the expenditure thus made will be more justified by the returns in the way the management of Mr. Harvey and the other departments are going on as before. Meanwhile, I shall do my best to have a proposition ready to submit to the

House before its closing which will meet the situation in so far as it is at present possible to do so. I may say that it is my intention to get the House to meet again in February. I hesitate to bind the country to any plan which may be the outcome of only a few days' consideration and while I intend to make every effort to get outside contractors to take over the railway and operate it at a subsidy, I think the present arrangement is working out satisfactorily as is being shown by the results. Mr. Hall, the Government Engineer, is keeping full supervision over general operations while the accounts are under the control of the Auditor General. So far as any permanent arrangement is concerned, I should like to have more time to consider the necessary steps as this is not a matter that we can rush into head-long but, if, in the meantime, the House is of the opinion that the operation of the railway should be placed in the hands of a commission, I am prepared to agree to the appointment of such a commission as would be entirely free from political influence, the members of which would be as free from restriction of any sort as are the Judges of the Supreme Court. Even such an arrangement as that, however, would take considerable time and thought to effect.

SIR M. P. CASHIN:—Mr. Chairman, I would like to thank the Prime Minister for his statement, but this thing is very important and at the present time we do not know on whose shoulders the responsibility rests. I repeat that there should be someone with a seat in this House responsible. It is a Government Department and the largest department at that. I know you have a mess to clean up in every department. The Post Office is in a mess and before the Budget goes through I am going to show it. You say the Auditor General has super-

vision of the books, but that is not enough. You should appoint three or four of the best men you've got to that job. You are not going to get clear of that railway in a month or a year and I hold to the prediction that I made some time ago to the effect that you'll be asking the Reids to take it back again within a year.

We were told that the Reids were going to be put in their places; but they are in charge of that railway today and all their staff are there also. However, I can quite realise the troubles that are confronting the Government. The Prime Minister and his colleagues are up against a hard proposition and the country is looking to them now to get to work on that proposition and the quicker they do something the better for all concerned. Why, the railroad is the worst mix-up of the whole lot; the Customs and the Post Office are nothing to it. I must thank the Prime Minister for the explanation he has given. I know that he is going to try and do his best; but while doing his best he must have somebody in this House to represent the railroad, someone who will be responsible for what goes on and someone from whom we can get information. There is no reason at all why some member on the other side of the House should not be chosen to represent the railroad instead of having Mr. Russell or Mister Anybody else outside this House controlling that big department. Now, Mr. Chairman, I am not saying this in any aggressive spirit; but merely as a warning to the Government. The Government should take over the railway at once and run it in a business-like manner just like they would run their own businesses. First find out what stock is on hand and then see what it is costing to run the railway per month and per week. It is now six weeks since the Government took control of the railroad. How much it has earned since we do not

know. Still we are the representatives of the people of this House.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter referred, had passed certain Resolutions and asked leave to sit again on to-morrow.

On motion, this report was received and adopted and it was ordered that the Committee have leave to sit again on to-morrow.

Second Reading of Bill entitled "An Act to Amend 78 and 13 Geo. 5, Cap. 17, entitled 'An Act for the Encouragement of Shipbuilding.'"

HON. THE PRIME MINISTER:—Mr. Speaker, in moving the Second Reading of this Bill I may say that it is merely an extension for a year, as it is the same Bill as last year.

Second Reading of Bill entitled "An Act respecting certain Rights, Privileges and Franchises connected with the Supply of Electric Light and Power to St. John's for Street Railway and other purposes."

HON. THE PRIME MINISTER:—Mr. Speaker, this Bill was before the House last year and was then explained; but since that time the railway agreement, which was passed and ratified by the House a few weeks ago, provided that the St. John's Light and Power Company Limited should have the right to use the waters of Tors Cove Brook flowing into Tors Cove and of Pierre's Brook flowing into Witless Bay, both in the Electoral District of Ferryland. For that reason Section (1) is being added to the Bill. The rest of the Bill is the same exactly as the one introduced last year. The Preamble of the Bill sets out pretty fully and concisely the reason for the Bill.

Pursuant to order and on motion of Hon. the Prime Minister the Bill entitled "An Act for the Encouragement of Shipbuilding," was read a second time and it was ordered that the said

Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Prime Minister the Bill entitled "An Act respecting certain Rights, Privileges and Franchises connected with the supply of Electric Light and Power to St. John's for Street Railway and other purposes," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

The remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises it adjourn until to-morrow afternoon at four of the clock.

The House then adjourned accordingly.

TUESDAY, August 7th, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Sir M. P. Cashin gave notice of question.

Mr. Walsh gave notice of question.

Hon. the Prime Minister gave notice that he would on to-morrow move the House into a Committee of the Whole to consider certain Resolutions respecting an agreement between the Government and Malcolm J. Mooney.

Hon. the Prime Minister gave notice that he would on to-morrow move the House into a Committee of the Whole to consider an agreement between the Government and Harry J. Crowe.

Petitions were presented by Hon. the Minister of Agriculture from Little River re railway siding.

Pursuant to notice and leave granted, and on motion of the Minister of Marine and Fisheries, the Bill to encourage Trade with the West Indies was introduced and read a first time and it was ordered that the said Bill be read a second time on to-morrow.

The Chairman from the Committee

of the Whole on Supply reported certain Resolutions, which were read a first time, as follows:

Dept. of Customs .....	\$ 513,960.50
Dept. of Posts and Tele- graphs .....	1,244,465.83
Dept. of Assessors of Taxes .....	14,840.00
Dept. of Controller of Liquors .....	79,864.00
Dept. of Accountant Con- tingencies .....	185,617.00
Dept. of Shipping .....	50,000.00

The said Resolutions being read a second time, it was moved and seconded that the House concur with the Committee therein, and the said Resolutions were agreed to.

Pursuant to order and on motion of Hon. the Minister of Finance, the House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

#### MINISTER OF PUBLIC WORKS:

—Mr. Chairman, with regard to the pensions of those three lightkeepers to which the hon. Leader of the Opposition took exception, I may say that Mercer is a man of seventy-five years of age and has been working since he was ten. Norman is sixty-nine or seventy and has been captain of a schooner from Capt St. Vincent to Cape Chideley and brought more revenue into this colony than one pensioner will ever earn. Belbin is a man of sixty-two years of age and has been on a light house for nineteen years. He had a son killed in a German prison. We are funny people. When we hear of a poor devil getting a few dollars we are up in arms, but when Mr. So-and-so or Doctor So-and-so or some high official is getting some money that he doesn't work for there is no noise at all. I recommended these men for the jobs and now I recommend them for their pensions which they have justly earned. I con-

sider Reuben, Mercer and Belbin deserving of their pensions.

MR. HIGGINS:—Mr. Chairman, I wish to thank the Minister of Public Works for his courtesy on behalf of the men themselves. The story that I heard was the men themselves did not want the pension. If they are satisfied then I have nothing further to say.

MR. SULLIVAN:—Why is it that a man gets a pension after only three years working. I am also opposed to any big bug's getting a pension or salary for which he does not work. I consider that remark unfair in the light of what I said yesterday of the Board of the Militia Department. I am quite satisfied that Mr. Mercer and these other men should get their pensions, but does the same thing apply to this man Blandford who was working at the Lunatic Asylum only three years?

#### HON. THE PRIME MINISTER:—

After inquiries I find that this man is seventy-two years of age. He was therefore appointed at sixty-nine. He is now quite unable to do the work; in fact he made one or two errors that nearly burnt the Asylum and it was decided to pension him.

SIR M. P. CASHIN:—Mr. Chairman, on looking down this list given in answer to a question asked by Mr. Moore I see the name of one Mr. C. J. Fuery as railway inspector at a salary of \$1140.00. What is the idea of this? Who is the minister responsible? Mr. Kennedy was the inspector for years and was fired out in 1919. Last year we made application and representation to the Government to have him taken back. He was able to do the work but the Minister of Justice was unwilling. This man was at the work for thirty years and was the best at this work of inspection in Newfoundland. We were told that the official in this capacity was not required. After a long time we obtained for him a pension of \$750.00. Now looking

over the answer to this question I find that this man who does not know the least thing about the business is being paid nearly \$1200.00. I suppose it is because he was a candidate for the Government in 1919. He was defeated and we are asked under present conditions to pass this vote for \$1200.00 for this man who knows nothing about the business, while a man who is quite able to do the work is pensioned at \$750.00 per year. I question Mr. Prime Minister if you knew anything about this matter. Then again, we are asked to vote \$8100 for agriculture commissioners to spend \$12,000. Let Capt. Winsor go, and prosecute the codfishery instead of giving him nearly four thousand dollars for nothing. We are not going to pass this. \$8,100 for three commissioners for what? Here's the list of stock at the model farm. T'was tabled the other day.

Reads list.

Surely you can't be in earnest to ask us to pass this vote unless the minister has some program. Three commissioners for what? Surely the minister has something to say. Capt. Winsor knows no more about agriculture than this man for whom we are asked to vote twelve hundred dollars for, knows about railway inspecting. Now he is appointed agricultural commissioner. Then again, in addition to his thousand dollars sessional pay Capt. Jones is being paid \$750.00 as the magistrate for the Labrador. You call this cleaning house. How can you hope us to have confidence in you if you ask us to pass those votes? The best thing to do is to call the role and dismiss those who do not come up to the mark as they come along. I don't object to Capt. Jones as magistrate for the Labrador if he does the work. But this House may be open till September and by that time there won't be any people on the Labrador requiring magistrates. Now is the time to begin house cleaning. Begin

in earnest. Pay those who earn their salaries of course. But don't pay three commissioners \$8,100 to spend \$12,000. The minister of this department ought to be ashamed. However he may have some explanation. I would like to hear one.

HON. THE PRIME MINISTER:—  
Mr. Chairman, the honourable member for St. John's West touched on several matters during the course of his remarks just now. I would like to deal with them separately. There is one misunderstanding which I wish to clean up. This Government is not responsible for all the scandals with which it has been credited. I did not know that Mr. Fuery had been appointed railway inspector. On looking through the estimates I think you will notice that the grant for two inspectors at a salary of \$1140 had been cut out. With regard to the agriculture commissioners I may say that the act providing for them was not made by this Government. It is a legacy left it by another Government. It was passed by the Morris administration in 1909 or 1910. Lord Morris must have had some agricultural policy in view when he put through this act. Whatever it was it has been scrapped and is now out of existence. It was this act which provided for the appointment of the three commissioners. The first to fill the offices were Mr. Downey, Mr. Devereaux and Mr. Seymour. Everybody must admit that Mr. Downey is very experienced and devoted to the bettering of agriculture conditions in Newfoundland. I must admit, Mr. Speaker, that Mr. Seymour, who is now unfortunately dead, had no qualifications for the work. Nor had Mr. Devereaux, now also dead, any qualification. Later on others were appointed and undoubtedly the act had been used for political purposes. I don't defend it. I don't deny it. With that I have said all I can say. We have scandals existing



to-day but I don't think it fair that this Government should be blamed for appointments for which it is not responsible. Sir Michael Cashin has criticised Captain Jones because of the fact that he is the magistrate for the Labrador whilst a member of the House of Assembly. When Sir Michael Cashin was Minister of Finance he appointed Capt. Winsor to the same position under similar conditions. Captain Jones is kept in the city because of the force of circumstances. Those are the facts. Everything can't be cleaned up in two or three days. All I ask for is time.

**SIR M. P. CASHIN:**—Mr. Chairman, the Prime Minister is not to blame in the matters which he just mentioned. I agree with him. What I want to know is why are three commissioners given a salary of over eight thousand dollars when they have only to spend twelve. Sir E. P. Morris had over a quarter of a million to spend when he appointed the three commissioners. The present Government has only twelve thousand dollars. The right thing to do would be to close up the model farm and sell off the cattle. It has been run for three years and failed. When Sir Edward Morris appointed three commissioners he had agriculture societies all over the island and there was work for the men to do. These agriculture societies were a part of the program of the premier's manifesto at that time. Now there is nothing for the commissioners to do and we could very well get along without them.

**HON. MR. DOWNEY:**—Mr. Chairman, in justice to the memories of the late Commissioners, Messrs. Seymour and Devereaux, I may say that they were never deemed or looked upon as Agricultural Experts. Any praise or tribute that I can pay them is insignificant in view of the excellent work performed by them in carrying out the Morris Agricultural Policy even

though they were not experts. There was a great deal of work in connection with the Agriculture Department when they were commissioners. There were large importations of products for seed which entailed considerable work, and I must say that they performed their services faithfully.

Now with regard to the vote for the three commissioners, I would inform the hon. member for St. John's West that he was a member of the Board of Agriculture when the three commissioners were first appointed, and the grant then was only \$40,000.00. I may say that it is the intention of the Government to curtail in every possible way the expenditure in every Department. The first year that the Board of Agriculture undertook to import seeds, the importations only amounted to about \$1400 or \$1500, while to-day it amounts to six or seven thousand dollars. Give the people the chance that they desire in obtaining seeds. Encourage and improve the facilities for agriculture in this country, and I am quite sure that the returns will be doubled.

**MR. HIGGINS:**—Mr. Chairman, there is just one word I want to say at this juncture. I undertake to say this, that we are not at all unmindful of the position that the new Government is up against; but at the same time we have our duties to perform in this House. I may say, to use the words of a prominent member of this House, that it is critically correct to say, that this policy of employment of Government members, or defeated candidates is not new; but there never were the same circumstances existing before, as we are up against now. It does not follow that we should have three or four commissioners at present, because they were there at one time. If you had a judge on the Labrador ten years ago it does not follow that you should have one there now; that would be very poor logic. If

those commissioners were there during the Morris administration, they had something to do; there was employment for them and work to be done. The appointment of those commissioners is only a form of abled-bodied relief. Out of respect for the three gentlemen, I refuse to sanction a vote, which virtually makes paupers of them. I would ask the Government to save the gentlemen from such humiliation. There are widows in this country who cannot be persuaded to accept Government assistance, dreading the very suggestion of being made legally paupers by the act, yet the House is asked to put this dreadful stigma upon some of its own members. My objections are not based upon any desire to impede the Government in its plans, but made purely and sincerely on ground as already outlined. I fully recognize the difficulty of the Government, and my remarks are being made in the spirit of helpful criticism. I beg to assure the Prime Minister that no act of ours will be done to embarrass the Government. We are not here to play politics. If we wanted to embarrass the Government we could not do better than to allow the Government to go on in its own way. I believe the Government means to do the right thing, and I would be glad to assist them in every way. But, first of all, you must be prepared to start anew, put off and repudiate the old, clean up the mess, and take on new life. I reiterate the remarks of Sir Michael Cashin, that it is time to have a roll call. We all know that when it costs \$8000.00 to spend \$12,000.00 there must be something wrong. Call the roll, and those who cannot justify their positions, or give honest returns for the salaries they receive strike them out, and send them out to earn their own living.

Now as regards Captain Jones who is receiving \$750.00 as Magistrate on

the Labrador. How on earth can he act as Magistrate or Judge on the Labrador, when he is here sitting in this House all the summer? Regarding the appointment of Mr. Fuery as a railway inspector, I must say that it is not a question of a legacy handed down to the present. If it has been handed down to you by other Governments, do not be led by such things. We are not playing politics, we are giving the Prime Minister a fair show. We are giving him the fairest show that any Government has ever had; but we are not going to give him too fair a show. We merely ask to cut out this playing, and the appointment of Agriculture Commissioners, they are unnecessary, we cannot afford to have them. You found it quite easy to cut out the \$25,000 for Model Farm, so why not cut out this as we ask?

Events have gone too far; they have gone beyond personality altogether. The corpse of the defunct Government must be removed, and a deep grave, deep enough to satisfy the most exacting sanitary requirements, must be dug for it. And it must be buried deep enough to insure that there will be no premature resurrection.

MR. JONES:—Mr. Chairman, I want to put the hon. member for St. John's West right as to my being on the Labrador last year. The hon. member said that I was paid \$750.00 last summer as Magistrate on the Labrador, while I spent the summer in town. I may say that that is untrue. This House closed last year in June, and I went on the Labrador early in July and was down there all the summer. It has been said by the hon. member opposite that this House will not close until September, perhaps it won't. If the House does not close until September, and I do not go down on the Labrador, I shall not be receiving my salary as Magistrate.

MR. HIGGINS:—In connection with

that vote Mr. Chairman, I have to thank the hon. member for tabling No. 2 Relief Account. I beg to ask for particulars of three items in that account. These are the disbursements in connection with the West End and East End Rock Sheds, and various roads, the expenditure for those three items seems enormously large, totalling \$350,000.00.

MR. WALSH:—Mr. Chairman, I would thank the hon. member for St. George's for the graceful tribute which he has paid the late gentlemen, especially do I wish to thank him for the tribute of my late colleague Mr. Devereaux. I beg to call the hon. member's attention to the fact that there were three commissioners for only a very short time, as Mr. Seymour died shortly after his appointment, and the vacancy thus created was never filled.

As far as the work which Mr. Devereaux did is concerned, it was different, and far greater than the work that the present commissioners have to do; while the salary he got was only \$1700.00, whereas now they get \$2700.00. Now in the time of the Morris Government there were various Agriculture Boards all over the country, there were lectures given at the principal outports, and seeds of various quantities were sent out. The volume of work was immense, and the three commissioners there were kept busy all the time, but it is not so now. I think it very unnecessary to have three now, when there is really nothing to do, and also when you take into consideration the depressed state of our finances to-day, and our flourishing condition then.

All the eyes of the country are focused to-day on the actions of the new Government, I myself am not one who is going to give my vote for such grants. I do not think that any person can say that we have been unfair to the new Government, since they

have taken office; our criticism has not been unfair, and in the words of the leader of the Opposition, if we want to play politics we can find heaps of occasions to do so. I object to the vote, and will with-hold my support until the Government brings in some policy. I do not wish to see a division, but if the Government persists in putting this vote through then I will not hesitate to ask for one.

MR. WOODFORD:—I would like to ask Mr. Chairman if it is the intention of the Government to increase the grant for the Road Commission? I know you, Sir, are particularly interested in this matter and I commend the work that has already been done by the Association. I hope you will help me out now in the effort to get the grant increased. I think the Government should be able to see their way clear to add another dollar against every dollar that is collected from motor taxes, or even a half dollar would be acceptable. There is now a splendid road part of the way around Conception Bay, thanks to the Road Commission, and these gentlemen deserve great credit. There is only one fault I have to find with them and that is the manner in which they have discriminated in the matter of giving employment. You, Mr. Chairman, are partly responsible for this because you are the Secretary of the Commission, but the hon. Leader of the Government must also take his share of the blame. I would like to see the returns in connection with this work so that I may see the names of the men who have been given work on the roads under the management of the Road Commission and the amounts paid them. I think it would be found that they were all strong supporters of the Government in the last election. I am informed that men have been employed on these roads and earned from thirty to a hundred dollars who had bank accounts while others who

were actually in need could not get work. I contend, Mr. Chairman, it is time to get out of that rut. Now I think you ought to increase this grant. In view of the way we have been throwing away money and now that we are going to practice economy I do not know of any way we can put what is saved to better use than in improving our roads. I am sure the Hon. Minister of Posts and Telegraphs will help me out in this appeal and I look forward to seeing the main road improved right around the Bay. There are many beautiful spots in the Bay of Conception and good roads would undoubtedly result in greater motor traffic and in this way a great deal of money would be left amongst the people of the settlements along this route. I would like to hear you, Mr. Chairman, back my appeal and I suggest that you ask Capt. Jones to take the Chair while you give the House the benefit of your views on the matter.

HON. THE PRIME MINISTER:—Mr. Chairman, while I appreciate all the hon. member for Hr. Main, Mr. Woodford, has said with regard to the benefits that would undoubtedly accrue from an increased grant for Road Commission work, I fear that under the Estimates that are now before the House we will not find it possible to accede to his request. It must be remembered that the grant for the Road Commission's operations made by the Government amounting to a dollar against every two dollars revenue received by way of motor car taxes was made under a special Act bringing the Motor Association into existence and under the present circumstances, I regret that nothing further can be done in this direction. Later on an amount will have to be provided to meet the unemployment situation and of this the two members for Hr. Main District will get their share which can be expended in further improving their roads. In con-

nection with the grant to the Road Commission for the improvement of the road around Conception Bay and roads in the vicinity of St. John's I may say that several outport districts such as my own constituency of Fortune Bay, were disappointed that they did not receive some special consideration also and in the event of an increase being given now, the representatives of these districts would be justified in looking for similar treatment.

HON. MINISTER OF AGRICULTURE AND MINES:—Mr. Chairman, there is no hon. member of this House more pleased than I to hear that if our finances warrant it, additional funds will be granted for road construction. I am indebted to the hon. member for Hr. Main, Mr. Woodford, for introducing this subject this afternoon. The Road Commission, Mr. Chairman, has undoubtedly done really excellent work but I want to inform the House that they are not alone in that respect. The Road Commission have been able to secure a modern road-making equipment with which to carry on their operations but the people of the District of St. George's have been long aware of the benefits that were to be derived from the employment of such a plant in the improvement of their highways and five years before up-to-date road making machines were known in St. John's they were in use in St. George's where in my opinion even better work has been done than that accomplished by the Road Commission in this section of the country. I am not making discriminatory comparisons but I believe that the machinery in St. George's District has been more effective. The availability of the necessary funds enabled the Road Commission to get a tractor but we find it convenient to operate with a six-horse team, this being the only place, I believe, where a six-horse team has been used in work of this

k'nd. The work accomplished, however, compares favorably with that on which tractors are used. I trust the Finance Minister will make a general allocation for road improvements and the District of St. George's will never cease to bless him for the lasting benefits that would be derived therefrom.

MR. HIBBS:—Mr. Chairman, I am very glad indeed that at last hon. members in this House and people outside of it are awakening to the important matter of road-building. Heretofore, when one started to talk about building roads the member sitting next to him gave him a nudge and told him to sit down and not be wasting the time of the House. The subject was not deemed of sufficient importance even to talk about. The time has now arrived when we should turn over a new leaf in the matter of roads. I remember two years ago in this House I was speaking on the subject of Agriculture and some hon. gentleman said "don't be delaying the business." Now Mr. Chairman, I have certain ideas on the question of agriculture and I think I can say that I am not altogether ignorant of the subject and I want to tell the hon. the Leader of the Government that next year I am going to ask him to appoint another Chairman of Committees so that I may no longer be prevented from giving expression to my views on those other matters.

There are erroneous ideas entertained with respect to the Road Commission and I think Mr. Woodford has confused that body with the Motor Association but they are entirely separate and distinct organizations. I understand there are altogether between six and seven hundred motor cars in use in the city and nearby towns but there are not many more than 120 of these car owners members of the Motor Association. That, of course is something with which the Road Commission has nothing to do,

but we do want them to pay their taxes and this many of them have not done. I must say, in justice to the Motor Association members that most of them have paid up for the present year.

MR. HIGGINS:—Do you mean to say there are car owners who have not paid their taxes?

MR. HIBBS:—Yes, there are Conception Bay members of the Association who have not paid.

Now, with respect to the grant for the Road Commission, Mr. Woodford may not be conversant with the Act. He suggests that fifty cents might be paid by the Government for every dollar collected in taxes. The Act provides that the Commission shall receive fifty cents for every dollar so collected, up to \$10,000. So far we have qualified for \$9,000 from the Government, that is to say we have collected in taxes the sum of \$18,000. This year we will not have more than \$20,000 available for road work and, as was pointed out by Mr. Soper today in his address to the Rotary Club, we have 150 miles of road under our jurisdiction. The Road Commission's activities extend to roads over the Avalon Peninsula. I have to thank Mr. Woodford and other hon. gentlemen who have spoken in favour of the Commission and I must express the hope now that if the Government in allocating money for road works to relieve unemployment do not give it, or part of it to the Road Commission, they will not, at all events give it to the regular road boards because the best value will not be obtained for it. When we built the road at the head of Conception Bay which had been known as and was no better than a "Cow Path," at \$2,000 a mile, there were contractors up country getting \$7,000 a mile for road building and, knowing that section covered by us as most hon. gentlemen do, they can imagine that we got full value for the money

expended. With regard to the matter of discrimination in the giving of employment, I want to say the Road Commission has never been guilty of discrimination. We employed 170 men this year and not in a single instance has a man been turned down on an application for work because of his politics. On the contrary, I have heard complaints made by supporters of the Government that they could not get work while opponents were being employed and the way one man put it was that if you want to get work with the Road Commission you have to be an opponent of the present Government. The returns and accounts are open to the scrutiny of anyone, and I am prepared to bring them all in here and invite the closest inspection of them.

MR. WOODFORD:—Mr. Chairman, I thank the hon. gentleman for the explanation he has given the House, and I have a few more words to say in addition. Mr. Hibbs said there was no discrimination in the giving of work. I can give one instance now of where it was practised. When the work was going on between Seal Cove and Holyrood, men were brought up from the other end of the district and put to work there, while the men who, we claim, have a right to be given that work were ignored. Mr. Hawco will agree with me in that and he knows it is unfair. You agree with me, do you not, Mr. Hawco? You do agree but you are afraid to say so.

MR. HIBBS:—That is not correct.

MR. WOODFORD:—There were men from Rourke's applied for work there and were refused.

I took an active part in endeavouring to remedy that complaint when the thing was on, and I hope that it will not happen again. Now I want to tell Mr. Hibbs about a very serious row that took place in a gravel pit on the Avondale Road. Five men were working there. One of them was a sup-

porter of mine; the other four were supporters of the Government. I do not know how this one man happened to be there because all the other supporters of mine in that section of the district would not go to work, either they were too independent or perhaps they knew that if they did go to work that they would not get fair play. However, this one man that I refer to got notice to quit work and later the other four got notice to quit also, with the result that a general row took place and the supporter of mine was knocked down and kicked and badly beaten by the other four men and the victim of the assault came to St. John's and proceeded to take legal action. That is how discrimination was practised in Hr. Main district. Not one of my supporters could get a look in. I give notice now that if this kind of thing is going to be attempted again that the men at the head of the Bay will not stand for it. Just imagine, Mr. Chairman, four "Liberals" trying to put out of existence one "Tory" because he had the pluck of his convictions. I do not say that it was Mr. Hibbs' fault or that he encouraged it; but now that we are a happy family here I hope you will take our advice and let us act fair and square towards each other. I am sure that Mr. Hibbs will remember that when I had the pleasure of allocating the expenditure of \$750—I think that was the largest amount I reached in my life—on the road between Foxtrap and Kelligrews that I made no discrimination and I gave strict instructions that every man in that locality was to get his proportionate share. Do you remember that Mr. Hibbs?

MR. HIBBS:—To supporters of yours.

MR. WOODFORD:—Mr. Butler was a supporter of mine; but there were many friends of yours there too.

MR. HIBBS:—Did you build that road when you went about it?

MR. WOODFORD:—We had not got sufficient money at that time. I remember of being accused here by the late Mr. Clift of taking money out of the Northern Main Grant. I was prepared to take money out of any grant, provided I gave returns for it, in order to improve the main line roads in my district.

Now I hope that there will be no further discrimination practised and I also hope that the Prime Minister is looking forward to providing money for improvements of various public works. I do not believe in spending money on roads in winter time; but it should start now. The people will have poor crops and they will be badly off next winter unless they get employment now.

There is one particular gentleman in the House that I have the greatest respect for and it is our genial friend Captain Jones. Oh it is you Mr. Chairman. You have a very honest look on you. There was a name-sake of yours who was an old friend of mine—I refer to the late lamented Bishop Jones. I thought by your solemn religious looking face that you were a brother of his. I believe that you are too polite and too honest to do anything wrong and even if you got a few hundred dollars on account of the Labrador service I believe you earned it. I wish you every success, Sir.

SIR MICHAEL CASHIN:—Mr. Chairman, A few days ago I saw an advertisement in one of the daily papers stating that sale of splits was taking place at the Kerosene Oil Store, St. John's East. I understand that the sale went off and the Government realised the sum of \$104 for all the splits. I was very much disappointed on picking up a statement from the Agriculture and Mines Department on finding that these same splits cost this Colony the huge amount of \$6,238. I would like to know the reason why the Minister did not hold these splits

and have them distributed among the different Government institutions, such as the Hospitals and the Poor Asylum, instead of disposing of them for such a paltry price as \$104. Certainly there is no good reason why they could not be used to better advantage by the Government. Surely there must be some explanation due the House for this latest form of scandal.

HON. MINISTER OF AGRICULTURE AND MINES:—Mr. Chairman. I fear that the honourable member who has just sat down is holding me responsible for sins of my predecessor. I was not in the office that I occupy at present when the splits referred to were sold. Now we are told on the one hand that there is a disposition on the part of the Opposition for a fair field and to rectify the past.

SIR MICHAEL CASHIN:—And that is our desire.

HON. MINISTER OF AGRICULTURE AND MINES:—But the tone of your remarks are rather caustic and sarcastic. The honourable member for St. John's West knows that I was not in office when the splits were sold. I was going on to say, before I was interrupted, that we were given to understand here on the one hand that, because of the unfortunate features of the late administration, the Opposition would give every encouragement in the hope that this Government would pursue the path of rectitude; but on the other hand no occasion is lost for the purpose of throwing across the floors of the House semi-concealed charges at people who are not responsible for alleged irregularities.

MR. WALSH:—Mr. Chairman, I would like to point out to the Hon. Min. of Agriculture and Mines that it is his attitude which is the unfair one. The actual fact of this latest scandalous split episode is this. I met Sir Michael Cashin on Water Street one morning recently and told him that I

had heard that a singer or foreign comedian had purchased all the Government splits that were at the Government Oil Store for the small amount of \$104. Sir Michael asked me if I would like to drive to the scene of the scandal in his car. I replied in the affirmative and we drove there. Now I want to tell you, Mr. Chairman, that I was amazed at what I saw, because I really thought that the story I had heard was to some extent exaggerated; but as true as I am standing here there were sufficient splits to fill this Assembly Chamber sold to this foreigner named Delmar for the paltry sum of \$104 and for which the taxpayers of this country had to pay \$6,238. Now I contend that it is the duty of the Minister of Agriculture and Mines as much as it is the duty of any other member of this House or any other man in this Island to enquire into this latest scandal and find out why these splits that cost nearly \$7000 were given to an outsider for \$104. As Sir Michael Cashin has pointed out, why were they not given to the public institutions? Or, if the Government wanted to be charitable, they could have given them to the three city orphanages, instead of allowing a foreigner to get a rake-off of about \$5,000. When we visited the place there were over a hundred horseloads of the splits sold at 85 cents a load and that hundred loads were not missed out of the big pile that was there. I suppose there must have been ten thousand loads there originally—and these all given away for \$104. I notice the Minister of Marine and Fisheries is smiling. I remember a time in this House when the same Mr. Grimes was holding forth telling how he could save the fraction of a cent in the purchase of thread and soap and such like for the public institutions. Now we have numerous scandals going on while the majority of our people are starving.

Poor men are trying to fish barefootedly. Men are beating their ways to the Humber and then when they get there are told to beat their ways back, although there are posters out in Montreal to-day stating that men are wanted for the Humber. I know that men have arrived here within the past few days from Canada and who have been engaged to work on the Humber—as riggers and I know that we got just as good and as capable riggers in Newfoundland for this work; and if the Minister of Agriculture and Mines wants to throw a retort and suggest that we are hampering the Government he is only breeding trouble for himself. It is altogether unnecessary for me to get up and defend any man on this side of the House, but I merely wanted to point out that I happened to be associated with Sir Michael Cashin when he visited the scene of one of the greatest public scandals ever committed in this country. It is true that Mr. Downey was not Minister of Agriculture and Mines at the time that the splits were being bought up, but he was an associate of the then Minister, who is now in Canada because of the disruption in his party and because of something I do not care to discuss at this particular juncture, and it was because of the buying up of these splits and other things—if not wholly in part at least to some extent—that Mr. Downey was sent back to this House by the people of St. George's. Now, Mr. Chairman, what are we here for, if we cannot express our views honestly and fearlessly and if we cannot get up and criticise the Government for buying an amount of splits for over six thousand dollars and then selling them to a foreigner for a hundred dollars? Why, I think this thing is the most contemptible scandal ever perpetrated by any Government, and the present Minister of Agriculture and Mines cannot escape the onus nor can any man on



the Government—they are all responsible in some measure as well as the prime culprit.

**HON. MINISTER OF AGRICULTURE AND MINES:**—Mr. Chairman, I am loathe to take up the time of the House unnecessarily; but I would like to say that the honourable member for St. John's West was merely ungenerous in his remarks in endeavouring to attribute to me certain responsibility that belongs elsewhere; but the honourable member for Placentia and St. Mary's is unjust because he heard the explanation that I made. If I was asked for an opinion I would have condemned the same transaction equally as strong as they have. At all events, I believe, and I feel absolutely certain, that every member of the present Government will see that justice will be done in future, as a result of that transaction.

**MR. HIGGINS:**—Mr. Chairman, I would like to ask the Minister of Public Works if he would arrange to get the details I asked for with respect to No. 2 Relief. Another matter I would like to draw his attention to is with regard to the Normal School. I am instructed that in connection with the heating system in the Normal School that tenders were asked for addressed to the Public Works Department, that two tenders were submitted, one for \$42,000 and another for \$50,000, and that the highest tender was awarded the contract. When we come into Supply later we will consider the report of the Normal School. In the meantime I would ask the Minister of Public Works if he would be good enough to have the information asked for prepared.

**MINISTER OF PUBLIC WORKS:**—I will.

**MR. HUNT:**—Mr. Chairman, I notice a new Assistant Road Inspector named Geo. Gosse is appointed at a salary of \$1680. Now I would like to

ask the Minister of Public Works who is the Road Inspector.

**MINISTER OF PUBLIC WORKS:**—The appointment was made before I went in the office. Mr. Gosse is the only Road Inspector now.

**MR. HUNT:**—I would like to ask what are the duties of Mr. Frank Penney who has been given a position as employment agent at \$1800 a year.

**HON. THE PRIME MINISTER:**—Mr. Chairman, he was appointed to keep track of the laborers engaged at the Humber. The Company abandoned the original idea of employing men without notifying the Government with the result that some trouble occurred at the Humber over the indiscriminate employing of men. We wanted to find out exactly how Newfoundlanders were being employed according to their districts and we sent Penney out to report on the whole matter.

**MR. HUNT:**—Who is the Gardener at Government House who is down for \$900 a year?

**MINISTER OF PUBLIC WORKS:** He is a German. His name is Otto Rusch. In my opinion he should not be there.

**MR. HUNT:**—Well it is up to you. Why should not a returned man get the preference?

**HON. THE PRIME MINISTER:**—Mr. Chairman, I promised last evening the honourable leader of the Opposition, who requested that district representatives only handle all district monies, to make a statement to-day. I now wish to inform the House that, as a result of a meeting of Council, from now on none but elected representatives of the people shall have charge of the disbursements of public monies in the various districts.

**MR. HIGGINS:**—Mr. Chairman, I have to thank the honourable the Prime Minister very much indeed for this just concession and I trust that the matter will be thoroughly under-

stood by the Ministers in charge of the different departments.

**HON. THE PRIME MINISTER:**—Mr. Speaker, in moving the adjournment I would like to state that at the time of the issue of the bonds in connection with the Humber loan, an article appeared in the local press that only 25% of the bonds had been subscribed and the balance or 75 % had been left on the hands of the financiers floating the loan. This was totally incorrect. According to the London Times of July 26th I find that the 5% bonds of the 2 million loan which the Newfoundland Government alone gave, rose  $1\frac{1}{4}$  to a premium of  $3\frac{1}{2}$ . The Power and Paper  $4\frac{1}{2}$ % "A" debentures guaranteed by the British Government went back  $\frac{1}{4}$  to a discount of  $\frac{1}{2}$ . The issue of  $5\frac{1}{2}$ % "B" debenture stock of the same company guaranteed by the Newfoundland Government opened at 10 o'clock and was oversubscribed by 11 o'clock when the lists were closed.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had passed certain Resolutions and asked leave to sit again on to-morrow.

On motion this report was received and adopted and it was ordered that the Committee have leave to sit again on to-morrow.

The remaining Orders of the Day were deferred.

It was moved and seconded that when the House rises it adjourn until Thursday afternoon at three of the clock.

The House then adjourned accordingly.

THURSDAY, August 9th, 1923.

The House met at three of the clock pursuant to adjournment.

**SIR M. P. CASHIN** asked Hon. the Minister of Finance and Customs to lay on the Table a statement showing

details of the amount of \$2,500 paid to the Tariff Commission, and if any payments have been made to individuals, to state the nature of the services performed by them.

**HON. THE MINISTER OF FINANCE AND CUSTOMS:**—Mr. Le-Messurier who is in charge of this matter is on his holidays. We will probably know about this matter to-morrow.

**SIR M. P. CASHIN** asked Hon. the Minister of Posts and Telegraphs to Table a copy of the Tenders received from the Union Publishing Co., Ltd., and Messrs. Dicks & Co., for Stationery, such as pens, envelopes, in Nov., 1921, and what was the amount stated for such Stationery by each Company, and why the lowest tender was not considered.

**HON. THE MINISTER OF POSTS AND TELEGRAPHS:**—This is being prepared and can be tabled to-morrow.

**MR. WALSH** asked the Minister of Public Works why the Contract for Plastering the Normal School was given to a Montreal firm; who are the Contractors building the Normal School, and to lay on the Table of the House a copy of the Original Contract and any correspondence in reference to same.

**MINISTER OF PUBLIC WORKS:**—This is being prepared and will be ready for to-morrow.

**MR. WALSH** asked Hon. the Colonial Secretary to lay on the Table of the House a statement showing (a) the estimated amount charged by the Nfld. Publishers, Ltd., for printing the four volumes of the Census; (b) how much money has been advanced on account; the date and amount of each cheque; (c) when was work submitted to printers, and how much of it is done to date.

**HON. THE COLONIAL SECRETARY:**—I am sorry that I have not given this matter my attention. It will be ready for to-morrow.

On motion of the Hon. Minister of Marine and Fisheries the House resolved itself into Committee of the Whole on the Bill entitled "An Act to Amend 78 and 13 Geo. 5, Cap. 17, entitled 'An Act for the Encouragement of Shipbuilding.'"

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

HON. MINISTER OF MARINE AND FISHERIES:—This Bill now before the House is the same as that which was before it last year. The bounty is for ships of the same class and tonnage, etc., but the time has been extended to 1924 instead of 1923.

MR. HIGGINS:—I may say that we have decided to support this bill in its entirety. It was because of the fact that it was understood this bill would be introduced that much shipbuilding is now going on which would not otherwise be begun.

Mr. Speaker resumed the Chair.

The Chairman from the Committee of the Whole reported that the Committee had considered the matter to them referred and had passed the Bill without amendment.

Whereupon the Bill entitled "An Act to amend 12 and 13, Geo. 5, Cap. 17, entitled 'An Act for the Encouragement of Shipbuilding,'" was read a third time and passed and it was ordered to be engrossed as above and sent to the Legislative Council with a message asking the concurrence of that body in its provisions.

On motion of Hon. the Prime Minister the House resolved itself into Committee of the Whole on the Bill entitled "An Act respecting certain Rights, Privileges and Franchises connected with the Supply of Electric Light and Power to St. John's for Street Railway and other purposes."

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

MR. HIGGINS:—Mr. Chairman, as

far as this bill is concerned I may say that we accepted this bill in principal when we passed the Humber contract. We are in a certain sense already committed to it. I am prepared to support it for the sake of the city of St. John's.

The great pity of the matter seems to me to be the fact that when the late administration could have got concessions with regard to a hotel being built in the city they would not consider the bill at that time when we might have got something for what we are giving. What we are giving at the present time is only permission to raise money for the improvement of the system of street railways in St. John's. The whole situation is a joke from a commercial standpoint but is a very serious matter for the city of St. John's. Members both on that side of the House and on this know of the unfortunate condition of the electric plant. A shut-down of many weeks duration may occur at any moment because of the breakdown of the machinery or some other part of the plant through want of repair or improvement. The whole system wants to be replenished. The flume is cracked up. The power house capacity needs to be increased. It might be well to make use of the present situation to readjust rates for power and light. I don't want to knock the system but we are prone sometimes to let things drift. We have got to give concessions and I am prepared to accept the idea. The operators have done their best. For years they have been losing money on the railway and their only source of reimbursement was their electric plant. They did their best. I say again that whilst I am prepared to support the bill I wish to stress the point that it is unfortunate that we did not accept the situation two years ago. The Government two years ago was asked to allow the contractors to mortgage their property or to assign their interest so as to raise funds for the im-

provement of that property. The only difference between this bill and the bill introduced two years is that St. John's was to get a hotel under the first whilst it is to get nothing under the present proposal. It was a suicidal mistake to have accepted because of the short-sighted reasons advanced. To give the power to the Reids to mortgage their franchise would not have been a very important matter. But the matter was looked at from a standpoint of political capital. 'Twas a case of giving more concessions to the Reid interests said some people and the bill was not passed to our misfortune. It is a pity that we did not take the chance when the bill was last mooted. Then we would have got our 'quid pro quo.' We have to support this bill because St. John's is dependent on the power house at Petty Harbour for its light. As a matter of fact at any time we may find the supply cut off and our factories and industries without the means to carry on. However even if the whole franchise is mortgaged so heavily that the mortgagees have eventually to take over the street railway conditions can be no worse and the probability is that they may be able to be improved.

MR. P. F. MOORE:—Can the Minister of Justice tell offhand whether any other companies have the privilege of coming into St. John's and using or selling electric power?

HON. THE MINISTER OF JUSTICE:—Yes, any other companies can if they so please come into St. John's and enter into competition with the Reids.

MR. CALPIN:—Just at this point I would like to know why Conception Bay can't have the same privileges. Why can't some other company come over and enter into competition with Mr. Murphy to supply light and heat to the people over there?

HON. THE MINISTER OF JUSTICE:—The franchise has given to

Mr. Murphy the exclusive right to supply the people of Conception Bay with light and power. The matter has also been decided by the court. Their right can't be taken away. It is understood that Mr. Murphy intends coming into St. John's. He is allowed to do this because the 1898 contract does not give exclusive right to the Reids. Mr. Murphy on the other hand has the exclusive right in Conception Bay. However, I can quite appreciate the feeling over there.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress and asked leave to sit again.

On motion this report was received and adopted.

Second reading of Bill entitled "An Act to amend Chapter 23 of the Consolidated Statutes of Newfoundland (third Series), entitled 'Of the Auditing of Public Accounts.'"

HON. THE PRIME MINISTER:—Mr. Chairman, with regard to the question of a Deputy Auditor General, I understand that the work of this department has considerably increased of late and it has become essential that somebody be appointed to undertake Mr. Berteau's duties and responsibilities when he is absent through sickness or otherwise. In the intermediate stages there has been objection to the proposals made with regard to the appointee for the position. In this, the first stage, the principal which should be discussed is whether there should be or should not be a Deputy Auditor General.

MR. HIGGINS:—I wish to make the position of the Opposition clear on this matter. We don't object to the appointment of a deputy auditor general. In fact we think that this appointment would be a move in the right direction. In consideration of the happenings of the last three or

four months and, I say this with full knowledge of the seriousness of the remark, there must be something wrong with the auditing of the public accounts. The department of Auditor General is the only check we have. It was first instituted as a safety valve between the Government of the day and the people of the country. The idea of such a department was that it should be beyond control of any party and beyond reproach. Now what is the spectacle to-day? We have officials of that department getting paid for extra services for auditing accounts and these amounts charged to Pit Prop and other accounts. The thing is an outrage. If it is necessary to increase the staff of the department do so or if those employed there are not getting sufficient pay then increase their salaries. The idea of taking members of the Auditor General's staff to audit accounts and paying them \$200.00 which is charged to Pit Prop account like you'd charge up a horse. How can you expect the public to have confidence in the Auditor General's department while that sort of thing is going on. I support the principle of the appointment of a Deputy Auditor General because it is a reasonable one. In the event of illness or absence through any cause of the Auditor General, there should be some responsible person to take his place, but, I am sorry to have to say for the first time since the new administration came into office, we on this side of the House are not going to permit this Bill to pass through the Committee stage if we can possibly prevent it unless one of the present officials in the department is placed in the position. It is only fair to them to say that no one on this side of the House has been approached by either of the officials I refer to in connection with the matter. You are going to destroy public confidence by putting in a gentleman over the heads of those already there, a

gentleman who, no matter what his qualifications, is admittedly a strong party supporter. I have every respect for Mr. Mews but it is an outrage to take him from active political life and reward him for his services to the party by putting him in such a position. He is not superior to either Mr. Donnelly or Mr. Brien and it is notorious that the work of the department has been done by them for years past during the absence from the Colony of the Auditor General. There is nothing in Fred Brien's class in the country to-day when it comes to auditing accounts. That is a big statement but it is no exaggeration of the facts. If it is desired to put Mr. Mews in a position we have no objection whatever to make. This is no question of personal considerations at all so far as we are concerned but we do think it is hardly fair to stand by and vote for the putting into the position of Deputy Auditor General a man like this at a time when the most important commission ever appointed in this country is about to begin an enquiry into public matters and before whom public accounts must come which will have to be furnished by the Auditor General's office. Now, Mr. Speaker, I trust there will be no misunderstanding of the position we take with regard to this Bill. We agree to the second reading because we accept the principle and think it is a right step for the Government to take but we respectfully repeat that unless we are given an assurance by the Hon. Leader of the House that no outside gentleman is to be put into that position we shall do all that is physically possible to prevent the Bill going through the Committee stage. I tell you this now so that, if you decide to press the matter, there may be no blame attached to those on this side for trying to hang up the House. We may now be able to stay this appointment but we are going to try.

The bill was thereupon read a second time and ordered to be referred to a Committee of the Whole House on to-morrow.

Mr. Speaker read an invitation to the members of the House from the American Consul to attend the Memorial service to be held to-morrow afternoon at 3 o'clock at St. Thomas' Church in memory of the late President of the United States, Hon. Warren G. Harding.

It was moved and seconded that when the House adjourns it adjourn till to-morrow at four of the clock on to-morrow.

The House then adjourned accordingly.

FRIDAY, August 10th, 1923.

The House met at four of the clock in the afternoon, pursuant to adjournment.

Mr. Moore gave notice of question.

SIR M. P. CASHIN:—Mr. Speaker, the question I asked the Colonial Secretary a day or two ago was, What the publication by Dr. Mosdell of "Newfoundland and its Attractions" cost, give the total number of editions sold to the Governments in 1920, 1921, and 1922. Here is the answer that I received: "The answer to that question was tabled on July 17th." Now that is not the answer to the question. I also asked a question on the Order Paper yesterday concerning an amount of \$2500.00 paid the Tariff Commission. The Hon. Minister refused to give the answer, and I want to know why. Here is the answer that I received, "In reply to Sir Michael Cashin's question No. 1 on order paper dated August 9th, 1923, asking for statement of amount paid the Tariff Commission, I beg to say that the account is in the name of H. W. LeMessurier, Esq., and accounts kept by him. He is now on vacation and out of the country. As the Tariff Commission is not now sitting, I presume

Mr. LeMessurier overlooked leaving the accounts." I may say that this answer is absurd. If Mr. LeMessurier should die it would be impossible to get the accounts, and you will never know where the money went to. The fact is that Mr. Cave had only to touch a bell and the Accountant would get him the information in a very few minutes, it is no use trying to cloak the man who got the money. I am determined to let the public know all about it. My information is that \$2500.00 had been given the Commission to distribute and \$500.00 each was their share. But one man got \$500.00, and another took the balance, and the other Commissioners got nothing at all and are wondering to-day where the money went.

There was also another question on the Order Paper yesterday, which I asked the Minister of Posts and Telegraphs, the answer was tabled to-day by the Minister of Posts, but it is no answer to my question, the question was concerning tenders for envelopes for the Postal Telegraph Department, as between Dicks & Co. Ltd., and the Union Publishing Co. I want the Minister of Posts and Telegraphs to bring down a correct answer showing the difference between each tender, or I will tell the public all about it after another twenty four hours. I would like to have the full facts to give to the House. I have seen the tenders and if they are not tabled we will only have to take other means of getting them.

HON. MINISTER OF POSTS AND TELEGRAPHS:—If there is any further information to be had I will get it for you. I may say, however, that it has never been the practice to ask for tenders for this kind of work. The Herald and Daily News when they did the work always gave their own figures and there was never any question about paying them. The prices submitted by the Union Publishing

Company compared favorably with those of Dicks & Co.

MR. HIGGINS:—With regard to the comment made by the Hon. Colonial Secretary about questions being asked the second time, if a question is not answered there is no reason why it should not be put on the Order Paper again. I have just glanced over the Order Papers in my desk and I find that the question referred to by the Hon. Minister is a different one altogether and was asked by Mr. P. J. Cashin. I think that should dispose of that point.

Pursuant to notice and leave granted, and on motion of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole to consider certain Resolutions relating to an Agreement between the Government and Harry J. Crowe.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

HON. THE PRIME MINISTER:—

Mr. Chairman, the Resolutions now before the Chair provide for the installation of a robbing plant and saw mills at White Bay, the agreement being made between the Government and Mr. Harry J. Crowe. I need hardly remind the House who Mr. Crowe is. He has been well known to this Country for many years past and it was he who, in a very large measure, was instrumental in inducing the Harmsworth Company to come here and undertake development work at Grand Falls. He comes now to the Government with this proposition to install a plant for the preparation of pulp wood. All are aware that it has more or less been laid down as a principle that the Government should not allow the exportation of unmanufactured pulp wood from the Country. Mr. Sullivan has raised the point that where there is no water power it is impossible to have a pulp mill and it was with this in view that the Govern-

ment consummated this agreement. In White Bay there is not sufficient water power for the operation of a pulp mill and Mr. Crowe has asked the Government to consent to his robbing the wood there and for permission to export it for a certain number of years. Altho it is not in the Agreement, Mr. Crowe has in view the erection in the near future of a pulp mill in my constituency. He has secured all the available wood on the South Coast, not from the Government but from private owners, and there is not enough there to supply the necessary material for a pulp mill altho there is ample water power. Accordingly, he proposes to divert the wood from White Bay to Bay D'Espoir and as there is more money in the manufacturing of pulp and paper than in the exporting of the rossed wood, it is only natural to suppose that he will not denude his areas by exporting the raw material to any great extent. The Colony gives him no concessions whatever. In order to provide employment the Government is now permitting the exportation of pulp wood and Mr. Crowe expects to have a paper mill in operation in about three years. As we see things now, it is likely that the Government will have to permit the export of pulp wood for some time to come and Mr. Crowe will employ a large number of men during the coming and subsequent winters. He gets free export for the first year, twenty-five cents a cord for the second year and fifty cents a cord for the balance of the exporting period. In addition to this he will pay the usual royalty on the output of his saw mills of fifty cents a thousand. The Government is giving him free export for the first year because there are at present no shipping facilities in White Bay and Mr. Crowe will have to build a breakwater that will cost him something like \$50,000 and as that will be available to the general public and Government

gives him nothing towards its erection it was only fair that he should be compensated to some extent.

MR. HIGGINS:—Mr. Chairman, we on this side have not had an opportunity of considering this matter at all as to what attitude we shall take towards it. We understand there is another agreement of a similar character to come before the House and we should like to give the matter some thought before we deal with it in Committee. We realize the point of the Government's position with regard to the export of pulpwood but there is some confusion as to how this agreement is going to work out with that of Mr. Mooney who, I understand, intends putting up a mill immediately. The position the Government takes is reasonable enough so far as it goes and it is only natural to suppose that Mr. Crowe will put up his mill where he has the water power but I thought that provision for the erection of the mill would be in the Contract. We cannot expect, of course, that he would be able to have the mill established in a year or two and even if we could look forward to it in five years time it would be satisfactorily enough if the assurance was there that it would be forthcoming in time. However, might I suggest that the Committee rise now and take up the matter at the next sitting when we have had a chance to look over the contracts.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on to-morrow.

On motion this report was received and adopted and it was ordered that the Committee have leave to sit again on to-morrow.

Pursuant to order and on motion of Hon. the Minister of Finance, the

House resolved itself into a Committee of the Whole on Ways and Means.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on to-morrow.

On motion this Report was received and adopted and it was ordered that the Committee have leave to sit again on to-morrow.

Pursuant to order and on motion of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole to consider the Bill entitled—

“An Act respecting certain Rights, Privileges and Franchises connected with the supply of Electric Light and Power to St. John's for Street Railway and other purposes.”

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time presently.

Whereupon, with unanimous consent, the Bill entitled—

“An Act respecting certain Rights, Privileges and Franchises connected with the supply of Electric Light and Power to St. John's for Street Railway and other purposes,” was read a third time and passed, and it was ordered that it be engrossed, being entitled as above, and that it be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.



The remaining Orders of the Day were deferred.

MR. SULLIVAN:—Mr. Speaker, before the House adjourns I want to call attention again to the conditions that exist at present in certain sections of the Country with regard to unemployment. In many places the people are hungry and naked and so far as my own constituency is concerned, my colleagues and myself are receiving hundreds of letters daily asking for work of some kind. It is all very well to advise them to catch fish but in some places there is no fish to catch. The Minister of Public Works has forwarded me a letter received by him from a man in Little Hr. East in the District of Placentia and St. Mary's who says that there are twenty families there on the verge of starvation and asking if something cannot be done. We have made fifty requests for employment of any kind but up to the present we have not received a day's work. Now this is the letter the Minister of Public Works has sent me: (Reads letter.)

I would be very glad Sir to give the matter my attention and I would be very glad indeed, if I were able, to provide work anywhere for my constituents; but surely the Minister of Public Works must know that the matter of giving employment on roads is entirely done under his supervision and it is up to him to give me and my colleagues the work for those men from time to time. When the letter was handed to me I appealed to the Minister of Public Works on their behalf and he promised me to give some of the men employment, but so far he has not done so.

MINISTER OF PUBLIC WORKS.—Excuse me, I did and I can show you the names of the men at my office and where they went.

MR. SULLIVAN:—It must be very few you employed. With your permission, Mr. Speaker, I shall read to

the House the letter that was written to the Minister of Public Works: (Reads letter.)

That is the kind of stuff we are continually up against and cannot get work for the people. I have another telegram on my desk asking for work for twenty men belonging to Trepassey. Now what is the Government going to do about it I ask? I am prepared to fall in line with the Government if they would adopt some policy to relieve the situation that at present exists. I would not want to see able-bodied pauper relief handed out; but some sort of work that will give returns and that will be an asset to this country. The Government has a railway on its hands now. Hundreds of men could be employed on the railway line and good results would be derived therefrom, I venture to say. We must not wait until November or December next when the snow comes for the starting of work; but begin right at once. I would also like to point out to the House that there should be no discrimination practised in the distribution of the work. Each and every district should get its proportionate share and every man an equal chance. Now if the Government proposes to do any work along the railway line, I would suggest that a mixed Commission from this House be appointed or put a man there with a salary for the purpose of distributing the labour. It is no use leaving the distribution of labour in the hands of the Government; and it is not fair to impose on the General Manager of the Railroad by getting him to employ the men. I would repeat that the best way would be to appoint a Commission from both sides of the House. I throw out the suggestion to the Government and I trust that my remarks will be taken in the spirit in which they are made. I can assure the Government that any scheme that they devise to provide labour for the unem-

ployed will receive my hearty co-operation and support.

MR. WALSH:—Mr. Speaker, on the motion to adjourn I would like to read, for the information of the House, a synopsis of the result of the very gracious act of the Prime Minister by granting an additional vote of \$15,000 for old age pensions. I went myself this morning and interviewed the clerk in charge of the Old Age Pensions Department and I was surprised to find that out of three hundred new pensioners to be provided out of this new expenditure, the district of Placentia and St. Mary's gets only eleven. I thought that the additional vote of \$15,000 would be sufficient to clean up all the applications in the Finance Office. Now I would seriously recommend that the Minister of Finance take the matter up immediately with the clerk in charge and have all the applicants on file gone through; get in touch with the representatives of the various districts also, because there surely must be a number of applicants whose applications have been on file for some considerable time past and who have since passed out of this life. There surely must be some mistake somewhere otherwise the increase or decrease in the various districts would not vary so much. I thought from my knowledge of communication with the department that the districts of St. John's East and West would not have any application there. I thought that all who qualified for the old age pension were already on the list. However, I think it is too bad if there are any old gentlemen around the country who had the assurance that they would participate in getting a share of this new grant and now find they cannot. I certainly will make them feel very despondent. Still I am filled up with the hope that even if another \$5,000 extra is needed to give pensions to every worn out toiler that the Gov-

ernment will see its way clear to dispense altogether with these so-called agriculture commissioners and that will fill the bill to perfection.

MR. HIGGINS:—Mr. Speaker, the closing words of my colleague the member for Placentia and St. Mary's, Mr. Sullivan, in which he asks that his remarks be taken in the spirit in which they are intended prompt me to ask the indulgence of the House for a moment. I had hoped that we should have gone into Committee on the Bill which is the cause of the comment to which I propose to make reference. In view, however, of this order being deferred until our next sitting, I am compelled to avail of the motion for adjournment to say a word. We have for many years, but more especially in recent times, suffered in this country from a pest which has done much to stir up strife and bitterness which otherwise would not be in existence. Man has been set against man, creed against creed by the activities of foul minds, who would not dare speak out in the open or write under their own names. No, like the coward who will not face the sunlight, but in the cover of darkness stabs in the back, these "literary" assassins take advantage of the circulation of a newspaper to spread a propaganda which is intended to have only one result, keeping a country divided on lines that are unnatural, on lines that never can be countenanced by decent and intelligent people, namely the question of the particular altar at which a man chooses to worship his Creator.

Of such a class of vile slander are the contributions which appear in the Daily Mail newspaper of this afternoon. I shall read a few extracts for the benefit of the House:—

"The main question debated in the House of Assembly yesterday afternoon, in which none but members of the Opposition took part, was that of

the appointment of a Deputy Head to the Department of the Auditor General. The proposed amendment to the Audit Act, which was permitted to go through second reading, appeared to be a bone of contention, and considerable trouble has been promised the Government when it reaches to Committee stage. That there will be doings in the House may be presaged from the attitude taken by the leader of the Opposition, Mr. W. J. Higgins, who served notice to all and sundry that the party behind him would oppose, tooth and nail, the proposed appointment, not because they deemed it unnecessary—and it might be as well to mark this for future reference—but because of the political predilections of the gentleman who is at present holding the office, precariously, according to the gentlemen who sit at the right of the Speaker.

"A showdown has come, so it was declared, and therefore from the tenor of the expressions used, Government members will find themselves probably between the Scylla of the Opposition on the one hand and the Charybdis of their party supporters on the other. Either of which is a perilous position, and looks very much like impalement on the sharp horns of a denominational dilemma, the recovery from which may do a great deal toward clearing up a really, truly whole lot of anomalies, which it is high time to wipe clean off the political slate.

"What may or may not happen in the above connection is only known to honorable members of the government, but whatever ensues, the Mail understands that the administration do not intend to recede from the position which they have taken, a decision, which, under the circumstances will surely redound to their credit, providing they are unanimous in its application to current conditions."

Then in another column we have under the head of "Editorial Com-

ment," the insidious suggestion that we are protesting against the appointment of Mr. Mews on religious grounds. Note the remarks:—

"The Opposition might with equal effectiveness have raised against the appointment of Mr. H. J. Brownrigg to the Department of Charities, the same objections that they make against the appointment of Mr. Mews to the auditor General's department. Mr. Dunphy, according to the opposition arguments, should have received the appointment that was given to Mr. Brownrigg. The Opposition have raised no such claim and uttered no such threat in the Brownrigg connection. Why?"

And finally the admonition to the Government:—

"Premier Warren can, however, satisfy his own ardent supporters and the country generally by accepting the gauntlet the Opposition has thrown down and by showing the irreconcilables that, his party having been elected to power by the voters, intends to retain that power and to exercise it, justly and sanely, of course but none the less firmly."

And by a peculiarly strange coincidence there appears in a column just below under the head of "Departments by Denomination" a statement containing the names of certain departmental heads, followed by letters such as "R. C.," "C. of E.," and "Meth." which presumably are intended to indicate the particular faith of the gentlemen mentioned.

Now Mr. Speaker, why all this? Why the starting afresh of a form of campaign which we thought had terminated in this country? Time there was when it was always understood by us that when the tide of battle pressed hard the call for reserves took the form of hoisting the religious flag. In the "last extremity" it was supposed to do the trick. The "Catholic Opposition," the "Sein Feiners," the

"hang-er-downs" were terms quite familiar to our ears, and a loyal Protestant Government could not be expected to listen to requests from this side of the House. But has that plan of battle proved successful. We remain intact with our sins on our foreheads and our failings of birth well advertised. But, thank God, our ranks have been unbroken. If there has been defection, if there are gaps today, these are to be found in the forces opposite.

And yet we have to stand by and are expected to remain silent when a paper professing to speak in a semi-official position for the Government says that they are likely to be "impaled on the sharp horns of a denominational dilemma," apparently between the Catholic rock referred to as "Scylla" and the Protestant rock "Charybdis." Well if that be the method by which this appointment to the position of Deputy Auditor General is going to be decided, I say here and now "go to it my friends of the Government." If that is to be the call to arms, the running is of your own making. We have not started the pace. We took the position that just because the Auditor General's Department was the one safety-valve of the public it should not at this particular time be prejudiced in the people's minds. Under ordinary circumstances this appointment would not be fair, but it would not be so objectionable. But in these particular times, with the exposures that have been made and the others that doubtless will be made of the scandalous conduct of public departments it is essential that the Auditor General and his staff should be beyond reproach. Not a word was ever mentioned of either the religious feelings or the competency of Mr. Mews, but we consistently maintained that it would tend to shake public confidence if in the absence of the Auditor General during the proposed investi-

gations his place should be filled by one who was until a few days ago actively partizan and I use that remark as applying with equal force if the nominee were a supporter of the Opposition. We have already had painful evidence of the awkward situation that officials in that particular Department may find themselves in by being paid extra to audit accounts which have been shown to contain such gross irregularities.

However, Mr. Speaker, I have but to say that the members opposite have ample time between now and Monday to consider the way they desire public affairs are to be discussed. If the article to which I refer is intended to speak their thoughts I shall be sorry, but it will not disturb me. I am quite willing to give a man-sized fight to such a style of combat disappointing as it would be to me coming from the new administration. And remember, finally, in the words of Scripture this little material way of looking at things is not always advisable. "What does it profit a man to gain the whole world if he lost his own soul." This world is not the end, and whilst we on this side of the House may feel that perhaps our Kingdom is not of this Earth, who knows but that in the world to come when instead of "seats with the Government" we may have the luck to obtain "Seats with the Mighty." You, my friends, may be in the Opposition, and will then realize that the thing that counts is doing what is Right.

HON. THE PRIME MINISTER:—Mr. Speaker, I would first like to refer to the remarks made by the senior member for Placentia. The Government are fully aware of the condition of affairs in the country as regards the unemployment and destitution that prevails, and in the very short time that we have had to go into the matter we have endeavoured to find out exactly what we can do. As the hon-

ourable member can readily realise, the most important thing in dealing with this problem is money and we find that we have to ask the House to vote a certain amount for immediate relief and to vote a specific amount to give employment and in this respect I would ask members on both sides of the House to let me or any members of the Executive have any ideas they have with regard to how that money can be spent with best returns. I am sure that there are gentlemen on the other side who will be quite ready and willing to show the Government or whoever is in charge of the expenditure of the amount the most economic and most beneficial way the money can be spent.

Another matter that I would like to touch on now is the question of a Commission of Investigation to enquire into certain departments of the public service. I am in a position to say that the following three gentlemen were asked to form the Commission: Mr. James P. Blackwood, Mr. Herbert E. Knight and Mr. John Fenelon. The Government considered that these three men would be unprejudiced and would possess the confidence of the people at large. I regret to say, however, that all three have refused to act. It, therefore, becomes the duty of the Government to look about and take other steps and the public will be informed in due course.

Concerning the incident referred to by the Leader of the Opposition, I may say that I do not know whether the paper from which he quotes is a paper supporting the Government or not. As far as I am concerned I have not had any consultation with the Editor of that paper or with those who own it. I was quite surprised to see the article myself to-night and if that paper considers itself a Government Party paper, well all I got to say is that it has put the Party in a very unhappy state. At this particular time I

say, not only to this House, but, to everybody outside this House that this is no time for fighting over differences as pointed out in that paper; and I for one disassociate myself entirely from any words used in that paper to-day. The matter which the article was based on was the appointment of the Deputy Auditor General and was deferred by me to-day, as I purposed holding an Executive meeting to-night when that matter amongst things will be submitted to the Government Party for consideration.

It was moved and seconded that when the House rises it adjourn until Monday afternoon next, at three of the clock.

The House then adjourned accordingly.

MONDAY, August 13th, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Cashin gave notice of question.

Mr. Walsh gave notice of question.

Hon. the Prime Minister gave notice that he would on to-morrow ask leave to introduce a Bill respecting Retiring Allowances.

Hon. the Prime Minister gave notice that he would on to-morrow ask leave to introduce a Bill respecting "An Act to amend Chapter 22 of the Consolidated Statutes (Third Series) entitled 'Of the Customs.'"

Pursuant to notice and on motion of Hon. the Prime Minister, the Rules of the House relating to all matters now before the House, or to come before it, were suspended.

Pursuant to notice and leave granted, Hon. the Prime Minister moved the House into a Committee of the Whole to consider certain Resolutions respecting an agreement between the Government and Malcolm J. Mooney.

Mr. Speaker left the Chair.

Mr. Cramm took the Chair of Committee.

HON. MINISTER OF JUSTICE:—Mr. Chairman, these are Resolutions ratifying an agreement between the Government and Dr. Malcolm J. Mooney. It provides for the erection and continuous operation of a pulp mill at Hr. Deep or Orange Bay with a daily capacity of 100 tons of pulp. Owing to the areas in question not being granted him but not more than have been granted to others in similar cases.

Section 1 of the Agreement gives him the right to cut timber over an area described in that section. Sec. 2, 3, 4 and 5 are the same as those in the Anglo Newfoundland Development Company agreement. Section 6 is not new to the House either while sections 7, 8 and 9 have been granted by the Legislature before and are in previous contracts. Section 10 is rather important. It provides amongst other things that the actual construction of the mill shall be commenced on or before the thirtieth day of November of the present year and that it shall be completed and in working order in three years. This section also provides for the expenditure of not less than three hundred thousand dollars on construction and in the cutting of timber within twelve months from the ratification of the Agreement. Failure on the part of Dr. Mooney to comply with any of these obligations will render the Agreement null and void.

Section (11) is already provided for by the Act which permits the exportation of certain classes of timber free.

Section (12) permits Dr. Mooney to export rossed wood on the same terms as were given to Hy. J. Crowe, but as Dr. Mooney's mill must be continuously operated, I do not think that he will export much in the way of ross wood because he hopes to have his areas of wood manufactured into pulp.

The other sections of the Resolutions are the usual sections that are contained in an agreement of this sort, excepting Section (15) which says: "The debentures, debenture stock and other securities to the Company to be incorporated as aforesaid shall be exempt from taxation"; but this does not exempt from taxation the dividends and profits of the corporation, but provides that, if Dr. Mooney has to raise money on the undertaking by debentures or mortgages, the money thus raised shall be free from taxation. I might also explain that Section (19) provides that Dr. Mooney has to furnish a bond of twenty-five thousand dollars to the Government, which amount shall be returned to him as soon as he has spent the sum of four hundred thousand dollars in labour. I, therefore, move the first Resolution.

MR. HIGGINS:—Mr. Chairman, so far as I am personally concerned, I do not propose to enter into the discussion on this matter, as the firm of which I am a member are the legal advisers of the gentleman interested in this new venture, and will, therefore, leave what criticisms that are to be made from this side of the House to my colleagues. There is one good feature, however, that will commend itself to my colleagues and that is that the mill is going to be operated continuously.

MR. SULLIVAN:—Mr. Chairman, those lands down there are under lease, and I would like to know what is going to be the position with regard to people who held Crown Lands there for a number of years and will they be compensated? And what about the man who held this Crown Land where the mill is going to be built? There is no map tabled so as we could compare it with the description given in these Resolutions. We are assuming everything is alright, but I think a map should be tabled to see if

it tallies with this mill. Furthermore, I would like to ask when did those claims held by other individuals down there lapse? Personally I do not know of any timber claims having lapsed.

**HON. MINISTER OF JUSTICE:—**Mr. Chairman, these lands referred to by my honourable friend were held by various people who have not paid their rentals for five or six years and owe to the Colony seven or eight thousand dollars. Power is given to the Governor-in-Council under the provisions of the Crown Lands Act and their Licenses were cancelled and given to men who were prepared to put up a hundred ton pulp mill. Diagrams of these lands were submitted to the Department of Agriculture and Mines and checked off and found to be correct.

**MR. SULLIVAN:—**Mr. Chairman, I am glad to hear that from the Prime Minister and I might say that more licenses should be cancelled. There are quite a number of speculators holding up Crown Lands and not paying their rentals on them. They should either be made fulfil their obligations, which they are bound to do under the Crown Lands Act, or otherwise have them revert back to the Colony and have more Doctor Mooneys coming in here and developing them.

**HON. MINISTER OF JUSTICE:—**Mr. Chairman, that is exactly the policy of the Government, namely, to cancel all licenses held by timber holders who have neglected to pay their rentals and within the past three days notices have been sent out to all timber holders in this Colony who have not paid their rentals informing them to pay up within one month or their licenses will be cancelled.

**MR. SULLIVAN:—**Mr. Chairman, I must congratulate the new Prime Minister on this new act and I must say that in this one matter at least he is

starting his new Government on the right road.

**MR. FOX:—**Mr. Chairman. I would suggest that, as this afternoon is the first time we have seen these Resolutions, discussion of them be deferred until the Bill goes into Committee.

**HON. MINISTER OF JUSTICE:—**Mr. Chairman, I thought we might put through the Resolutions in Committee stage formally and then have to go into Committee again when the matter might be discussed; but on the other hand discussion on the Resolutions now in Committee stage I thought would do for each stage of the Bill in Committee stage, if the rules were suspended. I, therefore, ask that the Committee rise, report progress and ask leave to sit again.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again on to-morrow.

On motion this Report was received and adopted, and it was ordered that the Committee have leave to sit again.

**MR. P. F. MOORE** asked Hon. the Prime Minister to table a statement showing the names of the appointees to Government positions, whether temporary or otherwise, by the several Government departments without Executive sanction, and other than those already tabled since March 1st last.

**HON. THE PRIME MINISTER:—**Mr. Speaker, in reply I may say that I have made enquiries from the different departments as to this matter but I have not yet received answers from them all. The majority of the answers is to the effect that the departments have no information beyond that already tabled.

**MR. P. F. MOORE:—**Mr. Speaker, in respect to the reply of the Hon. Prime Minister I may state that there are departments in which appointments have been made within the last

two months and in view of what has happened lately it is only fair that they should be furnished the House.

HON. THE PRIME MINISTER:—All available information will be given.

MR. P. F. MOORE asked Hon. the Prime Minister if Mr. John Davey is now in the employ of the Government, if so to state in which Department, on what work, and at what compensation. Also to table a statement showing how much money has been paid Mr. Davey since January 1, 1921.

HON. THE PRIME MINISTER:—I beg to table the information.

MR. P. F. MOORE asked Hon. the Colonial Secretary if the amount due the Railway Commission, or the Reid Newfoundland Company, operating on Government account, by Mr. E. Collishaw has been paid; if so to state the date the amount was paid and the amount.

HON. COLONIAL SECRETARY:—That question has been referred to the Auditor-General and I hope to have the information for next sitting.

MR. P. F. MOORE:—Mr. Speaker, I beg your pardon for the delay but I would like to make reference to the answer that has just been tabled to Question No. 2. I remember that about twelve months ago the then Hon. Prime Minister in reply to a question stated that Mr. Davey was doing the work in connection with the rock sheds free. I now discover from this reply that he is getting \$300 a month. In all he got \$3,349 and that is certainly a scandal of the worst type while we have in the Dept. of Public Works a man like Mr. Churchill who is able and willing to do all the work that Mr. Davey did. If that is not able-bodied relief I do not know what is.

MR. HIGGINS:—Mr. Speaker, I did not know that my colleague was going to ask the question referred to and I wish to thank the Hon. Minister for his courtesy in furnishing the reply.

And I hope it will be published later for the information of the public at large. But a propos to the question just asked, the reply states that Mr. Davey got \$3,349.05—but that is not all that he got. It states here that on Dec. 27th last he was paid on account in connection with relief works \$1,000. For services in connection with relief work he was paid on Feb. 1st another \$1,000, and then comes an amount of \$2,000 for him for driving—all the cabmen in the city must have been driving him. On April 9th he received for services in connection with relief work \$2,750 which makes up \$4,750. And then we have the extraordinary item of which I believe the Hon. Minister had no knowledge. It refers to Mr. E. G. Cousens, whose name is similar to that of a gentleman who resides in and votes in the West End. The item is this—E. G. Cousens per W. R. Howley for settlement of claim against J. Davey, \$3,000. What that is all about no doubt the commission of enquiry which is to be appointed will find out. I thought that it would be of interest to the Hon. the Prime Minister to refer to this as it shows that this \$4,750 plus the other \$3,300 amounts to \$8,000 received by Mr. Davey above and beyond the \$3,000 for the claim. Or altogether he received \$11,000. Personally I admire Mr. Davey very much—he is a very good contractor—but in this connection I think all will agree with me that he is far too costly for our means at the present time.

Pursuant to order and on motion of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole to consider certain Resolutions respecting an Agreement between the Government and Harry J. Crowe.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

MR. HIGGINS:—Mr. Chairman, in



connection with the resolutions before the House, at the last sitting we were asking if it were not possible to have the promised mill at Bay D'Espoir provided for. As the Bill stands at present there is nothing to compel Mr. Crowe to erect the mill. As the Government is fully aware, the announcement of these resolutions has resulted in a demand on the part of various people holding timber lands, for different concessions. Now I for one have an open mind on this matter and I know that there are many areas on which the timber is not suitable for export. It has been often said—and representatives of the northern districts in particular will be fully acquainted with the fact—there are countless areas on which the trees grow, only to be burnt down or become windfalls. Of course there is no revenue to be derived from that but what we have to decide now is whether we are to have the timber in this case manufactured in the country. Accordingly it seems to me that the question is, how far ought we to depart from the present policy of prohibiting the export of unmanufactured timber. I think that in the resolutions there is some proposition to have the mill's erected in Newfoundland and to get the right to export from limits on which there is no water power for manufacturing. If we refuse this, I cannot see how we can reasonably give others similar concessions. We do not wish to be unduly critical but the question now is whether we are to get revenue from the export of this timber or allow it to become windfalls, and if we give the concession to Mr. Crowe others will demand the same. I would be glad to hear from the Hon. the Prime Minister if anything has been done to rectify this situation or have many demands been made for concessions as mentioned. I would like to hear the views of

every member of the House on this matter of export of timber.

HON. THE PRIME MINISTER:—Mr. Chairman, the Leader of the Opposition has raised a point that is worthy of discussion. As far as this limit in question is concerned—Mr. Crowe is not in the country at present—but he has submitted plans for the erection of a mill at Bay D'Espoir. But apart from that, or supposing that he had no limits on the South Coast or that they belonged to John Smith, the question is, would it be wise to allow him to export unmanufactured timber whether the mill were erected or not. That is the important point—I know that since I have been a member of this House it has been a kind of unwritten law that no unmanufactured wood be exported. During that time, with the exception of the A.N.D. Co. operating at Bishop's Falls and Grand Falls, we have seen no influx of outside capitalists ready to erect mills or manufacturing plants. It is true that the company operating at Lomond agreed to do so but did not carry on; nor did the Sulphite Co. at Terra Nova as they got into difficulties though others have since come to their assistance and they are now going ahead. Now in connection with this Bill we have White Bay where there is no railway, no road connections and no water power to enable the proprietor of the areas to operate a mill, and the question is, is it better to allow the export of rossed timber or let it stand till it is burnt or becomes windfalls. The Government in this case thought it better in view of the employment that it will give, that the licensee be compelled to erect the mill and be allowed to export the rossed timber. The question then is, if this be done in Mr. Crowe's case, how about others? or rather than let the timber be burnt or become windfalls, should it be turned into money. Where it is possible to erect mills, the

law should be carried out and the mills be erected before export is permitted. In looking over the situation our present circumstances must be considered and it must be borne in mind that the mills of Mr. Crowe, and also those of Mr. Mooney, will employ 1500 men and mean the expenditure during the winter of something like \$6,000,000. Under the circumstances this is a fact that ought not be lost sight of. I am now out of touch with Mr. Crowe and unable to insert a clause as to the export of rossed wood. That Mr. Chairman, is my explanation, and in connection with those areas which have no power for manufacturing, I think the House, by which the Bill must be ratified, would be justified in allowing the export of rossed timber.

MR. WALSH:—Mr. Chairman, before we deal further with this matter I would like to request that the Committee rise, report progress and ask leave to sit again. I wish, Sir, to support the attitude of the Leader of the Opposition as to the granting of the privileges mentioned to Mr. Crowe and to endorse the idea of granting similar privileges to others holding timber areas. As I understand several are already looking for like concessions I ask that the Committee rise for the present. We must all remember that these are not usual times, such as ten years ago for instance, as now the people are clamoring for work while the holders of these timber areas are asking for concessions to enable them to carry on operations. In normal times nobody would even suggest that such concessions should be granted. I agree to a certain extent with the remarks of the Hon. the Prime Minister and I do not think that we should put a fence around our timber limits with a sign on it reading "Hands Off" because if the people can obtain the badly needed employment by the cutting of timber there is no

valid reason why we should object. Our spruce and fir only grow to a certain size and after a few years decay sets in and in a short time it is not fit even for firewood. I do not wish to delay the House but I think the Opposition should be given a chance to discuss this Bill as it would also give the Government an opportunity to meet those who are already, or will be shortly, looking for concessions similar to those mentioned.

MR. SULLIVAN:—Mr. Chairman, I would like to make a few remarks in support of the statements of my colleague. The living conditions of our people have certainly considerably changed within the last 12 months and it is true that many are in need of work. Then it would have been alright to allow export of timber from points where there was no water power for manufacturing but with the Armstrong-Whitworth Co's plant at Corner Brook instead of at Deer Lake the complexion of things is altered considerably. I do not think we should allow the export of unmanufactured timber for the next 25 years. With mills at tidewater we ought to be able to manufacture as well as in the States or Canada where the plants in many cases are situated inland. I think that with mills at tidal-water in this country we will be making a big mistake to permit the export of unmanufactured timber. Of course I will be glad to see a company undertake operations in White Bay, which is a section of the country that has very little prospects of an industry under the present circumstances. The people of that vicinity are certainly in need of some industrial undertaking to assist them, but after all what are we getting in this direction from Harry J. Crowe. In the case of Dr. Mooney we have a guarantee to cut thirty thousand cords of wood this winter. That is a reasonable and good proposition; but Mr. Crowe gives us nothing but a lot of

promises. Here is what he says he will do:—(Reads). With the export of pit-props and unmanufactured timber prohibited from Canada, and with the possibility of paper reaching the hundred dollar per ton mark, this is a very advantageous contract for Mr. Crowe. I have heard a lot about rossing plants. But what is the capacity of the plant that Mr. Crowe promises to install? Will it be a five horse-power engine, or will it be a barking machine? He does not say here what he will do. Twenty-five years is too long to wait. He should tell us what he intends to do now, for we have the possibility of getting a Sulphite Mill at Terra Nova and other mills throughout the Island at tidal-water in the very near future. Then again, what does he mean by commencing operations? He does not say when, or to what capacity he will operate. I think it is a very grave mistake to allow free export for such a long period, because we will very soon have reason to regret it. The most we should do, is to permit him to export for such a period until we can have our timber manufactured here in Newfoundland.

SIR WILLIAM COAKER:—Mr. Chairman, the way I view this proposition is that Mr. Crowe has offered to operate in a section of the country where it is impossible to operate a paper mill. If we cannot allow him to export this timber unmanufactured, he and we are unable to realize on it. If he did put up a saw mill and cut the wood he will not give us as much in labour as we will receive by rossing it. Then again in regard to the wood by the process of rossing, we will save practically a fifth, which in milling would be wasted. As the situation is to-day Mr. Crowe holds these areas and has the right to cut and export the timber on paying his fifty dollars license. If we want to give more labour we must therefore permit him

to ross and export because we save in the long run in every way.

Another feature is that the section of the country in which he proposes to operate is unnavigable. In the Orange Bay Proposition we give Dr. Mooney one thousand miles of land as a present, whereas it is worth three or four hundred dollars if it were sold at public auction. On the other hand Mr. Crowe has purchased the land at a cost of three hundred thousand dollars. The propositions are alike in so far as Mr. Mooney, while given the land free will put up a mill at the cost of that sum or more. I quite agree in the principal that we should keep all the timber we have. I have always opposed the export of it, but under present conditions, when we are trying to find all the employment we can for our people, we have to consider this method of giving them a livelihood as well as any other. With regard to the proposal that he be made begin at once the construction of a mill at Bay D'Espoir and manufacture there, while it would be a splendid thing to put into operation, I do not see how we can do it. How are we going to ask the people interested in this proposition to do this, when we know that they are already afraid that they have not enough wood in that vicinity? Because of that fact they now have to depend on the Crowe property in White Bay. However, they contemplate seriously undertaking operations in both these vicinities, and I do not think it will be any great length of time before both these concerns will be linked up. What we are all anxious to do is to get the best bargain possible, to get at least fifteen hundred men employed without delay, and to still preserve as far as lies in our power our wood supply.

HON. THE MINISTER OF AGRICULTURE AND MINES:—Mr. Chairman, with a certain knowledge of the timber areas of our country and of the

absolute necessity of preserving same to the utmost degree I certainly agree that we should avoid as much as possible permitting the export of any wood in an unmanufactured state. A policy that would allow the free and unlimited export of our forest growth would be a disastrous and ruinous measure by any Government. There are, however, throughout Newfoundland certain areas that besides lacking in the necessary water-power, are also unfortunately depreciated by the absence of communication for several months in the year. In White Bay the valuable forest lands that surrounded it are rendered practically worthless by the scarcity of water-power, and by being unnavigatable from November to May. It is well known that it requires eight thousand horse-power to manufacture one hundred tons of paper a day; so without the necessary water sheds it is no use erecting a paper mill in this vicinity. The only alternative, therefore, is to permit the rossing of the timber before exporting it. In connection with Mr. Crowe's plans in this direction it must be remembered that he has undertaken to erect a plant that will turn out a large number of cords per day, and this will provide much needed employment for many hundreds of men. Another feature of the proposed operations is that by allowing the rossing of this wood we will be saving a large margin of our timber. By careful observance it has been found that in the manufacture of pulp only about three sevenths of the timber in each tree is used. By rossing another two sevenths is availed of, and besides you prevent by a large measure the danger of forest fires.

Mr. Chairman, just as I object to the export of unmanufactured timber from the areas surrounding our water-sheds, so do I to a similar extent disagree with the policy of applying this same rule to our forest areas on Lab-

rador. It is now known that there is a tremendous loss suffered every year throughout those areas by decay and windfalls. Great as the endeavour has been to secure the necessary men to go to Labrador and stay there for the purpose of operating paper mills, complete failure has been met with. This is because of the rigorous life, cut off from all communication with the outside world, that the men who go there have to suffer. On numerous occasions I have been asked to get men jobs in these mills, but the invariable rule has been that before many months have passed they are home again with the report that they could not stand such a life. We may, therefore count that we shall never be able to get sufficient men to go and settle on this section of the Labrador. We cannot then possibly manufacture into pulp all the timber that is in this section, and by keeping up our policy of not permitting unmanufactured timber to be shipped from this area we are losing millions of dollars worth of revenue, labour through decay and windfalls in these splendid forests.

In regard to the Fortune Bay Proposition I have seen the plans so thoroughly prepared by Mr. Crowe. I have gone into them extensively with him and I think the plans he is promoting are very practical and profitable ones, if applied and carried out as he suggests. I know that he has spent in the vicinity of seventy thousand dollars already in the course of his negotiations and no one will doubt that he would think of throwing away so much money without the possibility of getting adequate returns. Water-power is very plentiful in this territory, but unfortunately the timber is limited. As an auxiliary to this he has, therefore, acquired three lots of valuable land on Labrador, and in addition has spent three hundred thousand dollars in purchasing a thousand miles of timber areas in White Bay.

Mr. Chairman, if we are acting in the best interests of the country we must approve the meagre legislation asked for by Mr. Crowe in this Resolution.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress and asked leave to sit again.

On motion this Report was received and adopted and it was ordered that the Committee have leave to sit again.

Pursuant to order and on motion of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to amend Chapter 23 of the Consolidated Statutes of Newfoundland (Third Series) entitled 'Of the Auditing of Public Accounts.'"

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

HON. THE PRIME MINISTER:—

Mr. Chairman, at the last session reference was made to employees of the Auditor General's Dept., and that they were entitled to the prospect of deserved promotion. A point was also raised that in view of the present circumstances it would be unwise and unfair to appoint Mr. Mews to the position of Deputy. I may say Mr. Chairman, that the Government after due consideration propose to appoint Mr. Donnelly to the position of Deputy Auditor General, and to place Mr. Mews in Mr. Donnelly's place at the same salary.

MR. HIGGINS:—Mr. Chairman, I want to thank the Prime Minister and the Government on the attitude they have taken. I congratulate them on this move of righting what would have been a grievous wrong. I also say that it was only because of the circumstances surrounding the affair that we took this stand, and I think that even Mr. Mews himself will admit that we did not reflect anything on his ability.

I am glad the Government took this stand and I am sure it will give greater confidence in them throughout the country.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this Report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Whereupon the Bill entitled "An Act to amend Chapter 23 of the Consolidated Statutes of Newfoundland (Third Series) entitled 'Of the Auditing of Public Accounts,'" was read a third time and passed, and it was ordered that it be engrossed, being entitled as above, and that it be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.

Pursuant to notice and on motion of the Minister of Marine and Fisheries the House resolved itself into a Committee of the Whole to consider certain Resolutions respecting an Act to encourage trade with the West Indies.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

HON. MINISTER OF MARINE & FISHERIES—In submitting these Resolutions to the House, I wish to point out some of the benefits I feel certain must be derived (perhaps not immediately, but within a few years) by the establishment of a direct steam ship service between Newfoundland and the West Indies.

Our fish exports to the West Indies at present are only one-third that of Canada. This will be seen by a comparison of the Customs returns of both countries.

Newfoundland Customs Returns for 1921-22 and Canada's for 1922 show fish exports to the West Indies as follows:—

FROM NEWFOUNDLAND			FROM CANADA		
To	Kind	Quantity	Value	Quantity	Value
B. W. I. Pickled Trout	.. . . .	54 bbls.	\$ 470.00	None	
B. W. I. Canned Fish	.. . . .	128 cases	1,280.00	"	
B. W. I. Dried Fish	.. . . .	120,365 qtls.	894,732.00		
F. W. I. Dried Codfish	.. . . .	36,330 qtls.	293,481.00		
		156,695 qtls.	1,188,213.00	285,000 qtls.	\$2,240,000
B. W. I. Haddock	.. . . .	5,487 qtls.	34,402.00		
F. W. I. Haddock	.. . . .	1,920 qtls.	11,561.00		
		7,407 qtls.	45,963.00	18,500 qtls.	75,000
B. W. I. Pickled Herring	.. . . .	11,226 bbls.	67,188.00		
F. W. I. Pickled Herring	.. . . .	404 bbls.	2,295.00		
		11,630 bbls.	69,483.00	53,000 cwt.	150,000
F. W. I. Smoked Herring	.. . . .	27,605 bbls.	1,650.00	7,000 cwt.	32,000
F. W. I. Canned Herring	.. . . .			7,000 cwt.	55,000
B. W. I. Canned Salmon	.. . . .	39 cases	487.00	1,125 cwt.	11,500
B. W. I. Pickled Salmon	.. . . .	696 tcs.	11,760.00	1,450 cwt.	12,000
B. W. I. Ling	.. . . .	100 qtls.	600.00		
F. W. I. Ling	.. . . .	12 qtls.	48.00		
		112 qtls.	648.00	None	
B. W. I. Dried Squid	.. . . .	11,000 lbs.	749.00	"	
B. W. I. Cod Oil	.. . . .	4 tons	625.00	"	
B. W. I. Refined Cod Oil	.. . . .	82 galls.	62.00	"	
B. W. I. and F. W. I. Hake & Pollock	None			41,000	250,000
B. W. I. and F.W.I. Mackerel	.. . . .	"		11,000	76,000
B.W.I. and F.W.I. Salted Alewives	.. . . .	"		7,600	26,000
B.W.I. and F.W.I. other articles, caplin, etc.					145,000

The value of fishery products sent from Newfoundland to the West Indies totals, according to returns, \$1,321,000, while that of Nova Scotia is over \$3,000,000.

Why this big difference of fishery exports as between Newfoundland and Nova Scotia? There is only one answer, loth as I am to admit it: Nova Scotians have been more enterprising, more wide awake, and more ready to adopt new ways of promoting their economic welfare than we have. They no longer depend on the old-fashioned way of sending fish to the West Indies by the irregular and slower conveyance of sailing vessels but have established fortnightly steamship service between their province and the West Indies, with the result that they have beaten us badly in the fight for the West Indies fish trade, selling to the fish dealers of these Islands three times as much as we do. What else can we expect! The West Indies dealer, finding he can depend upon this steamship service from Halifax for a continuous supply of fish at regular fortnightly intervals, will do business with Halifax in preference to St. John's, which does not give that assurance, and the Halifax shippers draw at sight or receive payment in 30 days.

I have been in freight sheds at Halifax when I saw fish in half drums, boxes and bales, varying in weight from qtl. each, being shipped to various points in the West Indies in quantities as low as five to a firm. This shows that the dealers of the West Indies do not like to carry large stocks of fish or herring and will deal only with firms that can supply in small quantities regularly, from fort-night to fort-night

or month to month; and the Halifax shipper is ready to meet these wishes.

The old-fashioned method of supplying by sailing vessels cannot establish a stable outright business in competition with the service available to Nova Scotia shippers. We cannot do justice to a country and its shippers by the old-fashioned sailing method. If we wish to get our fair share of the West Indies trade, we must adopt modern methods of shipping; establish a regular steamship service with sailings on schedule time, making regular connections with each of the large fish centres of the West Indies; and by adapting our sales of fish in quantities convenient to the West Indies distributor a large trade will eventually result.

We should carry on a large Herring business with these Islands. Instead of selling the greater part of our Split Herring to Halifax, from whence it goes to the West Indies, we should have the profits made on that herring by the Halifax merchants for ourselves by shipping the herring direct.

Last year the West Indies purchased about 30,000 barrels of herring from Nova Scotia; these herring were bought from Newfoundland and transferred. We disposed of direct, ourselves, about 12,000 barrels. With the cheaper freight rate, which I have no doubt would be afforded by the passage of the bill, we could do all our herring business direct with the West Indies dealers and increase it well beyond its present bounds.

The West Indies needs large quantities of potatoes every year. The Canadian Customs' report for the eight months ending November 1922 shows that

Cuba	purchased	936,553.....	Bushels	at value	\$640,524
British Guinana	"	38,043.....	"	"	39,467
Bermuda	"	13,051.....	"	"	15,859
Barbados	"	6,745.....	"	"	4,385
Jamaica	"	9,022.....	"	"	9,422

Trinidad & Tobago	"	23,071	"	"	"	24,833
Other B.W.I.	"	1,655	"	"	"	1,662
		<u>1,028,940</u>				<u>\$736,152</u>

It may be asked, can Newfoundland export potatoes when she imports so much herself from Canada? Anyone acquainted with potato growing in Newfoundland knows that we can supply our own needs, and those of other countries as well, if the encouragement is given to produce. As soon as we devise a proper system of marketing and better transportation facilities within our borders and lower freight rates, as well as opening new markets, this will probably follow. It is well known that the larger number of potato growers in Newfoundland can sell only in the fall or spring of the year. In the fall of the year we have the outport grower sending in large quantities of potatoes to St. John's, glutting the market and forcing down prices to such a level as to discourage them from tilling the land on a large scale for the growing of potatoes. In fact, many of them decrease the acreage for cultivation, because of this, to the limit of their own needs. The establishment of this Service will ensure a market for potatoes; and at the prices obtained by the Canadian seller they could be disposed of at a profit. There is no reason why we should not in the space of five years export 250,000 barrels yearly. In the fall of the year the outport grower, instead of glutting the market and killing himself with cut-throat competition, could dispose of all the potatoes he had for sale to the West Indies, and get a living price if the home market failed to give it.

#### LUMBER

Nova Scotia supplies the West Indies with millions of feet of lumber, most of it of the same kind we produce in Newfoundland. We have the

lumber and the mills, and why should we not make an attempt to secure a fair share of the lumber trade. Our lumbering business has suffered terribly by the trade depression of the last three years. Nearly 300 of our small saw mills closed down, all because the only market for their output was St. John's, Grand Falls and a few of the smaller towns which could not absorb it. Even now the remaining number find competition so keen among themselves that they barely exist, and unless we find a market outside our own country, others will have to close down. We can help them and encourage others to go into the business by making it easy for them to dispose of a large quantity of framing lumber to the West Indies trade. The price obtained by the Nova Scotia millers was \$35.00 per thousand, who sold last year over 20 million feet to the West Indies dealers, while our mills sell here as low as \$25.00 per thousand. There is no valid reason why we should not sell ten or twelve million feet of lumber to the West Indies at a good profit, and make the lumbering industry in Newfoundland so prosperous that the Government will have no difficulty in enforcing the collection of one dollar per thousand on all lumber cut on the three mile limit, and obtaining a revenue of at least \$10,000 yearly from this source. It is impossible to do this now with the present condition of the lumber trade and its dependence on local demand.

#### OTHER MANUFACTURING INDUSTRIES

The West Indies service could be made useful for the export of other



garine, nails, paint and ready made clothing.

When in Canada two years ago, I was informed that one of the secrets of Canada's growing export trade lay in the co-operation that existed between the Government and the manufacturers. I was puzzled to know the reason why I was offered goods for the Newfoundland trade as high as twenty per cent. under the Canadian wholesale price. I learned after awhile that the Government in order to increase Canadian export trade, and give increased employment to its own people, gave a drawback to manufacturers, of duties from the Customs on all raw materials imported into Canada which entered into articles manufactured in Canada and which was being exported to other countries. Let us see how this would work out. Take the ready made clothing industry of Nfld. By the Government permitting such drawbacks as are given in Canada, the factories here could sell clothing just as cheap in the West Indies, quality for quality, as Canada or the United States. Given a drawback from the Customs of the duty of 35 per cent., plus the surtax and the sales tax, and you make it worth while for the Newfoundland Clothing Company, the White Clothing Company, the Perlin Co., the Royal Stores, the British Clothing Co., to send a wide-awake and pushing salesman to the West Indies to drum up trade. In a few years time, instead of witnessing the factories running with a third of the employees they had in normal times, they would be running to full capacity, and employing at least three hundred employees more than they do at present. What can be said of the clothing factories can be applied to our manufacturers of paints, cordage, nails, olemargarine and other products.

I know such a statement as this will be considered foolish by some. Who are they? Those who are in the

same class who think that any other country is better than their own, and consequently retard its progress. There is no better quality of all leather boots, price for price, than are produced in Newfoundland. Our creamery butter, and the olemargarine, price for price, is better than any produced elsewhere.

The same can be said of paints, lines and twines and other articles. Unfortunately for Newfoundland, unfortunately for its unemployed, we have not developed that true patriotism which, practised in every day life, would place our country first, her people and her products. Because it is produced in Newfoundland by Newfoundland workmen and Newfoundland work-women, there are too many of us prone to discredit the product of our own kith and kin, and buy the imported article, driving thousands of persons out of our factories and mills to tramp the streets for employment, and eventually become a charge on the Government, over-burdening the country with debt, and forcing hundreds or more to go to foreign lands, never to return.

So much for the possibilities of increasing our Export trade by the establishment of this Steamship Service called for in the Bill.

Another important aspect of this proposal is its connection with the Sealing venture of this country. The sealing steamers now used, are all unsuitable to properly prosecute the seal-fishery. No effort has been made during late years to supply any additional steamer of an improved type. The opportunity to engage five hundred more men to engage in the sealing venture will be afforded by the establishment of those two West India Service steamers. They are to be built suitable for contending with ice. It is not probable that such steamers would be available for the seal-fishery under ordinary circumstances, but, under this Bill, it is possible to have

ships built for the service that will be utilized in an endeavour to bring new blood into a fishery from which we received, in the past, a considerable part of our earnings.

#### RECIPROCIITY

We should endeavour to purchase from those who buy our fishery produce. We should take all possible from our friends in the West Indies. For the year 1921-22, we took from them \$330,000 worth of goods, made up as follows:—

#### IMPORTS FROM BRITISH AND FOREIGN WEST INDIES

Kind	Quantity	Value
Molasses,	743,698 gallons	\$282,681.00
Rum,	24,471 gallons	29,228.00
Fruit	.....	27.00
Lime Juice	.....	81.00
Spirits	.....	28.00
Sugar	.....	1,293.00
Tobacco	.....	6,314.00
Salt	.....	10,097.00
Foreign West Indies	.....	330.00

We hope by this service to do a larger business in fish and in fruit. Newfoundlanders do not eat enough of fruit. It is too expensive. The de-

licious Grape Fruit is a luxury. They can be sold as cheap as oranges with a profit. When we have to buy West Indies fruit through New York or Boston, we have to pay the wholesaler in these places his profit. We can buy direct, oranges, grape fruit and bananas by this Service, which can be protected in transit from spoiling, by the special equipment provided for the preservation of fruits, and sell it as cheap as in New York or Boston. There is no reason why we could not use from ten or twenty to thirty thousand tons of raw sugar and refine it in this country instead of buying our requirements from New York. We can also do some business with Trinidad in gasoline, kerosene and fuel oils. The proposed steamers are to be oil burners and equipped with tanks along the bottom of the ship, which can be utilized every trip in bringing supplies of gasoline and kerosene oil.

Let us reciprocate and buy all possible. What does Canada do in this respect. In exchange for her fish and other products sold to the West Indies, she takes large quantities of molasses.

From Jamaica alone she takes 524,105 lbs. of grape fruit valued at.....	\$ 20,739.00
From Cuba, 218,964 lbs. of grape fruit valued at.....	10,987.00
From Jamaica, oranges to the value of.....	1,794.00
From the other British West Indies Island, oranges to the value of.....	1,569.00
Dried Bananas from Jamaica, 20,886 lbs, valued at.....	4,856.00
Canned Fruit from other B.W.I., 161,244 lbs., valued at.....	24,808.00
Crude Lime Juice from other B.W.I., 47,609, valued at.....	15,149.00
Cocoa Nuts from British Guiana, 135,900, valued at.....	1,963.00
" " " Jamaica, No. 1,799,315, valued at.....	33,678.00
" " " Trinidad and Tobago, 1,479,066, valued at.....	35,276.00
" " " Other B.W.I., 30,300, valued at.....	634.00
Arrow Root from Jamaica, 4,407 lbs., valued at.....	230.00
" " " Other B.W.I., 131,799 lbs., valued at.....	8,377.00
Sugar Root from Barbados, 57,394,627 lbs., valued at.....	1,888,755.00
" " " Jamaica, 71,699,256 lbs., valued at.....	2,471,279.00
" " " Trinidad and Tobago, 48,993,355 lbs., valued at.....	1,647,026.00
" " " Other B.W.I., 34,114,886 lbs., valued at.....	1,290,270.00
" " " Cuba, 331,437,694 lbs., valued at.....	8,590,680.00

We send to the West Indies, as I have already stated, products to the value of \$1,631,000 and take in return West India products to the value of \$330,000. We now ask our West India friends to take our produce in larger quantities at more regular services, and we say to them, if you do so, we will buy in greater quantities from you. We can take your raw sugar, tobacco, fruit, molasses, gasoline, kero oil and pitch and sisal. We expect you to take from us a fair share of your requirements, in cod-fish, pickled herring, smoked herring, salmon, potatoes, lumber, paint, nails, cordage, clothing and not-to-be-equalled partridge berry, which might be manufactured in the West Indies and exported to Central America. The cost of such a service will not greatly exceed the cost to the country of the "Prospero" and "Portia." It is considered that it will take seven weeks to make a round trip, therefore such a steamer will not make more than eight trips per year. They will miss one or two during the sealing voyage, but the Bill provides that, if the trade requirements demand continuous service during this period, other ships will be substituted. This service will, therefore, cost less than \$120,000 per year.

No grant will be required this year as the new ships cannot possibly begin the service until next Spring, even if a contract is entered into very soon. It is hoped that a contract will be entered into as speedily as possible, in order to have at least one of the steamers for next year's seal-fishery. The proposal has received much consideration the past twelve months at the hands of the Government.

It is the intention of the Government to immediately ask for tenders for the service, as outlined by this Bill, and I feel the House will give it its support, and therefore enable the country to enter a new field of

action and extend its activities into new channels that will enable the whole of the country to develop on sound lines and assist the fish exporters in their endeavour to develop fish market and ease the burden that bears so heavily because of abnormal conditions in the European markets.

MR. HIGGINS:—Mr. Chairman, I wish to congratulate the Minister of Marine and Fisheries on what I take to be his first ministerial effort before this House. His speech, on the face shows that he has devoted a great deal of attention to it and he has given us considerable interesting data. I quite subscribe to the statement that this venture would be productive of a great deal of increased business activity along certain lines, if attempted. If one could feel that there was a possibility that enough benefit would accrue to the Colony to justify the expenditure that has been proposed then we would have no hesitation in voting for the passage of these resolutions now before the chair. In all fairness I must say that from first appearances I am inclined to support this bill but I think that a matter such as this, involving as it does an amount like this sum of one hundred and twenty thousand dollars, needs a great deal of careful consideration. Apart from this bill it is, in my opinion, absolutely necessary that we change our methods if we are to get the trade for which we are looking. With regard to this bill I may say that with the exception of one or two men, we on this side of the House are laymen in the consideration of the proposal. There are many advantages apparent to me. The subsidy of ten thousand dollars per trip seems very modest in comparison with what we are already paying for similar services in this country. Of course the principal thing that must be considered by this House is the fact that this proposal if put through is going to cost the people of Newfoundland

one hundred and twenty thousand dollars per year for fifteen years. If the thing is a success or if, even, after careful consideration, it appears to us that it has all the qualifications for success then all right; go ahead. If it is not then we ought not put it through. So, Mr. Chairman, it would be well if we were to take a little time to give this matter our careful consideration.

SIR M. P. CASHIN:—Mr. Chairman, I also wish to congratulate the introducer of this bill on speech which he has delivered to this House this evening. He has gone into considerable trouble I think to prepare the detailed statement which we have just heard. I take it from his statement that the number of trips for each proposed ship is to be six per year. That means a total of twelve trips per year. What do you propose to do with these ships during the rest of the year? You say that you will send them to the seal fishery. Can you compel them to do this if the seal fishery is not paying? What is your program? Is the ownership to be private or public? May I ask if the Hon. Minister of Marine and Fisheries knows if there were any tenders received last year when this matter was advertised? No. The minister tells us that we are only doing one third of the exporting of fish to the West Indies that Canada is doing. As a fisherman and as the one on this side of the House who has most to do with the fishery business in every form I ought to know more about this matter than anyone else. Last year we exported forty thousand quintals of codfish to the West Indies. This was the cheapest and poorest grade of fish prepared by our people. It is the kind of fish that the Canadians always export because they do not take the trouble with their fish that the people of Newfoundland take. They give it a great deal of salt and only three days sun.

MR. WALSH:—Mr. Chairman, I suggest that you change the heading of this Bill from "The encouragement of trade with the West Indies" to "The export of potatoes to the West Indies." Now I say right here that this may be a good Bill under ordinary circumstances. Personally I say that it is one of the best that has been brought in this House for this season. I go further and say that it is the best for many sessions. I also say that no matter what subsidies you may grant you will not see for a generation a single potato exported from this country to the West Indies, and it is just as well to look the question sensible in the face, and not to be carried away by a visionary ideal.

I notice that the Governor in Council's name appears in almost every section of this Bill; we all know what has happened in the past as to Bills by the Governor in Council; there was the Railway for instance, and also the Coastal Boats. Giving the Governor in Council absolute power over the movements of these proposed ships, as is apparent in some of the clauses, is a menace and throws wide open the portals which lead to political shuffling. It is an unfair and unreasonable power to put in the hands of any body of men such as the Governor in Council. Take the sub-section D. of Section 2 of the Bill it means that if I had 200 barrels of potatoes at Codroy, the steamer would go up there for my potatoes, providing of course, that I was a favourite of the Government. Supposing that John Jones in Fortune had 200 quintals of fish to send to the West Indies, and supposing that at the same time James Jones of Bonavista had a similar amount ready, both wanted a ship and under this clause both are entitled if the Government so wills it to have the steamers call for their fish. And to which Jones would the steamer be sent? Obviously to the person who had the political

pull; another thing then I would like to know is whence came this suggestion for ships to ply in the West India trade? To my mind there is already too much Government activity, in affairs outside the regular orbit of Government activity. Now Mr. Chairman I am not going to be lengthy on this point, but I endorse the opinion of the Leader of the Opposition, and also that of Sir Michael Cashin. I also ask that we be given an opportunity to discuss this Bill. I also reiterate the remarks of both these gentlemen as to our local fish carrying fleet. What is going to become of this fleet? Are you going to compensate these men? I want to see this thing discussed thoroughly, I am very suspicious of the whole scheme, and I want to see and make certain that there is no nigger in the woodpile in this matter.

The Hon. the Prime Minister informed the House that the Executive had requested the Governor to cable to the Home Government requesting that a person be appointed to conduct an investigation into the recent alleged scandals.

SIR M. P. CASHIN:—Did you take into consideration what you are going to do with the sailing fleet of Newfoundland? The fleet of Lunenburg vessels to-day, there are about 200 of them, and they all go down every year after the banking fishery is over. The Nova Scotians are carrying on a trade with the West Indies, not by subsidizing expensive steamers, but by individual effort. It is a sort of peddling trade wherein vessel owners operate on their own account. A large proportion of the 200 of Lunenburg vessels are in the trade. After the fishing season is over the fishermen puts his catch aboard his vessel; he then makes up his cargo of one third fish, one third lumber, and one third produce. This he sells from port to port in the West Indies, and in this way he

makes a profitable turn over. I am not hoping to see any of our fish going to the West India markets, it is only rubbish the people send down there. Our fish is not made for the West India markets. Again you have not told us what you are going to bring back to Newfoundland from the West Indies.

Take again the herring fishery; I have heard that proposition exploited before in this House, and brought in by the ablest men we have ever had in this House. I would remind the hon. member of the promises of the Government made in 1919, concerning the herring fishery of Newfoundland. Now we get the proposition again, and some thing more is promised. In 1919 you were going to do wonders for the expansion of that once lucrative industry, and where does it stand to-day, but in the ranks of desolation? That is what has been done for one of our most important industries.

Now you are going to bring back fruit from the West Indies. What is the use of that to the population of Newfoundland? You are aware that the population of Newfoundland is only 250,000, and how much fruit is consumed by the people of Newfoundland? How many of the outpost fishermen, their wives and families eat fruit? You told us that in 1921 and 1922 we exported only \$900,000 worth of fish and other produce to the West Indies. What did you export for the past year? What is the actual value of fish that is usually sent to the West Indies? You did not get anything like that.

HON. MINISTER OF MARINE AND FISHERIES:—For the past six months the value of fish exported to the West Indies was \$600,000.00.

SIR M. P. CASHIN:—Yes but that is not the moral condition of things. That fish you sent down to the West Indies, because that was the only

place where the merchants could sell any fish, and turn over a dollar.

Now as to the question of lumber that is not going to bring us in anything. In Nova Scotia the lumber which is exported from there is only exported by small mill owners. The Nova Scotians have their little mills, and they have their vessels that prosecute the bank fishery during the summer, and in the autumn they go down to the West Indies with small cargoes of lumber and fish; they also purchase herring from Newfoundland and carry there.

Take the seal fishery, are the merchants building or replacing ships for the seal fishery? As to sending the ships to the seal fishery in the interim, between trades, I would ask the Minister if the ships are to be Government or privately owned? If Government owned of course you might send them to an unprofitable sealing venture, but what if the ships are to be owned by private individuals? I would ask why the owners of the Stephano, Florizel and the Ventures had not replaced those ships? The answer of course is it is not a sound business proposition. There is food for thought here, for why should we venture on such a scheme when it is regarded as unpromising by our most astute business men. It is a God send that ships of the Venture type were got rid of through the war, and now you are advocating the building of two more of a cost of about a quarter of a million dollars. Of course I am open to conviction and if there is any evidence to show that this venture can be undertaken and carried out profitably, and that the country will be benefited by it I certainly shall not oppose it.

The venture you would now embark upon is not a safe investment, and as a matter of fact we have too many steamers now. What would you do with the sailing vessels, you plan to put out of business by this visionary

scheme? As to exporting potatoes, I beg to remind the House that last year Dr. Campbell imported no less than \$70,000.00 worth of the tubers for seed distribution. Is it the produce of all this seed you want now to send to the West Indies?

MR. DOWNEY:—Mr. Chairman, I would just like to say a word to counteract the impression which the hon. member for St. John's West has created, as to the possibility of growing potatoes in Newfoundland. This country is at present producing enough potatoes to supply its wants. In the months of May and June of last year applications were received from a large number of people in Bonavista Bay for the sale of potatoes, each applicant having from 15 to 200 barrels to dispose of. If we had the facilities for marketing our potato crop and facilities for putting them on the market for home consumption it would not be at all necessary for us to import any; on the contrary, we would be exporting. Last year in St. George's district the people had to throw thousands of barrels on the fields for the cattle to eat, because of the lack of facilities and the extraordinary difficulty of getting them to market. Then take into consideration the apparent discriminating against the local producer. The freight on potatoes from P.E.I. is 72c. per barrel, whilst the freight on a barrel of potatoes from St. George's to St. John's is 95c. Then look at the difficulty and hardship of getting potatoes and other produce to the railway. In St. George's district owing to the numerous streams, lakes, and ponds, the people have to cart their produce over hills and valleys, then they have to put them across streams, and ponds, dump them out, then get the horse and cart across, load again, continue to the next stream, when the same process has to be gone through. I am quite convinced that it would be an easy

matter for us in Newfoundland to develop a rival potato industry with that of Nova Scotia. There would be more potatoes raised here if we had available markets. As I pointed out a few minutes ago, a lot of potatoes were permitted to rot in cellars and on the farms of the West Coast last spring, because farmers could not sell them, whilst St. John's was without available supplies.

In Canada the Government is far more paternal towards the farmers than we are in this country. The Government there offers every facility and encouragement in the production of farm products.

Now I quite agree with the Minister of Marine and Fisheries that it is quite possible for us in the matter of a few years to produce sufficient potatoes to establish a good, sound and reliable market in the West Indies.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again.

On motion this Report was received and adopted and it was ordered that the Committee have leave to sit again.

SIR M. P. CASHIN:—Mr. Speaker, before the House adjourns I would like to again call the Prime Minister's attention to the fact that so far we have heard nothing of what the Government intends doing with regard to the railway. There is nobody in this House responsible for the department. Here we have the dry dock, the boats, the machine shops and the rest and nobody seems to be in charge. In 1919 we had those who were supposed to be the best men in the House on the Railway Commission and on the back of that we had Sir George Bury and Mr. Morgan but now everybody seems to forget that we have a railway. The same old railway is there, nevertheless, and it still continues to

take a million dollars or more a year of our money. It is sucking the life blood out of the Colony. It was all very well when the contractors had to stand the debit but now the country has to pay it. Now take the railway in comparison with the other departments and judge if I am not correct in saying that it is the most important of them all. Take the Fisheries Dept., the Board of Works, the Post and Telegraphs, which by the way is the nearest approach to the railway in point of turn-over, and none of them measures up to it. The turn-over of the railway is millions annually and still if one gets up in the House to discuss these matters he is attacked in the newspapers. Not that that worries me because it is like water on a duck's back so far as I am concerned. Now, Sir, you have good men on that side of the House; there are Capt. Randell and others who I am sure are capable of handling this situation, why not get them on the job. If you do not wake up now and do something, you will wake up some morning and find the whole thing has been carted away. Pay commissioners a salary if necessary but get them, either in the House exclusively or outside if necessary provided there is someone who is responsible to the House. You want to give Agricultural Commissioners \$3,000 a year to spend \$4,000 and still with a railway deficit of a million or a million and a half dollars you cannot put a responsible man in charge of it. Now, the Hon. Prime Minister is young and honest and clean and I would like to see you remain young and honest and clean so get busy and do something before it is too late.

HON. THE PRIME MINISTER:—Mr. Speaker, I must thank Sir Michael Cashin for his good opinion of me and I hope I shall continue to justify it. The matter of the railway has been under discussion but so far noth-

ing definite has been decided upon with regard to it. As I remarked on a previous occasion, it is not a thing that can be jumped at in a moment but there is one thing of which I can assure the House and that is that the Government is not going to operate the railway one minute longer than we are forced to. I have been kept so busy since I have in the position I now occupy between my House duties and other matters requiring immediate attention that I have had very little time to give to railway matters but I do know that since it has been taken by the Government the railway has been running as smoothly and as satisfactorily as at any time previously. The same men are in charge of the different departments as were there during the Reid Nfld. Co's time and I do not see how the present position can be improved by the appointment of any three men in this House or outside of it to supervise railway operations. The people who know best how to run the system are those who are now in charge of it. As the head of the Government the responsibility to this House for the proper conduct of the railway devolves upon me and I am ready to take that responsibility. As the hon. gentlemen has pointed out, the railway is now a department of the Government and it will be treated as such. As soon as the House closes an attempt will be made to get reliable contractors to take over and operate the service.

MR. WOODFORD:—Mr. Chairman, some time ago when the matter of the railway was under discussion I asked for an increase of wages for the section men. At that time it looked as if I might receive some support from the Government in the request and I thought therefore that something would be done. These men are getting only \$2.00 a day while on practically all other works including that in connection with the Humber de-

velopment, the men are getting \$2.50 a day. Has anything been done in the matter? There are only about half enough men at this work any way and in some sections the road bed is particularly bad. These men do their best to keep the road safe for traffic but it must not be forgotten that the lives of the general public depend on how efficiently they do their work. It is the duty of the Government now that they have the opportunity to be a bit generous with them.

SIR M. P. CASHIN:—Mr. Speaker, I want to thank the Hon. Prime Minister for his explanation but I cannot agree with him in what he says with regard to there being no necessity for any three men from this House to be appointed to take charge of the railway. That department cannot run itself any more than can any of the others. Why have you ministers in the other departments if one is not necessary in the railway? Somebody should be appointed from this House and surely you can get such a commission as I have suggested.

MR. SULLIVAN:—Mr. Speaker, I agree with Sir Michael Cashin that this is a big department and an important one. It was all very well in the days of the Reid Nfld. Co. There was a Board of Directors to advise and direct the man who was running the road and it is unfair to Mr. Russell to expect him to take all the responsibility on his own shoulders. Who has he to go to for advice now? Another thing, the railway has now become a party machine. It is a big labor-giving department and there should be no discrimination in the employing of men. You cannot get the railway off your hands at the earliest before next June and there should be someone in this House responsible for it. What you should have is a mixed commission. I do not care whether you pay them or not.

MR. HIGGINS:—Mr. Speaker, I



think it is as well for the Prime Minister to realize right now that he is not going to get this matter of the disposal of the railway adjusted in side of twelve months at the very best. In the first place, no contractor is going to take it over until he has sent a man here to ascertain just what he is taking. I think the suggestions that have been made from this side of the House are well worthy of consideration. I know Mr. Russell is a highly capable man. He graduated from the despatching department of the Reid Nfld. Co. where he received a good training in the administrative branch of railroading, but men who may be especially capable administrators might not measure up when it comes to maintenance. In that phase of the work it takes men who have had experience in it such as Mr. Powell to meet all the requirements. It is true that Mr. Powell is to a great extent replaced by Mr. Joyce but there should be an advisory board of some sort with whom the manager can consult. Moreover there should be some one to see that there is fair play in regard to the employment of men. Human nature has not changed and it is only natural for men who supported your government to expect that they must get all the jobs. Their assumption is "to the victors belong the spoils." I know there are a number of men up there to-day who did not support your Government and rumors are abroad already of threatened discrimination. I utter that statement with the assurance that it is not made wildly. There are certain people up there you know who are not as important as they think they are and it is such understrappers as these that sometimes make things awkward for a Government. The railway has many ramifications thruout the country and a great deal of scope exists for employees to be unfairly dealt with. Some means should be

adopted to prevent those who may be tempted to do so from going to wing.

It was moved and seconded that when the House rises it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

TUESDAY, August 14th, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

MR. SMALL:--Mr. Speaker: I ask leave to present a petition from the inhabitants of Channel asking that a sum of money be allocated for the purpose of making a short piece of road between Channel and a place called the "Brook." This petition is heavily and influentially signed and I trust that it will get the earliest attention of the Public Works Department.

MR. P. J. CASHIN asked Hon. the Minister of Justice to lay the following information on the Table of the House:--

- (a) What equipment, in the way of Motors, Ladders, etc., was purchased for the Fire Department during 1922-3.
- (b) What prices were paid for each article?
- (c) Who acted on behalf of the Government in the purchase of these items?
- (d) To table all invoices and expense accounts in connection with the purchase of these vehicles.

HON. THE PRIME MINISTER:--The information is being prepared.

MR. P. J. CASHIN asked Hon. the Minister of Agriculture and Mines to lay the following information on the Table of the House:--

- (a) From whom was the Rossing Machine which was used by the Government in their recent Pit-Prop Operations purchased?
- (b) What price was paid for this machine?

- (c) Who acted as Agent and was instrumental in selling this machine to the Government?
- (d) To whom was cheque made payable for the Machine and to table original cheque?
- (e) Also table original invoices covering the full amount paid.

HON. THE MINISTER OF AGRICULTURE:—I beg to table the reply.

MR. WALSH asked Hon. the Colonial Secretary to lay on the Table of the House a detailed statement showing how many Special Trains and Special or Private Cars were hired out by the Reid Newfoundland Company or Government Railway Commission from July 1st, 1920, to date, giving names of those who hired said Trains or Private Passenger Cars during this period, and to lay on the Table of the House a statement showing the price paid for any trains or cars so hired, and if any amounts are outstanding or due the Railway on account of said service.

HON. THE COLONIAL SECRETARY:—The answer is being prepared.

Pursuant to notice and leave granted, and on motion of Hon. the Prime Minister, the Bill entitled "An Act to Amend Chapter 22 of the Consolidated Statutes (Third Series) entitled "Of the Customs," was introduced and read a first time, and it was ordered that the said Bill be read a second time presently.

Pursuant to notice and leave granted, and on motion of Hon. the Prime Minister, the Bill entitled "An Act respecting certain Retiring Allowances," was introduced and read a first time, and it was ordered that the said Bill be read a second time presently.

Pursuant to order and on motion of Hon. the Minister of Finance, the House resolved itself into a Committee of the Whole on Ways and Means.

Mr. Speaker left the Chair.

Mr. Simmons took the Chair of Committee.

HON. THE MINISTER OF FINANCE:—Mr. Chairman, I beg to submit for the consideration of the Committee the following resolutions in connection with the Budget Speech:—

- (1) Deals with the export of timber up to Dec. 31st of this year.
- (2) Deals with the elimination of the 25 per cent. surtax.
- (3) Is to amend section 3 of the Customs Act.

This deals with the lifting of the export tax on fish-salt and bulk-salmon in all its forms of preparation and also Scotch Cure herring and turbot. Also attached is a resolution which calls for a tax of ??? cents per gallon on liquors coming here from outside ports for transhipment.

MR. SULLIVAN:—Are you going to keep the tax on codoil.

HON. THE MINISTER OF FINANCE:—Yes, it is only 2 cents a gallon and it is not thought advisable to lift it just now.

No. 4 deals with the royalty on the exportation of iron ore—Arrangements have already been made in connection with this to the end of the year.

No. 5 deals with a loan to the fire companies.

No. 6 deals with a preferential tariff on goods imported from Jamaica in reciprocity for certain privileges granted by the Government on the products of Newfoundland,—and No. 7 deals with the free entry of certain product from Spain.

MR. HIGGINS:—Mr. Chairman, before we take up these resolutions I would like to refer to the one submitted to-day in reference to some alterations as to wines, etc. I would like to ask what are we to get out of it. I understand you are going to permit liquors to come in here and go out in bond.

HON. THE MINISTER OF FINANCE:—Yes.

MR. HIGGINS:—I agree entirely with the idea. I am very glad that an out-and-out prohibitionist like the Hon. Minister has come in here and advocated the establishment of a law which I recommended several years ago. I am glad to know that we are to get this money without any additional expense to our own people, but at the expense of the outsiders who come here on their holidays. A few years ago some gentlemen on the other side of the House almost dropped dead at the mere suggestion that we should make money off liquor, and I and the Prime Minister were accused of the most terrible schemes and conduct. I congratulate the Hon. the Minister of Finance and ask him hat when we meet again he will formulate some plan by which we may bring about tourist traffic, a traffic which can only be brought into being by sanity in connection with our prohibition laws. What we should do is follow the example of the sanest and most prosperous province of Canada, Quebec—a province which is a pattern for all the others of the Dominion, and by doing so, get out of the sham which we are acting. We have been announcing to the world at large that this is a Prohibition country while we all know that the claim is only a myth and a joke. Let us have a country in which liquor is controlled and make a sober, temperate people—not an intemperate people. As things are going to-day we are compelling some to be sober while we are driving others to extremes in regard to drinking. I would like to make myself perfectly clear on this matter and I am not concerned as to the political effects of my remarks. It is time to speak plainly on this matter. We have been coming in here and winking many things out of sight. When it suited some districts

were told we were not to have any liquor, while at the same time we were making half a million out of it. I suggest the idea to the Hon. Minister of Finance so that he may consider it in his Budget bye-and-bye, that to-day we are in reality drinking our own duty while we should be making money out of drinking on the part of others and not ourselves. I am glad to see this step taken now. The liquor will be under bond and we will get a quarter million right off. I think the Government has taken the right step, and I will go further and say this—and I don't want to dictate to you my personal views as that would be an impertinence—that I think the time has come for the display of reason in regard to this so-called Prohibition. I think it is possible to give all the prohibition necessary and inculcate temperate habits without being obnoxious. The liquor department is under criticism today, largely, because we have seen trying to meet two distinct conditions—we have been trying to keep the law and at the same time raise revenue out of liquor. This liquor is one of the principal things on which the Hon. Minister of Finance is relying on to obtain revenue, and how can this be a prohibition country on one hand while on the other we are making money out of liquor. We cannot straddle the two sides of the bridge. In the name of goodness be sensible and reasonable to the people. Let a man go and buy his package without any tomfoolery—cut out the scripts. We all know that there are medical men in our midst who have been making a living out of the issuance of scripts and have not prescribed a drug for a year. Some are unkind enough to say that some have built fancy houses by this means. We are making a hypocrite of the man who goes to the doctor and says he is sick and of the doctor who listens to

him and says you are sick, when he knows that the man knows that he is not sick at all. What I want you to do is to give the matter considerations. There is revenue in it alright, but I never thought I would see the day when a died-in-the-wool prohibitionist like the Hon. Minister of Finance would have courage enough to come in here and sink his personal convictions and take steps to prevent Newfoundland being a headquarters for rum-runners. It is time alright for us to get our share of the money out of this business.

HON. THE PRIME MINISTER:—Mr. Chairman, I would like to state that as the Leader of the Opposition has stated, this resolution is intended to provide revenue where we do not get it to-day. There is no alteration on the principle of the law of the day which says liquor can be imported and exported. Under that law thousands of cases of whiskey and packages of rum come here for transshipment to St. Pierre and we get nothing for it. The time has come when we thought it wise to stop this—I think that in one warehouse to-day there are about 7,000 cases of whiskey alone for St. Pierre—and we would like to get the duty on it if they are going to use St. John's as a point for transshipment.

MR. HIGGINS:—I think we could very well do something with the amount so gathered to relieve the labour situation around St. John's.

MR. WOODFORD:—Mr. Chairman I would like to ask if there is any idea of amending the Prohibition law? Do you intend to cut out scripts—the public are opposed to them. I do not see why we cannot enjoy a little smile together and get our liquor from the Controller without going to a doctor for a script. Don't you think it is high time to have some reform in this direction—and we are going to have it because we are going to make you

do your duty by the people. The public are strongly opposed to the present system. Doctors have been making fortunes out of scripts and we are going to stop it. I know that Sir Wm. Coaker will not be a party to amending the law as he is the one who brought it about. What objection have you to amending it. Get up, Sir, and give the answer. We will not put up with the present state of things any longer or allow the doctors in the country to live at the expense of the poor who may need a little brandy etc. for medicinal purposes. It is time to cut out these scripts Sir, and to have an election next Fall and see if we cannot get over 40 per cent. on it. We do not want to go back to the public houses though many a drapple o't we had there. Myself and my good friend, Mr. Downey, or Mr. Piccott often had a thimbleful at the Army and Navy or such places, and I often saw the Hon. Mr. Foote outside the door. Perhaps the Hon. Mr. Cave was also there and anxious to go in though he was afraid he would be seen. I have often heard temperance speeches made here by those who were preaching temperance and I remember one by one of our own party when we were on that side of the House. He made a great speech, but when I went to the Speaker's room he came in and asked me what I thought of his speech. I said I don't think the people will take it seriously. He then said "have you a little drop of whiskey or rum about?" I had a drop you may be sure and he enjoyed it. Now you know gentlemen that there is a lot of hypocrisy amongst us, and the worst kind of all is in endeavouring to keep the people sober and not drink at all. But we find in Bermuda where one of our own countrymen holds an important position that he is doing good for that Colony by encouraging the building of hotels for tourists from America. In

other words Bermuda is a central point for the distribution of alcoholic liquors just as St. Pierre is; big revenue is being collected by that country. A few years ago it was impoverished and deeply in debt as we are to-day, but lately it has been reaping a huge revenue. The Hon. Minister of Fisheries when he made statements yesterday as to us dealing in potatoes in trade with the West Indies knew he was only trying to blindfold us. But, Sir, Bermuda has no nonsense about the liquor trade and are building up a large business between Nassau, the capital of the Bahamas, and points on the American coast. Why shouldn't we go in to this business. It struck me when the Hon. Minister of Fisheries was introducing his new Bill, that if the new ships did not get enough potatoes here to bring back to the West Indies they might go into the rum-running business which would well pay the subsidy and cost of running them.

Now I don't think that I should delay the House but still I want to ask the Government to cut out this system of doctors' scripts and I am going to hold up the House until you amend the prohibition act. There is a great possibility of revenue if some of the members of the Government would see eye to eye with some of the members of this side of the House. I notice that the Minister of Marine and Fisheries is introducing a new bill for the importation of grape juice into this Colony. We should have a depot down in Placentia Bay and another in Conception Bay and two or three further north. You might also have one down in Port Union. Now is the time to talk about it Mr. Minister of Marine and Fisheries. I am really in earnest. Are you honest about the measure? Cut out the script business. Import the best stuff that can be obtained. The medicine that we

are getting now is not good enough. We are living in a very northern climate, Mr. Prime Minister, and our systems require a certain amount of stimulant. Insist that the best material be got for the people of this country. Give the boys what they are entitled to. Get the genuine stuff for the least expense. Give the money that you are giving to Mr. Davey to go around in his motor car or his flying machine or whatever it is to buy better stuff for the people. There is another matter on which I wish to speak. Mr. Walsh advocated the vote for naval reserves be placed to increase the number of old age pensioners. That meant many more men who were over seventy-five years of age were to receive a pension of fifty dollars a year. That is what it meant. Now would the other member for Harbour Main tell the House how many men worn out in the service of the country of the District for Hr. Main. Yes. What is the number of men who are to get this fifty dollars a year in the district of Harbour Main? Now I put this to you as common sense men. I have a hundred and twenty-five old men asking me every day if it is at all possible for them to be placed on the pension list. They want to know if there is any special grant or any other means from which they can get enough to keep body and soul together. I ask the Prime Minister what I am to do about it. He does not know how to reply. I know that Bonavista district had forty names placed on the old age pension list; Twillingate had thirty. I don't know how many Fortune Bay had. Some people seem to get all the plums. I don't see Mr. Prime Minister, why old men worn out in the service of the country have to go hungry when we see such extravagances going around us every day; such as giving Mr. John Davey three hundred dollars a month for doing nothing. I remember a

short time ago we considered it necessary to build a nurse's home. The contract to build the home was given to Kennedy Brothers. It was decided that in the interests of the country we should have a man to look after the materials and other things so that the people of the country would get value for the money expended. This man was called the Clerk of Works. He received five dollars a day. Mr. Spratt, the mason, was the man. He was on the job all the time and saw that we got full value in materials and workmanship. Now we are paying Mr. Davey three hundred dollars for driving around picknicking. He has only one building called the Normal school to look after. The whole thing is a bluff, a joke or a farce to provide Dr. Barnes with a job. The school teachers are not satisfied. They consider the whole matter a farce and a fraud. Cut it out and use the building as a reformatory for children. Give Dr. Barnes some other job. He would be a fine man for the railway commission. He is a good man but out of his place. The money paid to this staff is wasteful expenditure. Just imagine three hundred dollars a month for one man and a building worth hundreds of thousands being built to give another man a job all for nothing in return. It is time for this thing to stop. What are the Churchills doing? They are there to look after the public buildings. Aren't they competent? Mr. William Churchill is the best man in the country on that work.

I have no objection to giving a few more dollars to competent men. Mr. Churchill, of whom I have just spoken, knows the public buildings of St. John's from 'A' to 'Z'. When I was Minister of Public Works I sent him out every year to inspect the public buildings all over the country and he made reports on the condi-

tions of the various court houses, jails and other buildings, and from his recommendations we made all the necessary repairs. He has an assistant, Mr. S. Churchill, who is an architect, and drew the plans for all the public buildings of late years. These men are not paid for all the work they do. And now you call a man in off the street and give him a salary for doing nothing because you thought he was a supporter to your party during the last election. Giving thirty-six hundred dollars when it is absolutely not necessary. I can't get even a miserable fifty dollars for a poor worn out old man up in my district, and neither can you members on the other side. If this thing is going to be allowed to continue and this waste of the people's money is still going to go on then I don't understand what your intentions can be. You said that you were going to make a clean sweep. Turn all the rascals out. Now, Mr. Piccott, I don't mean that you are a rascal. I don't think that the Prime Minister is a party to all the scandals that have been going on of late. However, it is for the public to decide. Have you altered your mind? From the appearance of the present excessive conditions the government is soon going to have to do something. Mr. Piccott knows that in the "Autumnal season" he is going to have to provide employment for the people. I know the load of responsibility that must rest on the Prime Minister's shoulders, but with the help of friends and enemies I feel sure that he will find his way out of all his difficulties. Drop the West Indies racket. Drop the John Davey racket. There is nothing in the West Indies proposition but tomfoolery. Sir Michael Cashin will show up the truth in connection with this proposal. The trade of the colony would not be improved sufficiently to warrant the expenditure of two hundred thousand

dollars or whatever the amount is. A few years ago Sir William Coaker had a fad. What was the result? Almost commercial damnation. That is what your fishery regulations nearly brought the country to. Commercial Damnation!

We nearly had grass on Water Street alright. Cut out our fishery and it will be easy to talk to the people of Newfoundland who will be left. I remember some fifty years ago when a captain named Captain Cole was in command of a ship which took more passengers out of St. John's than she could safely carry to go to Boston to try to get some employment to keep body and soul together. That would be the answer to the failure of the fisheries. We could not have a greater calamity than such a failure. This fad of bringing Jamaica grape juice to Newfoundland means the throwing away another hundred and twenty thousand dollars. If you continue these things you'll have to get out and give your places to men who know how to do your work. We'll give you all jobs. We'll put you all in the poor house. You tried to put me there, but you couldn't do it. I was too honest. I have got a certificate of honesty. When auditors tried to get me they gave me a certificate of honesty. What bad minds some people must have had to suspect me. I don't mean you, Mr. Piccott. They thought they'd put us in the penitentiary.

Now Mr. Prime Minister I hope that I have succeeded in making myself clear on some things. The point I now wish to make clear is that there is urgent and immediate need for employment, no relief work though. Put the people to work, but not on relief work, put them somewhere where they can give an honest day's work, for an honest day's pay. Something that will give ultimate returns for the benefit of the country.

Our men need to be put to work right away. The Railway line needs fixing up and repairs, put the people to work there. Let us employ men at home instead of sending men away to the Humber, to be sweated and dragooned under petty contracting bosses. The money they earn to the Humber is no good to them, and very soon they will be no good themselves, because they will be worn out.

MR. WALSH:—Mr. Chairman, I cannot compliment the Hon. Minister of Finance for the introduction of his first presentation of a budget. The thing that needs reduction of export tax more than anything else is the Sealing Fishery products. The export tax on oils, and such products of our fisheries is obnoxious, it is not in the way of encouragement, but a stumbling block and a hindrance to the expansion of our staple industry.

Am I to understand that the 2c. reduction arranged for this afternoon is additional?

HON. MINISTER FINANCE:—No, last year there was a representation made to the Governor in Council by the Sealing owners that the export tax on seal oil, and seal skin be removed. This was done, but it is only effective up to the end of this year.

MR. WALSH:—However, Mr. Chairman, I am glad that these items are removed from the obnoxious export tax; there are however, several others that should have a tax removed, there is the Herring Fishery and the Lobster Fishery. Six or seven years ago the Lobster Fishery here in Newfoundland was valued and worth three quarters of a million dollars, whereas today it is worth practically nothing. It would be alright if the actions of the Government were from an economical point of view, but when you see thousands of dollars being thrown away for nothing it is very galling. It may be alright for a person who has a good fat bank ac-

count, but it is not alright for the majority of people in this country, and especially the fishermen; in fact it is very unfortunate and highly deplorable. In view of the exposures coming to light of gross extravagance I think it deplorable that while this is going on, and hundreds of thousands of dollars are being wasted, our important industries are allowed to perish. A few months ago the party led by Mr. J. R. Bennett went to the country with a far different policy from that. The only policy indeed that could save this country from what it is now facing, namely a bounty on fish. It is very unfortunate the people turned down such a policy. I want to agree with, and reiterate the remarks of the last speaker concerning the Normal School. It may be alright if we could afford it, but what is going to happen when some fine day we find that we cannot afford to keep it going. When you take into consideration the unnecessary expenses of a Normal School Building, when poor unfortunates who have been deprived by God of their reason are either occupying cells in the common jail, or being kept at home a menace to themselves, and to the community, because there is no bed for them at the asylum. Is this fair? Is it christianity, is it common sense? Within the last forty-eight hours I have heard of a man who destroyed himself through insanity. This man is dead today, because there was no room for him where he could be protected from his own rash act. I implore and beg the Government therefore to hasten by all means the completion of the Normal School Building, so it might be used as an asylum.

MR. HIGGINS:—Mr. Chairman, just one word regarding the matter under discussion. I have just discovered in the 1905 Act the true position regarding the export tax. It strikes me that in the light of what has been

said that it seems a sort of anomaly to keep an export tax on fish and products of the fishery, on the one hand, and yet on the other hand we allow outsiders to come in here with a commercial proposition and export Pulp and Paper free. In view of making this concession it seems monstrous to impose an import tax on the products of the fishery.

MR. FOX:—Mr. Chairman, just one word regarding the question before the House. May I ask if there is an import duty on those fishery products in Foreign markets? Our exporters along Water Street are by this very act of the Government robbed of effective argument against the imposition of an import duty on fish in the markets of the world; for with what inconsistency can they ask buyers of our fish to remove an import duty in their countries, when we ourselves taxed that fish as it is about to leave our door?

MR. SULLIVAN:—Mr. Chairman, I beg to inform the House that, that export duty was put on cod oil when cod oil was \$200.00 or more a tun, now cod oil is down to about \$80.00 or \$90.00 per tun, and in view of this low price I should imagine that this export tax would be very detrimental to sales in the foreign markets.

HON. THE PRIME MINISTER:—I may say, Mr. Chairman, that the matter was considered by the Executive. After careful consideration we came to the conclusion that the 2c. per gallon export tax on cod oil would not affect the sale anything much.

SIR M. P. CASHIN:—Mr. Chairman, I acquit the Finance Minister of any connection or responsibility with the Budget presented here on July 1st, Tuesday last, except that of reading it to the House. I think there is no one amongst us who doubts that the Budget itself is the composition of the late Prime Minister because I know no other man in the country capable



of coming before the Legislature with such deceptive and thoroughly dishonest a document. In ascribing the authorship of this Budget to Sir Richard Squires I do not mean to reflect upon the capacity of the Hon. Minister of Finance because everybody knows that he took his present position only a few weeks ago and that it would be out of the question for him, burdened as he is with the business of running the Shipping Department as well, to have grasped all the matters in relation to the Finance Department necessary to present to this House a considered and reliable statement of the Colony's financial affairs. The late Prime Minister, on the other hand, has been practically running the Finance Department almost since the day his Government took office, as the late Finance Minister, Mr. Brownrigg, was in such a condition of health that he could not give to the discharge of his duties that attention and interest which the same properly demanded. Therefore, the task of presenting Budgets and dealing with the whole of the financial legislation of this country for the past three years fell into the hands of Sir Richard Squires, and naturally the whole country took it for granted that the Budget for the present session, no matter by whom presented here, would really be the work of Sir Richard Squires and require to be examined and analyzed with that idea in mind. In other words, everybody would expect that Sir Richard would so distort, misrepresent and generally juggle with figures and words as to deceive this House and the country with regard to the financial status of Newfoundland at the present time and her prospects of weathering the storm which is now buffeting her.

The most astonishing feature of this Budget to me is the sublime audacity with which a whole range of subjects discussed by every previous Finance

Minister and in every previous Budget are disregarded entirely and no reference whatever made to them. The first is the fact that not a word appears in this document about the two Loans of six million dollars each raised by the present Government since it assumed office and the expenditure of which is now a topic of discussion everywhere throughout this Island. The Budget makes no reference whatever to this matter and apparently the author of it seems to have thought that the policy of bluff which he pursued with such success in other directions would enable him to get through this financial statement without the country awaking to the fact that he made no reference to the Loans or their expenditures. The next omission is in regard to the Public Debt which occurs in one clause in this address. The subject is ignored entirely although there is no question of greater importance to-day to the whole country than that of the amount of its Public Debt and the prospect of our being able to carry this burden in the future. A third matter which is ignored is that of the condition of our trade which likewise was treated more or less fully in every previous Budget that I have any remembrance of.

Another matter which I was going to say was overlooked, but which I will now say was deliberately omitted from the Budget, is all reference to the Expenditure on Railway account. In olden days it was not necessary to deal with the Railway in Budgets because the financing of the Railway was the business of the contractor, but with the advent of the Squires Party to power the Railway was made a mere Government agent and obligations were assumed on behalf of the Colony without any authority which have added enormously to our burdens in the past and, what is worse, have threatened us with a continuing liability for the operation of the Railroad in

the future to a very considerable amount, a liability so serious that it alone, I fear, will bring this country down to wreck and ruin before many years.

In this document there is not a word to indicate the value of our imports and exports although I have only to mention the fact for every one who hears me to realize that the condition of our foreign trade is one of the most important matters that can exercise our attention because it is only by a productive and promising foreign trade that we can ever expect to hope that we can carry the burden now pressing upon us. In due course I shall deal with each of these matters in turn, but before doing so I want to refer to the most amazing declaration contained in the Budget, namely, the statement that "the general finances of the Colony on current account are eminently satisfactory." Sir Richard Squires in his Parliamentary career has been responsible for some glaring perversions of the truth and for practising political frauds on a wholesale scale, but in his palmiest days he never perpetrated any utterance more grossly untrue than that which sets out that "the general finances of the country on current account are eminently satisfactory." Let us look at the reality Mr. Chairman. In November 1919 the Squires Government was elected to office and took over control of our affairs. The total Revenue for the fiscal year which ended on June 30th, 1919, the last year for which we were responsible, was \$9,535,725 and the total expenditure was \$6,766,389. In other words, we went out of office with a Surplus of \$2,769,336. In 1919-20 the total Revenue was only \$7,730,193, while the Expenditure was \$9,247,007 and the only way the Prime Minister could balance the account and escape having to confess to a deficit of nearly three million dollars was to take the whole of the Surplus that we

had realized the previous year and to use it to square his account. In other words, all the money that we had accumulated in previous years and put aside to help the Colony in an emergency was taken by the late Premier to meet the cost of the squandermania which he had inaugurated on taking office and which reached such amazing results the past few months as have been revealed by the Expenditure of the Department of Agriculture and Mines on Pit Prop and other accounts, making a total of about \$2,000,000.

For the financial year which ended on the 30th of June, 1921, the second for which this Government is responsible, the Revenue collected amounted to only \$8,438,000, while the expenditure, which was again colossal, amounted to \$10,951,489, leaving a deficit of \$2,513,449. This amount was met out of the proceeds of the first Loan. For the year ended June 30th, 1922, there was again a deficit, for while the Revenue was \$8,269,681, the Expenditure was \$9,127,543, the shortage being in this year \$857,862. We have not all the details of the last financial year, that is the one which ended on the 30th of June last, or say seven weeks ago, but the Estimate of Revenue as given in the Budget before us is \$8,844,000 while the estimate of expenditure is given as \$9,526,443, which shows a deficit of \$682,443, or say, in round figures, \$700,000. If anyone was doubtful up to the present moment of the dishonest character of this Budget and of how unreliable it is, I would merely ask him to look at the table of expenditure as given in the printed statement and he will see that the whole of the expenditure by the Department of Agriculture and Mines on current account is only \$100,000, whereas we know from the documents already before us that the same Department under its extravagant and irresponsible Minister, Dr. Campbell,

spent a million and a half dollars on Pit Props large sums on Model Farm Account, and another half million dollars on Relief Account Number 2, the details of which we are yet awaiting.

From a study of these figures it will be seen that the Revenue of this Colony for the past three years has been fairly steady at less than eight and a half million dollars, while on Current Account alone we have been expending at the rate of a million dollars more than we have got in. Yes, with his knowledge of this fact—which nobody could know before then—the late Premier, despite his familiarity with these accounts, proclaims to the world through his Budget Speech that the general finances of the Colony on Current Account are eminently satisfactory. I wonder what any man who hears me this afternoon would say of the business manager of a concern or enterprise in this Colony who would come before his directors or shareholders and represent its affairs as eminently satisfactory when, on the ordinary current operations, he was spending a million dollars more than he was getting every year and was having to make up the shortage out of Loans raised on the credit of business and which if continued, must mean ultimate bankruptcy and destruction. That is the position of the country to-day and I challenge anyone to contradict it. We are taking in through our various sources of Revenue about eight and a half million dollars a year, but we are spending nine and a half on Current Account, not to mention the enormous expenditures otherwise which I will come to later. We are meeting the shortage each year out of loans and we are aggravating this very bad condition by allowing men without any sense of responsibility, like Sir Richard Squires and Dr. Campbell, to throw away money like drunken sailors with the most paltry objects in view and with-

out any regard for the future of the country and those who live in it.

No share of the responsibility for all this, I should point out here, rests upon us on the Opposition side of the House. We have done our duty by pointing out the conditions which existed and the direction in which the country was heading, but we never imagined nor, I suppose, did any decent man on the other side of the House, imagine that two men like Sir Richard Squires and Dr. Campbell would take millions of dollars of the country's money the past year and waste it in the shameful way in which it was wasted as shown by the expenditures of the Department of Agriculture and Mines published in the newspapers with in the past two or three weeks. I submit, therefore, that the condition of the general finances of the Colony on Current Account is very far from satisfactory. I say that on the contrary it is as unsatisfactory as could be imagined. I say further, that it is bringing this country every day nearer to the verge of disaster and I assert in all seriousness that a continuation of this state of things for even a short time must mean the destruction of the solvent existence of this Colony. Great things have been expected from the Humber and very considerable advantages may result to us from this enterprise, but all we can hope to get from the Humber will not suffice to make up the shortage in Revenue as compared with Expenditure if we continued on the present prodigal lines inaugurated by Sir Richard Squires and kept up until to-day by the policy of wholesale extravagance of which he is the father.

I turn now from considering the country's circumstances on current account to a consideration of its financial condition on Loan Account.

The Loan Account of 1921 is as follows:—

## LOAN 1921.

Realized.....	\$5,960,031.20
Expenditure as under.....	5,960,031.20
Railway Commission 1920 .....	\$2,500,000.00
Railway Operating Contract, 1921-22 .....	1,249,993.00
Railway Operating Contract, 1922-23 .....	464,345.59
St. John's Municipal Council .....	464,828.00
Special Roads .....	492,340.00
District Special Grants .....	507,660.00
Expenses connection with raising Loan .....	11,864.61
Fisheries Guarantee .....	269,000.00
	<hr/>
	\$5,960,031.20

Examined by me and found correct,

F. C. BERTEAU, C. & A. G.

The Loan Account of 1922 is as follows:—

## LOAN 1922.

Loan Realized .....	\$6,036,000.41
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## ALLOCATIONS TO JUNE 30th, 1923.

## Department Public Works:

Special Roads, Badger, Deer Lake, Colinet and General relief works, 1921, 1922, 1923.....	1,871,606.83
Completion New Wing Lunatic Asylum .....	9,335.00
Completion Water Service to Sanatorium .....	35,000.00
Ballasting Railway Lines .....	91,395.05
General Post Office Extension .....	2,000.00

## Public Charities:

For Able-bodied Pauper Relief 1921, 1922, 1923.....	430,756.06
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## Marine and Fisheries:

Expended during fiscal year 1922-23 on account breakwater and Public wharves.....	406,126.36
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## Finance Department:

Exchange, Interest on Deposits in New York.....	56,839.68
Printing Bonds, Travelling Expenses.....	13,072.76
Railway Commission.....	780,000.00
Railway Capital Account.....	545,292.26

Railway Coal Purchase Account.....	150,000.00
Normal School.....	100,000.00
Railway Arbitration Awards.....	3,000.00
Debenture Redemption Account.....	100,000.00
Humber Project Expenditure.....	889,612.04
Exchange Interim for Definite Bonds.....	300.00
Home for the Blind.....	22,500.00
Reid Nfld. Co. Operating Account, 1922-23.....	250,000.00
	\$5,756,836.04

Note.—The amount of \$889,612.04 expended on the Humber Project is a Temporary Loan to the Armstrong-Whitworth Company carrying interest at the rate of six per cent. per annum to be repaid to the Loan when the bonds of the Newfoundland Power and Pulp Company are floated.

Examined by me and found correct,

F. C. BERTEAU, C. & A. G.

The next matter is that of the Railway. Everybody knows what has happened with regard to the Railway since this Government took office. We were accused of being the friends of the Reids and of being ready to sacrifice the Colony for mere interests, and Sir Richard Squires proclaimed himself from every platform in the country in 1919 as the man who intended to put the Reids in their places. How he has done that everybody knows to-day, and I do not exaggerate when I say that no politician in Newfoundland ever proved such a friend of the Reids as the same Sir Richard Squires. People were wondering a short while ago why his tremendous change in his attitude towards the Reids, but public wonderment has been diminished in the light of recent events, and if the investigation promised by the new Premier is realized, an explanation may be afforded of this mystery which will be conclusive for all time to come. In June 1920, shortly after the Squires Government took office, the Reids notified the Premier that because of their losses in operating the Railroad which had steadily increased

until they amounted to, in round figures, one and a half million dollars for that year, they would be unable to continue operating the Railroad unless they were given some assistance by the Government. The Government in their wisdom decided to operate the Railroad for a year by a Commission, and the Hon. Mr. Coaker seemed to think that he could do very much better than the Reids, so the Government, on behalf of the Colony, undertook to bear the burden of the deficit on operation over and above one hundred thousand dollars. When the next twelve months ended we found, to our sorrow, that Mr. Coaker's expectations were not realized and that it cost him more to operate the Railroad than the Reids. The bill the country had to foot that twelve months was \$1,650,000, which had to be paid out of the first loan, and in addition, the Government undertook to provide rolling stock equipment and other betterments for the Railroad, which ran away with another million and a half. After one year's experience of what I may call without offense, Coaker or Commission management of the Railway, the ex-

perment was abandoned and then Mr. Morgan, a capable C. P. R. official, was got here from Winnipeg and put in charge. Mr. Morgan did somewhat better, because for the next year he reduced the deficit to a million and a quarter dollars, but the country again had to pay the bill. Mr. Morgan's management was continued for the fiscal year just ended because I understand it was felt undesirable to make any changes until the Hummer Deal was through, but Mr. Morgan last year, despite the fact that the Railroad was shut down for most of the Winter, had to face a deficit of \$750,000, which the country has also to pay. I would like here to ask the Hon. Minister of Finance why there is no reference in this Budget to the loss on Railway operation the last year, to the manner in which that loss is to be paid, and to where the money is to come from with which to pay it. Is it to be paid, as I assume it is, out of the balance of the Loans already raised, and if so, why is all reference to it omitted from this Budget? If it is not to be paid in that way, how is it to be paid and what provision is he making for it? I have, I submit, only to ask these questions to disclose to the House and the country what a monumental fraud this Budget is and how characteristic of the dishonesty of the late Prime Minister in everything that he has undertaken on behalf of this Colony. While I am dealing with this Railway phase of the Budget I would like to point out that there is no reference to the addition to the Public Debt which the two million dollars of bonds issued to the Reids represents, and there is no reference apart from the general clause respecting the new loan as to how the Railway is to be financed in the future. Even the general reference to the railways in the paragraph respecting the new Loan merely indicates

that some of the money to be raised is for betterments for the Railway system. There is no allusion whatever to the certainty that we will have to face deficits on operation and no indication as to how these deficits are to be financed. As I said at the outset, this Budget is a deliberate, calculated piece of deception and fraud upon the country.

Now I turn to the matter of the Colony's foreign trade.

The next important matter which the Speech from the Throne ignores is the state of our trade. The reason for this omission is just as obvious as for the previous omissions. The fact is that the decline in the value of our imports and exports is the most striking condemnation of the former Premier's utterances, his policy, and his administration. In order to prove this it is only necessary to study the figures of our Imports and Exports for the past ten years which are as follows:

Year	Imports	Exports
1912-13	16,012,365	14,672,889
1913-14	15,193,726	15,134,543
1914-15	12,350,786	13,136,880
1915-16	16,427,336	18,969,493
1916-17	21,318,310	22,381,762
1917-18	26,892,946	30,153,217
1918-19	33,297,184	36,784,616
1919-20	40,533,388	34,865,438
1920-21	28,909,727	22,441,267
1921-22	18,209,853	19,478,417

If we take as a standard that for 1913-14, which year ended a few days before the Great War began, we find that the Imports and Exports were each slightly over \$15,000,000. The next year, because of the depression resulting from the war, the value declined by two million dollars. The following year, because of the shortage of fish, oil, etc., in foreign countries there was an increase to \$19,000,000; the next year to \$22,000,000; the following year to \$30,000,000; and the year after to nearly \$37,000,000.

this being the high water mark of our exports and marking the closing period of the war. In 1919-20 the Exports declined in value \$2,000,000. In 1920-21 there was a drop of \$10,000,000 more and in 1921-22—the last year for which we have any figures—there was a further decline to nineteen and a half million dollars, while for the twelve months which ended in June last and the figures for which will not be available for some months, it is safe to predict that the total will not exceed the \$15,000,000 or so which was the value of our Exports when the war began. But this does not tell the whole story. In pre-war days the Bell Island mine contributed a very large proportion to the value of our exports while the Grand Falls mills were only working up to their full capacity. To-day we have the Grand Falls mill giving a full output and Bell Isld. producing half its output in 1913. Consequently the conclusion must be that the value of our fishery exports is much less than it was ten years ago. This means that there is nothing like the assurance of an improvement for our people because the value of our fishery exports is at least as low, if not lower, than in 1913. If I would put this in another way, I would say that if we assume that a million and a half quintals of fish are caught this year and the average price is five dollars a quintal, then we have seven and a half million dollars from that source; and if we allow that our paper exports, ore exports, and the exports of our minor fisheries, such as seal, salmon, herring, etc., give us another seven and a half million dollars, then the maximum value of our exports is only fifteen million dollars, and this is all the country has with which to buy what it requires for its needs in every respect during the twelve months we are now starting. The estimate presented by the Finance

Minister of the Revenue he requires to meet the expenditure for the next year is \$9,000,000, and to realize that amount it means that he has to take sixty cents out of every dollar obtained by the sale of exports in order to carry on the business of the country. I only need to state the position in this way to show how impossible it is for any such figures to be realized. But his estimate of nine million dollars make no allowance for unforeseen contingencies or for the outlays on executive responsibility, which in every year amount to some hundreds of thousands of dollars, and during the term of the present administration have run into millions each year. These expenditures can only be met by raising Loans, and it is perfectly clear to everybody that we cannot continue much longer the policy of raising Loans to pay our running expenses. If I ask you to turn to the statement of Revenue received each year for the past ten, you will see that precisely the same conditions prevail. The value of our Imports, which was fifteen millions at the beginning of the War, increased to forty millions at the end of the war; then dropped to twenty-nine millions and the following year to eighteen millions, and for this year, when the figures come to be given, the value will probably be back to fifteen million dollars again. This shows that our people were not able to continue to purchase on the scale that prevailed in the last stages of the war, and if anyone wants further evidence of this he has only to look at the catastrophes that have overwhelmed Water Street and the business people all round the Island. Bad as the situation admittedly became after the war in every country as well as our own, it was rendered much worse here by the arbitrary interference of the Government with the marketing of our fishery products, a circumstance

that not alone caused immense loss but damaged our position in the markets where we formerly sold our fish most readily. Today we have to try and sell our products to countries that are themselves impoverished to the verge of ruin. They cannot afford to pay the prices our people need in order to carry on the fishery successfully, and the result is that our main industry is more or less paralyzed. There are probably fewer people prosecuting the codfishery this year than any season in modern times, and it does not look as if those who have prosecuted it would get anything like an adequate reward for their labors.

In 1913, if things were had, our burdens were much smaller than they are today. The total debt of Newfoundland may be set down today as sixty million dollars including the two million dollars of Bonds issued the Reids a few days ago and the Loan of three millions we are now being asked to ratify. In the year before the war our total debt was only \$30,000,000 or half what it is now. The war cost us about fifteen million dollars, and the present Government, in less than four years, have added another seventeen million dollars,—two loans of six millions each already raised, the two millions paid to the Reids last month, and the three million dollars which are to be raised by the Loan to come before us in a day or two. Our burden of interest has been doubled, and the most regrettable feature of the whole transaction is that for the seventeen millions raised by the present Government we have nothing whatever to show. Millions have been given the Reids, millions have been spent on pit props and other extravagances by Dr. Campbell and other people, other millions have been wasted on the Badger and Deer Lake roads and like undertakings; half a million has been spent on fish-

buying, another half million on buying steamers, and so it has gone the whole round of the Civil Service, money flung away with both hands and nothing whatever to show for it.

It is not surprising, therefore, that Sir Richard Squires in framing this document, which is miscalled a Budget, carefully refrained from any allusion whatever to the amount of the Public Debt except to state its total at \$55,000,000, carefully ignoring the fact that by the same stroke of the pen he was adding five million dollars to it, not to speak of the obligation which must be incurred every year in the operation of the Railroad unless some miracle should happen to relieve us of it. Miracles don't happen in these days and therefore we must make up our minds that we will have to face a very heavy deficit on Current Account for this year in spite of the estimate Sir Richard Squires has made and which shows a surplus of \$46,000. We must also make up our minds that we shall have a very heavy deficit on account of the operation of the Railway, and in addition to that, with the depression that prevails throughout the country, it is equally obvious that considerable sums will have to be spent in supporting the people who have done badly at the fishery or are without employment otherwise, and that the situation which faces this country is critical in the extreme.

MR. HIGGINS:—Mr. Chairman, in connection with the section dealing with the export tax on ore, there are one or two things I would like to say. The remitting of this tax has become an annual farce. I say this in no spirit of opposition to the Companies because their operations are a matter of great interest to my constituency, but, it is important and essential that our future policy in this respect should be settled absolutely. Some years ago the Fishermen's Union at its



annual convention which was addressed by my hon. friend Sir William Coaker, was accused of having socialistic tendencies because the organization wanted to put a tax of one dollar on the ore exported from Bell Island but the companies themselves came forward shortly afterwards and offered to pay a tax of twenty-five cents on ore shipped to Sydney and ten cents on ore shipped to foreign countries. This meant a certain and substantial income to the Colony and the companies never objected to paying it. When this Act was passed after considerable care had been given to it, the House understood that we had embarked upon a definite policy, there was mutual satisfaction as to the arrangement and all were happy; we, because we had secured the tax and the companies because they had escaped a heavier levy that might have been made upon them. Then we see enacted a form of play, the meaning of which we are only now realizing. There was no need for the display of theatricals to which the Country was treated nor was there any need for the visits to Canada which people were told had brought in such wonderful results. Let the new Government get down now to a definite policy and make the Companies live up to the contract. It is time to stop the by-play and get down to sane business. Furthermore, Mr. Chairman, the Resolutions themselves show that where the tax accrued up to a substantial amount it was wiped off by the Executive Government. What right did they or anyone else have to do that. It is the law of the land and the Executive never had any authority to disregard it. However, it is no use going back over these things now. I would merely urge upon the Minister of Finance the necessity of getting down to business methods with regard to this contract from this moment. It has been agreed to lift the tax for 1923 but let

the Companies know now that they must pay what the Contract provides for in the future. Let them know that from December 31st this thing has got to end and the country wants its money. If at any time in the future an amendment to the Act is found necessary then amend it in the proper manner.

With regard to other sections of these Resolutions, Sir Michael Cashin has expressed the thoughts of most of us on this side. There are certain measures we would all like to support if they would be productive of good and we felt we could afford them but just at this stage we cannot take the chance. It is but a few months from now to the time when the House meets again in February and then we will have a fuller knowledge of where we are. I predict that the Finance Minister will come down here in February with a Budget that will be a revelation and a decided change from those of the past few years which led people to believe that things were entirely satisfactory when, as a matter of fact, everything was rotten. It must be remembered, Mr. Chairman, that the Government is going to have a very heavy call upon it by the people for general work, and with all the possibilities ahead of the country in the way of no finances; with the knowledge we have of where we stand financially now; with the certain idea here that the best we can hope for is going to be another deficit for the coming year, let us go slowly before we commit ourselves to anything in the way of an experiment that will mean a big financial outlay. This is the real meaning of what I intended to convey to the Finance Minister. We have had Finance Ministers acting here recently who never really knew what Ways and Means meant. The Budget never took into consideration anything about further enterprises nor did it ever contemplate the expendi-

ture of \$200,000 for further subsidies and unless we can be certain that we got these funds to spare, we ought to go slowly about it. It is with that spirit that I ask members of the Government to consider our attitude as regards the proposals on the Order Paper. We do not want to be regarded as opposing this proposition for opposition sake. We would like to support it and we would much like to see it going through this House without the support of any of us. I have no reason, personally, for opposing the service to the West Indies, rather would I like to see it materialize because it would mean the opening up of new markets for our products, if I were satisfied, first, if we could afford it just now, and secondly, if there was a guarantee that the financial returns would be sufficient to warrant the outlay. Therefore, I think the experiment a dangerous one to embark upon at the present time. I do not think that anything further need be said by us, except to repeat to the Government an additional reason on this point. As Sir Michael Cashin has pointed out, fish is down to a pretty low price and every dollar that can be found to spare should be given to the fisherman to help out his voyage. Consequently, instead of embarking on this West India project why not give a bonus to say 25 cents a quintal to the fishermen of the country, as has been suggested by Sir Michael Cashin. I would much prefer to take a chance in allocating a quarter of a million dollars in that direction just now than I would to support the West India proposition. That is simply a broad statement of fact.

MR. SULLIVAN:—In endorsing the remarks made by the Leader of the Opposition I would like to say that the speech delivered by Sir Michael Cashin has been an eye-opener to this House. The Budget, as introduced by the Finance Minister, is, I am sorry

to say, not even "critically correct." Certain information has leaked out in this House this evening that has astounded members on this side of the House. No mention whatever is in the Budget of the \$870,000 loan that is running at the Bank of Montreal, and we would not know of that but for Sir Michael Cashin. Well, if this amount is not mentioned in the Budget, is it not possible that there are other large outstanding amounts about which we know nothing at the present time? I am afraid, Mr. Chairman, that we do not realise, as we should, the serious financial position of this Colony to-day, and it is certainly time that we did. We should know our resources and I do not think that this House is justified at the present time in assuming any more burdens unless we are absolutely certain that we can carry them out.

With reference to the West India scheme, I do not think that the time is opportune just now for the inauguration of this new venture; I submit it would be much better and more useful to provide money to save people from starving, and with the innumerable demands that are going to be made by needy people the coming winter I think we should make haste slowly, as has been so aptly put by the Leader of the Opposition and Sir Michael Cashin, and find out the true position of the Colony financially. At the next session of the House in February next come down here and be prepared to put all your cards on the table, as that is the best way to play a straight and honest game. Table your contingencies accounts and your Auditor General's Report and do not wait to have things dragged out of you.

In connection with this thirty thousand dollars loan from the Bank of Montreal for the Fire Department, I agree with the Leader of the Opposition that the Government, if at all

possible, should insert a clause in the Resolutions whereby the extra tax would not come back on the policy-holders because I believe that the Insurance Companies should pay this tax themselves. If we look at the Budget we will see that in the year 1907 the premiums collected by the Companies amounted to \$70,927. Notwithstanding the tremendous amount of money spent by the Municipal Council in getting better protection for the city against fire in the way of an improved water supply and despite the large amounts spent from time to time in new fire fighting equipment for the Fire Department, the amount of premiums collected by the Insurance Companies for the year 1922 was \$420,683.68. Therefore, I say it is only reasonable for this burden of extra taxation to be borne by the Companies and not have it imposed on the people of this city. I am quite prepared to facilitate all other business before the House; but I am going to oppose the West India scheme and oppose it strongly, because we should not be called upon to shoulder a further burden of \$250,000 without an absolute assurance that we can afford it financially.

Another matter I would like to refer to is that of Retiring Allowances. I sincerely believe that there are a number of people who are getting these allowances and who are able-bodied and active and who should not receive them.

Respecting Government tenders, as already referred to by Sir Michael Cashin, I would say that it seems that the policy of the late Government was to award contracts to the highest bidders and curiously enough I have an instance of this to-night. A few days ago I asked a question calling for the tabling of the cost of supplying fresh meat and eggs to the Sanatorium and General Hospital. The Minister of Public Works has just

handed me an answer to my question, as follows:—

#### Sanatorium.

Fresh Meat—Warren and Casey; contract for twelve months, 25 cents per pound.

Eggs—E. Simmonds; contract for twelve months, delivered to institution at \$1.00 per dozen.

#### General Hospital.

Fresh Meat—P. J. Casey; contract for twelve months, twenty-five cents per pound.

Eggs—Capt. A. Mercer; contract for twelve months, delivered to institution at \$1.00 per dozen.

Now I want to say right now, Mr. Chairman, that to charge a dollar a dozen for eggs for any institution is outrageous. I want to point out also that the Railway were buying all the eggs they require at 40c. a dozen. What an example to show to our largest department. With reference to tenders for fresh meat I would like to say that the tender submitted by Mr. Peter Casey and turned was as follows: For first two months, 19c. per lb.; for next eight months, 20c. per lb.; for last two months, 19c. per lb. Yet the Public Works Department accepted a tender that was six cents per pound higher than Mr. Peter Casey's. The Mr. E. Simmonds referred to, as supplying the eggs for \$1 per dozen, is the member for Harbour Grace in this House and Capt. Mercer, who is also supplying eggs at the same figure, or 40c. higher than the current price for eggs just now, belongs to Bay Roberts and is a constituent of Mr. Simmonds. I am informed that recently, in spite of the exorbitant price charged for these eggs, a Superintendent of one of the institutions mentioned found that a number of the eggs supplied were rotten; also I learn that recently two Superintendents refused absolutely to sign bills for the prices stated. Now I hope that the Prime Minister will

have new rules and methods introduced governing the awarding of contracts. Award tenders to the lowest bidder, even if he is an opponent provided his goods are equal to the other fellows. Take the tender awarded to the Union Publishing Company, as outlined by Sir Michael Cashin. I would not mind them getting a reasonable profit; but certainly it is not good enough for them to get a profit of over a hundred per cent. We have no money to throw away at the present time and it would be well for members of the Government to realize that.

For the reasons I have stated and because I am conscious of the financial condition of the Colony just now, I intend to oppose the West India proposition; but I intend to facilitate the Government in their other legislation.

HON. THE PRIME MINISTER:—Mr. Chairman, in dealing with the question of the export duty on iron ore from Bell Island, I quite agree with what has been said by the learned Leader of the Opposition, and between now and the first of January next every effort will be made by the on again and will be kept on, unless the Government is fully convinced that Government to see that the tax goes circumstances and conditions are such as would not warrant the House agreeing to an extension of time for the remission of that tax. It must be remembered, though, that the Government is in a very awkward position in relation to this matter, as my honourable friend opposite, no doubt, recognises. Supposing that next week I were to notify the British Empire Steel Corporation that on the first day of January, 1924, the ore tax has got to be put on, according to contract? The Corporation knows that conditions are such in and around Conception Bay that there a couple of thousand men there depending on the mines at Bell Island for work, and advantage

might be taken of this knowledge and immediately the mines would be closed down. Then look what a hardship that would mean to these workmen and their families right in the middle of the winter season.

MR. HIGGINS:—But the Corporation would judge the man they are dealing with.

HON. THE PRIME MINISTER:—That may be, but, if the Corporation do close down the mines, they will be handled properly. Certain facts and figures must be submitted to the Government and the Government must come here and defend the abolition of the duty, based on these facts and figures.

With regard to the question of fire insurance tax and the re-payment of the Loan we got for the purchase of the new fire-fighting apparatus. I want to be clearly understood that I am to be taken without prejudice in this discussion, because I am a Fire Insurance Agent myself, although, perhaps, owing to the small amount of premiums that I receive, there is not enough people in this community who realise that I am an agent. I was not present when negotiations were carried on, but I was given to understand that some of the Companies were in favour of distributing towards the cost of these new engines and that most of them were against that idea.

I thought the time had arrived when the city of St. John's should have an improved fire fighting apparatus, but I do not see why the people should have to bear the burden. It is not fair to have the funds of the Colony bear the cost of these new machines or any portion of it when really those who benefit by them financially should bear it. The question then was the best solution of the difficulty. The cost of the new Tower and Pump or Machines was \$30,000, and in order that the Insurance Companies might, as far as possible, bear the burden, I

estimated that, if I put the tax at a small figure per year, they would not have the face to add it on to their premiums. Thus, if a man pays a premium of \$100 a year, under this tax he would have to pay \$100.25. I spread this over three years because if I taxed the Insurance Companies all in the one year they certainly would lump it on to the premiums; but I certainly never thought that Insurance Companies would be mean enough to tack on the  $\frac{1}{4}$  of 1% on the premiums of policy-holders. Personally I do not see any other way of handling the Insurance Companies. What the Leader of the Opposition has said is quite true, and I may say Insurance Companies wrote me pointing out that they were against the imposition of this tax. I received a letter of protest from them and my reply was that I had not the slightest doubt but that the people of St. John's will protest against the insurance rates not being reduced in the light of the new improvements that have been inaugurated here within recent years as a protection against fire. In

spite of this new fire apparatus which would save the Companies thousands of dollars and in spite of the fact that for years the Municipal Council has spent an enormous amount of money in improving our water supply, I shall be very much surprised if the insurance rates do not go up instead of being reduced.

With regard to the West India Resolutions now before the Chair, anything I have to say I prefer to say it when the Bill is up for discussion.

MR. FOX:—Mr. Chairman, just a word or two with regard to fire insurance rates. I think that the citizens of St. John's particularly have been bled white by these Fire Insurance Companies. I think that the rates are altogether out of all proportion and far excessive, particularly in view of the fact that we have

an improved and up-to-date water service and an ultra-modern fire-fighting apparatus. I think that the time has come to investigate and enquire into the tariff rates that are in operation here so as, at the next session of the House, if Fire Insurance Companies do not lower their rates, pass legislation compelling them to do so. I do not think that another country in the world with such a splendid water system and such an effective fire-fighting apparatus would stand for such exorbitant rates. With reference to the present Resolutions, I agree with the remarks of preceding speakers that it is quite likely that Insurance Companies will add this  $\frac{1}{4}$  of 1% per annum tax to the amount of policy-holders' premiums, and I would suggest that we insert a clause in the Resolutions providing that in the event of the present tariff rates being increased by the Fire Underwriters Board that the taxation that you propose levying now on the Insurance Companies of  $\frac{1}{4}$  of 1 per cent. be computed at 1 per cent.

SIR M. P. CASHIN:—Mr. Chairman, I would like to ask the Hon. the Minister of Finance on what date did the Nova Scotia and Dominion Companies get the Minute of Council for the free export of iron ore; if it ended on June 30th., and what happened after that; at what time was the second Minute-of-Council passed and what amount was collected from the companies in the 12 months.

HON. THE MINISTER OF FINANCE:—I will find out.

HON. THE PRIME MINISTER:—I do not think anything was collected.

SIR M. P. CASHIN:—Shouldn't the tax go on after the Minute-in-Council expired?

MR. HIGGINS:—I think it would be very interesting to find out what amount was due and whether it was

paid or not at the passing of the second Minute-of-Council.

Mr. Speaker resumed the chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again.

On motion this Report was received and adopted, and it was ordered that

Committee have leave to sit again

Pursuant to order and on motion of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole to consider certain Resolutions respecting an Agreement between the Government and Harry J. Crowe.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

HON. THE PRIME MINISTER:—

Mr. Chairman, since the House last dealt with this Bill in Committee, I have given it some consideration and so have the members of the Government. I am torn by conflicting emotions in connection with this matter, and to quote the words of the Leader of the Opposition, we do not wish to sell our birthright for a mess of pottage. I have been in communication with Mr. Crowe and at present he cannot guarantee the erection of the mill, but has laid his plans though he has not yet secured the money. I therefore suggest that we strike out the clause granting the exportation of rossed timber for 25 years and limit the period to 10 years. In other words, add a section as follows:—(Reads section).

MR. HIGGINS:—Under that he can erect the mill at any point.

HON. THE PRIME MINISTER:—Yes.

MR. SULLIVAN:—Cannot we make the clause dealing with the output read 100 tons of mechanical pulp as he may want to erect a 100 ton sulphite mill.

HON. THE PRIME MINISTER:—I am not very familiar with these technical terms but I think we can do that.

MR. SULLIVAN:—That is satisfactory.

MR. HIGGINS:—In regard to the Bill I think the amendment suggested makes a material difference in it and under the circumstances we cannot well raise objection. It is a pity indeed that the position is such that we have to allow the export of unmanufactured timber but it looks at present as if for some years to come labor will be a very important consideration. From what we are told the water power is not available on the limit in question and in view of the fact that the reduction in the exportation period to 10 years may induce him to build the mill, I cannot see how we can object. The one position we on this side of the House do take is that in connection with limits on which there is want of power or not sufficient timber to warrant the erection of a mill this House should not refuse similar rights to others. I understand that already there are applications before the Government by parties who have spent every bit as much as Mr. Crowe and if it be found there is not sufficient power on their property or other conditions do not warrant the erection of a mill, they are entitled to the same consideration as he. I do not say that they ought to get more but they should get the same concessions. That I think, Sir, generally represents our views on the matter. We do not want to get away from the principle of having the timber manufactured in the country but this reduction in the time limit of export makes it quite different in our eyes though perhaps the 25 year period was a little too much.

MR. SULLIVAN:—May we have the assurance of the Hon. the Prime Minister that if any similar proposi-

tion comes before the Government the applicants will receive the same concessions.

HON. THE PRIME MINISTER:—Certainly—if the economic conditions are the same they will come under this arrangement.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had passed the said Resolutions with some amendment and recommended the introduction of a Bill to give effect to the same.

On motion this Report was received and adopted, and the Bill entitled "An Act for the Confirmation of an Agreement between the Government and Harry J. Crowe, Timber Merchant," was introduced and read a first time, and it was ordered that the said Bill be read a second time presently.

Whereupon on motion of Hon. the Prime Minister, the Bill entitled "An Act for the Confirmation of an Agreement between the Government and Harry J. Crowe, Timber Merchant," was read a second time, and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Whereupon the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act for the Confirmation of an Agreement between the Government and Harry J. Crowe, Timber Merchant."

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this Report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Whereupon the Bill entitled "An Act for the Confirmation of an Agreement between the Government and Harry J. Crowe, Timber Merchant," was read a third time and passed, and it was ordered that it be engrossed, being entitled as above, and that it be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.

Pursuant to order, Hon. the Prime Minister moved the House into a Committee of the Whole to consider certain Resolutions respecting an Agreement between the Government and Malcolm J. Mooney.

Mr. Speaker left the Chair.

Mr. Cramm took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had passed the same Resolutions with some amendment, and recommended the introduction of a Bill to give effect to the same.

On motion this Report was received and adopted, and the Bill entitled "An Act for the Confirmation of an Agreement between the Government and Malcolm Joseph Mooney, Lumberman," was introduced and read a first time, and it was ordered that the said Bill be read a second time presently.

Whereupon on motion of Hon. the Prime Minister, the Bill entitled "An Act for the Confirmation of an Agreement between the Government and Malcolm Joseph Mooney, Lumberman," was read a second time, and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Whereupon the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act for the Confirmation of an Agreement between the Government and Malcolm Joseph Mooney," Lumberman."

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this Report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Whereupon the Bill entitled "An Act for the Confirmation of an Agreement between the Government and Malcolm Joseph Mooney, Lumberman," was read a third time and passed, and it was ordered that it be engrossed, being entitled as above, and that it be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.

Pursuant to order and on motion of Hon. the Minister of Finance the Bill entitled "An Act to amend Chapter 22 of the Consolidated Statutes (Third Series) entitled 'Of the Customs,'" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Whereupon the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to amend Chapter 22 of the Consolidated Statutes (Third Series) entitled 'Of the Customs.'"

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred and had passed the said Bill without amendment.

On motion this report was received and adopted and it was ordered that the said Bill be read a third time presently.

Whereupon the Bill entitled "An Act to amend Chapter 22 of the Consoli-

dated Statutes (Third Series) entitled 'Of the Customs,'" was read a third time and passed and it was ordered that the said Bill be engrossed being entitled as above and that it be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.

Mr. Speaker informed the House that he had received a message from the Legislative Council acquainting the House of Assembly that they had passed the Bill sent up entitled "An Act to amend Chapter 23 of the Consolidated Statutes of Newfoundland (Third Series) entitled 'Of the Customs'" without amendment.

Mr. Speaker informed the House that he had received a message from the Legislative Council acquainting the House of Assembly that they had passed the Bill sent up entitled "An Act for the Encouragement of Shipbuilding" without amendment.

It was moved and seconded that when the House rises it adjourn until Thursday afternoon at three of the clock.

MR. WALSH:—Mr. Speaker, in supporting the motion to adjourn I would like once more to remind the House, especially in view of the fact that we are drawing near the close of the session, of the grave injustice that has been done a large section of the people whom I have the honor to represent by not giving them coastal facilities. I have asked the Minister of Shipping about the matter and pointed out that these people have no facilities for travel—at present it costs a man \$50 to come here from St. Mary's Hr.—and that is certainly not good enough. These people who are among the most industrious in the Island have to pay their proportionate share of the huge deficit referred to by Sir M. P. Cashin and I think that the Prospero should be put on that service as soon as she comes off dock.



HON. MINISTER OF FINANCE:—She will be put there.

MR. MOORE:—Mr. Speaker, in the motion for adjournment may I ask can we get an answer to a question that I asked several days ago. I do not see why the information is held back. I asked if Mr. \_\_\_\_\_ had paid the money he owed the Railway Commission. If I do not get the answer by Thursday I will tell the amount myself.

HON. COLONIAL SECRETARY:—If the honorable member knows the amount I do not see why he wants to learn it again. I have asked the proper official twice for the information to-day and he said he had asked the Auditor-General for it but had not yet received it. I will be only too glad to table it when I get it.

MR. MOORE:—Don't you think that if you ordered that official a bonus like others have been getting, he would provide the answer. There is something else behind all this delay.

Mr. Walsh gave notice of question.

Mr. Woodford gave notice of question.

The House then adjourned accordingly.

THURSDAY, August 16th, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Hon. the Prime Minister gave notice that he would on to-morrow ask leave to introduce a Bill to amend the Business Profits Tax Acts (1917-1922).

Petitions were presented by Mr. Higgins from Bell Island re Landing Place.

Sir M. P. Cashin gave notice of question.

Mr. Fox gave notice of question.

Mr. Cashin gave notice of question.

Mr. Higgins gave notice of question.

Pursuant to order and on motion of Hon. the Minister of Finance, the

House resolved itself into a Committee of the Whole on Supply.

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

MR. P. J. CASHIN:—Mr. Chairman, I must once again protest against putting Dr. Mosdell on the Pensions Board while there are returned men in every way as capable as he, officers who have served in France throughout the war, available. I am convinced Mr. Prime Minister that men of that class would be able to give better service than a civilian. They have the interest of their country at heart to a greater extent than men of Dr. Mosdell's class. That was proved when recruits were called for to fight for their country. I ask the thirty-six members of this House to look at this matter in a sensible manner. We are asked to come in here and vote money for the pensions for returned soldiers and then we are asked to vote more to pay this man to distribute this money when it is not so long ago when he did everything in his power to drag these very returned soldiers through the dirt. The G.W.V.A. made representations to the late Prime Minister to have this man removed from the board. They were told that he had to give Mosdell something and that he was going to leave him where he was. The Government has introduced a bill for the encouragement of trade with the West Indies. Now, I may not as yet have the ability or the power at present to hinder any government measure and it is I suppose because the government is aware of this that they are taking advantage of it. Now, Mr. Chairman, I wish to register my vote as being against the passing the vote to place Dr. Mosdell on the Board of the Militia Department.

HON. THE PRIME MINISTER:—Mr. Chairman, with regard to these additional estimates there may be

some matters which require a little explanation. Under heading four entitled Justice Department there is an amount of \$18,500.00 for the Labrador Gold Fields Police. These men are still down there. It was expected that there would be a big rush to the Labrador in the spring of this year so we had to be prepared. The rush which was expected did not take place. Not more than half the eighteen thousand five hundred dollars has been spent. When these men return they will be all absorbed into the regular force. This will mean only an increase in the police force of two or three men because the greater part of those who composed the Labrador Gold Fields were taken from the regular force. The explanation of the fire department pensions amount is that Supt. Dunne and some others of the department were pensioned about six months ago. The amount of seven thousand six hundred dollars is for ten policemen who are to be sent out to various parts of the Island. These men are to be paid salaries at the rate of seven hundred and sixty dollars per man. One man is to be sent to Deer Lake; one to Grand Falls; one to Port-aux-Port; one to Belleoram; one to Grand Falls, and so on.

With regard to Grand Falls there is only one policeman there at present and that is not sufficient because of the extent of his territory which includes such places as Badger and Millertown. The amount of one thousand dollars is to purchase uniforms, etc., as shown in the statement. With regard to the fifteen thousand dollar amount I may say that the Labrador Boundary question is to come up for hearing in December next. At first Sir John Simon and Mr. Barrington-Ward were merely paid the ordinary retainer. Some time ago they were consulted with regard to the dispute in question and fifteen thousand dol-

lars is the amount of the bill for expenses which we received from Burns and Burridge. The last amount of fifty thousand dollars is for our part in the British Empire Exhibition. Considerable pressure was exercised by the British Government and by the Exhibitions authorities on the Newfoundland Government to make them subscribe our quota. I have received communications from the Board of Trade and the members are very anxious that we should participate in the benefits which will assuredly accrue to those who share in the exhibition. In fact they are even prepared to put up some of the money if necessary, themselves.

MR. HIGGINS:—Mr. Chairman, as far as the vote for the Deputy Auditor General is concerned I may say that we accepted the principal of the bill when the resolutions were before the chair so that we have no hesitation in voting the twenty-eight hundred dollars for the salary of the appointee. I would like to say that I trust that the Government will consider some of the comments made by the various members of the Opposition with regard to the Department of Auditor General. It should be that there be some distinct understanding between the various departments and the Auditor General's Department. It is only right and proper that the various officials of the department in question should get a decent salary but it is not right that these men, when in the course of their regular duty, should get their paws greased and the money given in this way be termed for "extra services." It is an indelicate way to put it but that is just what it is. I don't wish to reflect in any way upon the characters of the men concerned. I don't say that the result desired was obtained. In fact I would rather say that it was not obtained. But that is the way it looks to the man on the street. If these men go outside their

regular duties they ought to be remunerated but it is absurd that they should be given money in this way when in the performance of their regular duties. If their salaries are not sufficient then vote them more. Pay them anything you like but do not have them receiving money in this manner. It is the duty of the Government to look after this matter and I hope careful consideration will be given to the remarks that I have just made. With regard to the appointment of a Secretary to the Minister of Public Works I think that it is a very good thing that the Minister should have someone to assist him and to be directly responsible to him. I think it is a pity however that one of the clerks of the department could not be found to fill the position satisfactorily without having to make an absolutely new appointment. Now there is this amount of eighteen thousand five hundred dollars for the Labrador Gold Fields police. The whole thing is a farce, a joke, a fraud. I speak as one who knows every man in the police force. We have far too many policemen for a little colony like ours. Just imagine the number of policemen in this small town like St. John's. A town which is supposed to have prohibition has sixty or seventy policemen. 'Tis nothing short of comic opera. 'Tis a case of spoiling genuinely good men. They are good, healthy, sound honest men with comparatively good educations and you take them and put uniforms on them and they have to go about with nothing to do. I have no objection to your paying them a fair wage. They are deserving of it. They are wandering around looking for trouble. If a man's name does not appear on a summons now and again he is told he is not looking out to his business. He's got to go out and imagine that a man is disorderly and lug him off to the lock-up, or he has to think that a motor is

going too fast. Just imagine! Ten more men at seven hundred and sixty dollars besides the Labrador bunch, and the horse police. The present Inspector is not a man for a little town like ours. He is too high class. He would do all right in a place like New York. He reads about a big rush to the Labrador and immediately begins to get together an army of policemen to look out for the people who are supposed to come the rush. He has them in St. John's for months training. Like a runner training for a race that never comes off. Eighteen thousand five hundred dollars frittered away. Any man with a cork eye could see that there would only be a few half cracked men to go down to the Labrador in this search for mythical gold. Two miserable parties went and we have spent \$18,500.00 on a police force to look out to them. It would be better for the Government to give this money to the men they sent down as policemen and start them out in the fishery. Their clothes are no good to them. In a few years we will hear of curiosities in some of the outports. These will be some men with snaches of the Stag Bay police uniforms. A good place to go to get a costume for a carnival. All because of what the Inspector read in a newspaper. They say that there is a sucker born every minute. That seems very true with regard to the Government of Newfoundland. However I hope the birth stage is over and we will no longer pay any attention to what an Inspector General reads in a newspaper. There is a matter to which I wish to refer in connection with the deputy heads of departments. I don't make reference to any particular individual. Of course I think that the deputy heads of departments are the sheet anchors of the colony. They are the men who have always been on the job and they know their business. But unfortun-

ately they seem to be absolutely above any responsibility.

They do what they like. If there had been any supervision there would not have been any such extravagant expenditures as we have had of late going on in the Minister of Public Works' Department. I refer to what happened during the time his predecessor was in the department. A thousand dollars to one man for 'special services.' Seven hundred and fifty dollars to another and charged to the Badger Road account. All this going on whilst the people are hungry. I ask the government if it is not time to tell these gentlemen just exactly where they stand. If any of these officials are not getting sufficient salary for the work they are doing then give them more. Give them five thousand dollars. Give them ten if necessary, but don't have them going out in the by-ways and getting these little contributions on the side. I would like to ask the Government also if there is any chance of any amendment of the prohibition law. Since the passing of the prohibition act things have gone from bad to worse. Where formerly we had an empty penitentiary there is a full one. I say this as a lawyer and as one who knows that more persons have perjured themselves on account of the machinery of the prohibition authority than one could imagine possible. Petty larceny has increased terribly. The reason is that the youth of the city has become depraved firstly because the conscience of the people has become demoralized by the prohibition farce, and secondly because of the example which we have set the public by our conduct in the rendition of our duty in connection with public affairs. We can blame ourselves for the state of affairs. If we set the example things would not be nearly so bad. This thing has got to stop. We must wake up. Again

in speaking of the police force conditions I believe it to be unfair to the men to be treating them as they have been treated. I say this in fairness to the men. They are put in uniforms and given nothing to do. This is ruining them. They may not think so just at present, but it is the case. I speak of this matter being as I am one who knows the police force of St. John's better than any one else and I ask the Government to endeavour to handle the police force situation more judiciously in the future. With regard to the amount of fifty thousand dollars for the Exhibition I wish to support the vote whole heartedly. The only pity of it is that we have to take such a small part. Too bad we can't vote more. The amount is very little, but it is in accordance with our means. We would like to feel that we had a good representative display for the trade of Newfoundland. If we are to spend fifty thousand in this manner I think that the Government ought to see that some person who understands the business of the country is sent to look after our end of the affair. We could do this in the interest of the people of the colony. Don't send over somebody to fill the position just because he wants a job, but send over somebody who will understand his business, and I hope the result will be beneficial to the colony.

MR. P. F. MOORE:—Mr. Chairman, there is one thing that strikes me very forcibly. Governments may come and go but they all seem to be very generous to the Inspector General. He always seems to get what he wants. Nobody ever refuses him. The last thing he is asking for in these additional estimates is thirty thousand dollars more for his police force which is even now far greater than it should be. Most of this amount has been wasted on the Labrador Gold Fields police. This is money we can ill af-

ford but it makes no difference. The Inspector General just digs in and asks for it and gets it. As the leader of the Opposition has just stated we don't want such a big police force. These men have to stand around all day with nothing to do and when the matter is thought over it is found that in reality this is the very hardest kind of work. They have to stand in the sun or cold for hours. They only receive a miserable sixty or seventy dollars while the Inspector General receives the magnificent stipend of ten thousand dollars per year and these men are doing the work. Starving at sixty or seventy a month is what they are doing. There is another matter to which to refer. Is Mr. Davey—?

Mr. Higgins:—Mr. Chairman, a question just occurred to me as to whether a man can be a civil servant and a member of the Upper House at the same time. If I am not mistaken instructions to the contrary were received some years ago from the Old Country. If the case is as I think it is then Mr. Davey should not be a member of the Upper House or he should relinquish his position in the civil service. The same thing would apply, I think, to Dr. Mosdell's being on the Board of the Militia Department. If you will remember at that time Mr. Talbot and Mr. Shea were members of the Upper House. One was sheriff and the other manager of the Government Savings Bank. It was decided at the time that they could remain members of the Upper House but no others were to be appointed under similar conditions.

MR. P. F. MOORE:—If what the Leader of the Opposition says is true, Mr. Chairman, then Mr. Davey should no longer be inspector of government buildings. He should be put out of the position. I am prepared to go any length to have this done. What do Dr. Mosdell or Mr. Davey know about the work they are appointed to

do? Mr. Davey at least knows nothing about it. If anything of importance has to be done on the buildings under construction Mr. Davey has to get Mr. Robinson and bring him up and find out how it has to be done. Mr. Hail and Mr. Robinson are doing the work for which this man is being paid three hundred dollars a month. Mr. Churchill is quite able to do this work, and he is prepared to do it on his present salary which I may say is not at all as much as Mr. Davey's although it should be more. Last year we were having a water service down the South Side Hills to the Sanatorium which Mr. Davey said would cost the Government thirty thousand dollars. How much did it cost? It cost the Government of this Colony one hundred thousand dollars. Mr. Davey knew absolutely nothing about it. Can you say that Mr. Davey is giving honest returns for his pay? Why has Mr. William Churchill been superseded by Mr. Davey? The \$300.00 per month that Mr. Davey is being paid is an absolute waste. In this connection I want to raise the question as to whether Mr. Davey and Dr. Mosdell can legally and constitutionally hold their seats in the Upper House and continue to be Government servants. Mr. Davey is a Government Inspector with a yearly salary of \$3600.00 and Dr. Mosdell is a member of the Pension Board and a number of other Boards for which he drew a large salary or salaries. Just fancy Mr. Chairman, Mr. Davey with a seat in the Upper House and drawing a salary of \$300.00 per month from the Government. Are you going to stand for that? Well then if you are I am finished.

MR. WOODFORD:—Mr. Chairman, I would like to call the attention of the House to the appointment of a Secretary to the Minister of Public Works. I am not blaming you Mr. Minister of Public Works, as I know

that you need all the help that you can get. I know that when I was down there I often needed some one to help me out with the work; but I am referring to the young fellow who has been appointed.

Now Mr. Chairman certain remarks have been made here this evening with regard to the appointment of Mr. Davey; whilst I do not know what the nature of his work is, yet I do know this that Mr. Churchill and his staff are most competent and efficient men, and can well look after his department, in spite of the fact that they are paid very small salaries. Now I understand that Mr. Davey has been put there; I know that he has not gone in there as a subordinate. Mr. Davey was at first employed to look after the Water Works; then he was given certain other Government buildings to look after, and now so far as I know the only thing there is for him to look after, is the Normal School. Now I say that Mr. Churchill is well able to look after all that, and do it quite well too. It is only another case of giving political plums to supporters and heelers. It can only be put down as the Hall-mark of the great extravagance of the Government, I am not prepared to vote a salary to Mr. Davey of \$300.00 per month while men are walking the streets hungry, and he should be put off the pay roll immediately.

Now Mr. Chairman I referred early in the week to the need of helping the labourers and needy men of my and other districts to earn an honest living, and sufficient to provide for themselves, their wives and families. There is lots of work needing to be done, there is the Railway, we all know that it is only half built, it needs repairs and it needs ballasting. I would suggest the putting of the Railway in good running order and by this means give employment. I found out something has been done or attempted to be

done; work has been started along the Southern Shore, what the nature of the work is I do not know, as I have had no time to look into it; but about a score of men came to me and asked me to get them notes for work, but I had to refer them to my friend Mr. Hawco,—I do not think I should use the word friend in this case, Mr. Hawco and I have been very good friends, but we are not such great friends now, and I am afraid that our friendship will entirely cease in the near future, except there is an alteration in circumstances. A few men were sent up there to work; they were needy men it is true, but who were they? They were all political supporters of Mr. Hawco, and the Government.

MR. HAWCO:—That is not so.

MR. WOODFORD:—It is so.

MR. HAWCO:—No it is not.

MR. WOODFORD:—I say that they were, you are always playing politics. Did you get up from your place in the House, and advocate for those men? Now I again refer to the fact that those twenty men called upon me this morning. They called upon you and you told them to go to Mr. Woodford.

MR. HAWCO:—To whom should they go if not to Mr. Woodford.

MR. WOODFORD:—I have already begged for an equal portion for my supporters, now I am not going to beg any longer. I say right here that unless some definite answer to my plea on behalf of those men now seeking employment, I am prepared to remain here indefinitely. I am not prepared to accept the statement that the Government could not afford to give the necessary employment on the roads, etc., so long as we are confronted with scandals such as the Davey matter. I wish to direct the attention of the Prime Minister to a promise given the Leader of the Opposition a few days ago. That promise was in effect that elected Members of a district whether

on the Government side or Opposition side, should have advice in the spending of monies allocated to that district. That promise is not being carried out in Harbour Main for Mr. Hawco and Mr. Hibbs have all to do with employing men in that district, and they are using their position to discriminate against men who were known or suspected of being opponents of the Government, this is most unfair and should be put an end to.

SIR M. P. CASHIN:—Mr. Chairman, just a word or two before this goes through. Is this the full amount for Additional Estimates?

HON. MINISTER OF FINANCE:—Yes.

SIR M. P. CASHIN:—I'd like to call your attention to the fact that there is no provision for the interest on the two million dollar Reid Nfld. Co. loan. There is also the loan of three million dollars which you propose raising and you have made no provision for the interest on that. As this stands now it is a quarter of a million dollars short. Now with regard to this Justice Dept. vote, Mr. Higgins has already taken the wind out of my sails. The Minister of Justice gave us a promise last year that we would not be asked for the Horse Police another year. We agreed to pass this vote here last year for six months only. What happened since? The Clerk's Department of this House was prostituted and the Minutes of this House were changed and falsified. It was during the Autumn of last year we discovered that the late Prime Minister did the falsifying. No other member in this House, from the Minister of Justice down, knew that the total Estimates were placed in the Minutes; the other thirty-five members of the House were ignored completely by the late Prime Minister. Certainly that is rather a pleasant happening; very nice indeed, but it is costing this Colony quite a sum of money. And

now we are asked to vote \$18,500 for police that have already been sent to the Gold Fields on the Labrador, but the worst part of it is that this amount only covers the cost of equipment, the passages of the police to and from the Labrador and their upkeep, because we are also asked to vote \$7,600 for their salaries, or an additional vote of \$26,100 over last year. This is contrary to the promise that was given us last year. We were promised that half the vote would be cut out this year and that the horse police would be abolished. Now we all know that the horse police are still in existence and on the back of that we are further asked to give our sanction to \$26,100 police money. I ask once more, is it the intention of the Government to keep this horse police going and how many police are there altogether in Newfoundland to-night?

HON. THE PRIME MINISTER:—I do not know right off, but I will find out immediately and let you know.

SIR M. P. CASHIN:—I am sure it is double the number to what it used to be because St. John's is crowded with policemen at the present time. Surely goodness there must be some explanation for it. I am not blaming the present Prime Minister because it was a fad of the late Prime Minister and I think that I told him of it before. He always had something visionary before him as if the House of Assembly was going to be dynamited—and perhaps it should have been years ago. He used to have this building and other buildings surrounded by night that cost this Colony thousands of dollars. Inspector General Hutchings must have got the same complaint into his head. He came here last year with a vote for horse police. The ex-Prime Minister and the Inspector General then thought that there was going to be a great raid on the principal politicians and the principal buildings of the country by the unemployed and

all the police available were employed to stem the imaginary attack. There certainly must have been fifteen thousand dollars wasted in this direction and there was no necessity for it, and I am just reminding the new Prime Minister now that he has got to get his pruning knife to work in the police department. There is no necessity for this vote to police the Labrador. There was no request made by the people from any part of this country for special police, and, as Mr. Higgins has said, we had no request from Canada to send police there. Under prevailing conditions, this kind of thing has got to be cut out, even though it may appear hard on some of these young men who are now in the police force. If one goes along LeMarchant Road any other evening one will see that thoroughfare policed by ten or twelve men, as compared with one or two men who did service there in the old days. Now I must repeat that there is no justification whatever for the maintenance of the mounted police squad, who do nothing but parade the country roads. What has happened within the past twenty-five years, comparatively speaking, in the suburbs to justify this enormous expenditure going on? Nothing. For my part, as a citizen of St. John's, I don't think that this farcial thing should be tolerated any longer. I think that the Prime Minister should consider the advisability of cutting out right away this policing of the Labrador. Of course he has got to get this vote now for \$26,100. Well as soon as the men arrive in the city, pay them off and let them go elsewhere to work. I really think that this police business is very much overdone.

I agree with the remarks of the Leader of the Government and the Leader of the Opposition concerning the vote of \$50,000 for the Colonial exhibition. It is a small item compared to the big advertisement that we

will get. Representatives from all parts of the Empire will meet at this Exhibition and it is up to us to do our best in displaying the products of this country. People from all parts of the world will be examining our products, particularly our fishery and mineral samples and who can tell but that untold good will come out of the thing. I consider that this \$50,000 will be well spent.

In Supplemental Supply I would like to draw the attention of the Finance Minister to the fact that \$1,054,739.77 was more than he figured on last year than he thought he needed. Now is this all.

HON. THE PRIME MINISTER:—Yes.

SIR M. P. CASHIN:—Well how are you going to pay the shortage on the railroad?

HON. THE PRIME MINISTER:—That will be provided for in the new Loan.

SIR M. P. CASHIN:—Does the Finance Minister know exactly the amount he is short on revenue deficits and on account of railway operations to date? What is your estimated amount due the Bank of Montreal and do you think that your estimate will eat up the three million dollars that you intend to ask this House to authorize you to raise? I venture to say that after paying your bills that you will not have left a single cent of that Loan. Now we were told by the ex-Prime Minister at the opening of the House this session that we gave \$1,300,000 to the Armstrong Whitworth people. Has the Colony been re-imbursed since by the Armstrong Whitworth people and in what amount, since they have floated their bonds on the other side?

HON. MINISTER OF FINANCE:—They have returned \$550,000.

SIR M. P. CASHIN:—Where did you get that \$1,300,000?

HON. MINISTER OF FINANCE:—



Out of balances of loans for 1922 and 1923.

SIR M. P. CASHIN:—How do you account for the difference between the statement of the ex-Prime Minister and the statement of the Auditor General? The late Prime Minister says we advanced to Armstrong Whitworth people \$1,300,000 while the Auditor General says we advanced them \$800,000. Which is correct?

HON. MINISTER OF FINANCE:—The Auditor General's statement was made up after the \$550,000 was refunded.

SIR M. P. CASHIN:—I think it is impossible for us to see where we stand financially. Another matter that I would like to refer to is the Act respecting certain retiring allowances. I would like to know if the statement before me represents the total amount under that head, because it is disappointing to find that a gentleman named Kennedy, who was discussed in the House the year before last and since put on the retired list, has been succeeded by Mr. C. J. Furey, who, by the way, gets this reward for his political activities. There is an interesting story in connection with this matter. I would like to know from the Finance Minister if it is the intention to make provision for Mr. Furey's salary in Supplemental Supply? If it is I think that this is one of the things that should not be voted by this House. Two and a half years ago Mr. R. J. Kennedy, an employee of the Reid Newfoundland Company from the time they first started business in this country and an experienced and reliable railroad man and who was recommended by the Reids to go to South America as an expert on building railroads, was given a raw deal in this House by the Government of the day. On his return from South America he was taken back in the employ of the Reid Newfoundland Company and later transferred to the Gov-

ernment Engineer's Office and made a Railway Inspector. Mr. Kennedy was very active, capable and comparatively young man. I think that his salary was something like \$1100 a year. Shortly after the late Government came back to power in the Autumn of 1919 he was dismissed and the office was abolished. I remember when I sat side by side with the now Sir William Coaker. He was terribly opposed to the granting of pensions that he thought were unnecessary. He had no use for the idea at all no matter how reasonable a case was. In fact he thought that a man should hang it out to the bitter end. Now we find that same Mr. Coaker firing out of office capable men like Mr. Kennedy after 25 years experience and what is worse he was put on the streets without a retiring allowance and he was recently given a pension of \$750. Then we are seriously asked here to vote a salary for an inexperienced man like Mr. Furey. This vote should not be asked because at the retirement of Mr. Kennedy it was decided here to abolish that office. Now we are asked to vote \$1100 a year to Mr. Furey, who was a telegraph operator and certainly cannot be qualified for the job of railway inspector. Why is Mr. Furey put in an office that was abolished? Is it because he was a defeated candidate of the Government that another man was fired out and sacrificed. Now if it is the intention of the Government to put a man back in that office, why not re-instate Mr. Kennedy? At present he is labouring under the position he is in. You can ask the Government Engineer, Mr. Chairman, or any of the most experienced railroad employees, if Mr. Kennedy is not about the best man in Newfoundland to-day for the job of inspector of railroads. Instead of that a vote is asked for a man, who like the agriculture commissioners, does not know the first thing about his duties. Another thing

in connection with this vote is there is no statement to show where Mr. Furey's salary is to come from.

HON. THE PRIME MINISTER:—It is all news to me. There is no vote for it as far as I know. I have not had a chance to consider it.

SIR M. P. CASHIN:—What department pays him? Or is he under pay at all at the present time? I understand his salary is to be \$1140.

HON. THE PRIME MINISTER:—Before now such votes were paid out of the Government Engineer's department; but there has been no such vote the past few years.

SIR M. P. CASHIN:—Then there is the matter of providing a Mr. Frank Penney with a job at \$1800 a year and travelling expenses, as Employment Agent. What department is he in? Does any gentleman on the Government side know?

HON. THE PRIME MINISTER:—The Colonial Secretary's I presume.

MINISTER OF PUBLIC WORKS:—He came to us, but we don't know anything about him nor did we have any money to pay him.

SIR M. P. CASHIN:—I understand he was a rabid politician and was in the employ of a merchant, but was dismissed after the elections for interfering in matters that did not concern him. He then went down to the ex-Prime Minister and the very next day was put in a position costing this Colony \$1800 a year in addition to travelling expenses and sent to the Humber. Now I understand he is doing no work and is back to the city after having paid a visit to his friends in the North. Still we are asked to come here and with our eyes open vote this outrageous amount. I take it that it is only necessary to draw the attention of the House to this matter and the vote will be cut out.

Then take the Gardener at Government House who is down for \$900. His name is Otto Rusch. Now if we

are going to pass this vote well all I can say is that we are a very forgiving people. I think he is paid out of the Department of Public Works.

MINISTER OF PUBLIC WORKS:—I say he should not be there.

SIR M. P. CASHIN:—If I was where you are I am sure he would not be there.

MR. SULLIVAN:—I dare say that if the Minister was in the Executive that he would not be there either.

MINISTER OF PUBLIC WORKS:—You told it.

HON. THE PRIME MINISTER:—There are some members of the Executive who did not know he was there. He replaced some other man.

MR. HIGGINS:—The Governor appointed him himself.

MINISTER OF PUBLIC WORKS:—There are men favoring his side now that did not favor it during the war.

MR. HIGGINS:—An English Governor put him there.

MINISTER OF PUBLIC WORKS:—He should be sent where the rest of his kind were sent.

SIR M. P. CASHIN:—A question was asked yesterday by Mr. Walsh concerning the printing of the census to date. This is the sum total of the answer. Here are two sheets of returns for St. John's East and St. Barbe districts. There is not a particle of these in the hands of the binder yet and the "Daily Mail" have received \$7,500 on account thus far. Now if the "Daily Mail" goes out of business to-morrow who is going to re-imburse this Colony? And that \$7,500 is only one payment. What is the census going to cost at that rate?

MINISTER OF PUBLIC WORKS:—That is like the Labrador Boundary.

SIR M. P. CASHIN:—The Labrador Boundary is not half so bad, this looks more like robbery. This Mail is the paper that held us up to ridicule in order to elect you and then you do this sort of thing for them. Don't

you think this is a scandal? But we have heard a lot of scandal about the man who was manipulating this paper. They have been paid \$10,000. The editor of this paper is the worst sectarian firebug ever let loose in this country and this is his reward. I do not blame you, Sir, as you did not know about it but this kind of thing has got to stop. Imagine \$7500 for this thing and when the proprietors of this paper are short they simply go to some Government department and make a draw. A few days ago we saw where a city firm who submitted a tender of \$5000 for certain work was turned down while a Government paper was given the same job for \$11,000. At this rate the printing of the census will cost \$100,000. The Colonial Secretary was the man in charge of this transaction but now he is gone. Here too is another scandal. Here is a memo. for horses that we bought for the lumber camps at a cost of about \$20,000. They were sold to half a dozen individuals and some of them have never been paid for. Now who is going to pay that?

HON. THE MINISTER OF AGRICULTURE:—The payment is quite assured.

SIR M. P. CASHIN:—I often backed a note and was assured it would be paid but I had to meet it myself.

HON. THE MINISTER OF AGRICULTURE:—The Department was in debt to some of the parties who bought the horses and I will guarantee that they will be paid for. They would have been paid for if the question on the order paper had been put properly.

SIR M. P. CASHIN:—At the last sitting I referred to the wholesale robbery in your department. I would like to know what you are doing to get the money back.

HON. THE MINISTER OF AGRICULTURE:—That is not in my hands.

We will have to await the finding of the commission of enquiry.

SIR M. P. CASHIN:—There's the case of the Inspector General getting a rake off of \$1000. What about that?

HON. THE MINISTER OF AGRICULTURE:—That will come under the scope of the commission also.

SIR M. P. CASHIN:—This is the man who goes around dressed up like a mummy and then goes to a department and gets \$1000 for nothing while the ordinary policeman cannot get a cent and then he has the impudence to write a letter to his chief to justify his conduct. I will read the letter. (Reads letter.)

Now I am going to give an idea of the services performed by the Inspector General. He mentions Hr. Grace District in particular. Here is a statement from a man in Hr. Grace. This is the work the Inspector General was doing for the ex-Prime Minister. (Reads letter.)

Now I am sure it is only necessary for me to draw the attention of the Hon. Prime Minister to the conduct of this or other relieving officers to have something done to check it. I was a member of this House when Sir Robt. Bond denounced such a thing as this. And this kind of conduct has been going on all around the country the last few years and there was such a demand for help that there were not enough officers to go around. You had to get 3 or 4 of them in Hr. Grace alone. The people there as everyone knows had to suffer severely and we who were sent here to represent them have to sit here and say nothing.

MR. SIMMONS:—What is the date of that statement.

SIR M. P. CASHIN:—Never mind the date—is it correct.

MR. SIMMONS:—It is not.

SIR M. P. CASHIN:—I would take it in preference to your word, especially in view of what has recently happened.

MR. SIMMONS:—They are not giving relief now in Hr. Grace.

SIR M. P. CASHIN:—They must be as you are getting a dollar per dozen for eggs—and you got \$22,000 for fishery supplies and never made any returns for it. Mr. O'Reilly of the Assessor's Dept. has furnished an account showing that you never paid a cent. Now what can we expect from a man of your calibre. No wonder we are confronted with scandals on all sides when we have such representatives in the House. Is it not time to ask what has happened. What has happened to your Prime Minister. He is gone. If this is the kind of treatment we are asked to stand for from you it is time to abolish this House. I will not take it and I do not care whose feelings I hurt. And in view of all this we look for clean representation. Here is the case of your-self buying eggs for about 20 cents a dozen and charging a dollar for them and according to the reports of the Superintendents of the institutions they are rotten. One need only be half honest for this to make his blood boil. These poor people from whom you buy the eggs are defrauded and are handed out a dole—a note on certain supporters of the Government like you instead of being given the cash to do what they like with. These notes were abolished years ago and I was in the House at the time and helped to abolish them. And still we are asked to say O.K. to this sort of thing. Why don't you have some decency, manhood and charitableness about you? Is it not terrible when you have to read such a note as this from your fellowman. I call on the new Prime Minister to shovel all this conduct and those connected with it, out. It is somebody's place to do it. As I stated before we on this side were looked upon as obstructionists when we told the truth of what was going on. But what has happened?

Where is all the great work and blowing of trumpets of a few months ago gone to. Was there an earthquake? We had a lot of blowing at the opening of the session but now you are all paralysed in the mouth; your Prime Minister is gone and this is the kind of thing that we are unearthing. You are paying thousands to this man of the Mail for throwing dirt in the election and then you put him in a foremost place. The Inspector General gets \$1000 for nothing and the Auditor General, deputies and all the others are paid for extra services. We had a payment tabled here the other day for \$2500 in connection with the Tariff Commission and we cannot find out what it was paid for. They never enquired in to the Tariff but the payment was made and the Hon. Minister of Finance cannot tell who got it. All he mentions is Mr. LeMessurier who I suppose did all the work and got \$500. Dr. Mosdell got the \$2000 but the Minister did not say so as he was expecting the House to close and wished to cloak him till then. To-day we are discussing a Budget that you know nothing about and nobody but the Hon. the Prime Minister can tell us anything. Most of you are more interested in how the hens are laying or in what you are going to get off the poor. I challenge the whole lot of you to tell me anything about this Budget. You know nothing about the public debt or the tariff and yet you are called legislators. Something should happen to boot us all out—that is if the people are looking for returns because we are not giving them such. The wool is being pulled over the people's eyes. I got a quarter million from the Nova Scotia Steel people a week before I left office and left 4 millions in the Treasury. The Dominion people owed us money but it has not been collected yet. The ore tax was on then and this Government should not have taken it off. The whole thing

is rotten and you are afraid the story will be told—but I will tell it later please God as it is my duty to do so. You had auditors here in 1919 to enquire in to our affairs and they cost between fifteen and twenty thousand dollars. Why? The gentleman knows who brought them here for effect. They were here six months and got \$20,000 only to give Cashin and his associates the best certificates that could be given them which was done when they could find nothing against them. You cannot find men to investigate because most of them are tarred with the same brush and all of them were deceived. In his remarks this evening I think Mr. Woodford was very reticent. He was persecuted and prosecuted in 1919 but took it like a charitable man. I wish I were of the same make-up. Men perjured themselves to down Mr. Woodford but he is not downed yet. The whole country knows the facts of the case now—the proofs are abroad. This House has been mesmerized and long before that it was pauperized. The Hon. Minister of Finance has been mesmerized and he has my sympathy as I would like to help him out because I found him a decent chap. He is in the worst hole that any man ever was that sat in his job. And what brought it all about? You don't need to be a Solomon to figure that out. Here we are, going to close the House in a few days but the old rule was to open it in January and close after three months. And to-day the fishery rules for 1923 are not even printed although the fishery is practically over. The Labrador Magistrate is still in this House although his work is to decide in the Spring as to trap berths. It seems that my job is to tell these stories to the House and there is always something of this kind to bring up. Perhaps it is time to close the House now as we have not done much in some respects though in

others we have done a lot and got rid of some of the crew and nobody knows where they have gone. I hope that when the House opens again business will be brought up in proper form and put through as in the past and that the misrule of the last three years will be cut out so that we can learn where we stand. To-night nobody knows what we owe and we are a laughing stock to the country at large. I hope you, Mr. Prime Minister, will be successful in your efforts as you are honest and I ask you to fire out the imposter. If you are not admired for it now you will be later. That is my advice. We cannot improve on the additional Estimates for as Newfoundlanders we have to vote this loan bill. You members of the Government stood idly while the country's funds were being squandered and now you have to pay the bill and won't have a cent left. What you told the people at the polls was false—you said there would be 5000 men at work on the Humber the day after you were returned but where are they to-day. Those who are at the Humber are asking for help to get back and others all over the country are starving. From my experience I say that the man who plays straight will come out on top every time. He may be on his uppers for a time but the pendulum swings back and in the end he comes on top. The men who deceived the country by their deception have got their deserts.

It being now 6.30 o'clock, Mr. Chairman left the Chair till 8 o'clock.

HON. THE PRIME MINISTER:—Mr. Chairman, we have to put in Supplemental Supply the amount for interest on the two loans.

Regarding Supplemental Supply you will notice some large sums, but generally these were under estimated last year. On page two is an amount for the Registration of Voters in the General election. That was very greatly

under estimated. In a great many cases the vote has been taken up this year. The Supreme Court Contingencies was over expended, but was taken up this year. Regarding the Labrador Police we were in communication with the Ottawa Authorities and they strongly objected to our interference. They did not allow us any right to look after the anticipated rush to the Gold Fields, so we decided to go ahead anyway, because we did not wish to prejudice our claims in any way on the Boundary case. That was a separate vote, although the Canadian people suggested a Modus Vivendi. If we did that they would take it as an admission of weakness on our part, so we decided to go ahead and send our own men any way. It afterwards developed that they did not send anyone at all.

All the rest of the items on this list were under estimated. The ten thousand dollars vote for the Maternity Home was a special Charity Vote, and is only for one year.

MR. P. F. MOORE:—Mr. Chairman, on my way home at tea hour I heard a story which I could hardly credit. It is concerning the plastering of the Normal School. The gentleman from whom I heard the story was Mr. Conway. Just at present in this city our mechanics are walking about doing nothing. Mr. Conway said he was surprised the other day on going down to the King's Wharf to find that five men to do the plastering of the Normal School had arrived by the Red Cross Line steamer. I don't think it is good enough that this should happen; that men should be brought down from Nova Scotia to do this work when our men are idle. Mr. Conway himself is second to none in the plastering trade and it is a great hardship that things like this should happen to men like this. I don't know what the explanation of this matter is but I have no doubt of the truth of the story.

HON. THE PRIME MINISTER:—Mr. Chairman, with regard to what the honourable member for Ferryland has just said I may remark a short time ago Mr. Chalker was talking to me about getting plasterers for this work and his story was that there were none to get. I think that the Horwood Lumber Company have the contract for the plastering of the Normal School. However I will take the matter up and find out the explanation for the honourable member.

MR. HIGGINS:—Mr. Chairman, some time ago I asked the Minister of Education concerning the tenders for the Normal School. Later on I asked the Minister of Finance the same question. I asked these questions for the reason I wanted to treat the Normal School as I think it ought to be treated. The whole thing is a creation to give Dr. Barnes a job. However I hope it will be well plastered because I hope that the Government, when we meet here again will decide to use this building as a hospital. It is a joke to build this big place with eighteen or nineteen rooms just because somebody has become what is termed an educationalist. Somebody has become an enthusiastic over education like people were about temperance some time ago. I hope that I will be here when the Government will have the good sense to give up this crazy idea of a Normal School and turn the place into a hospital. I want to be the one who is going to predict that this will be done. Our educational machinery will not be disturbed by the construction of this building. There will be no change at all. If there were a change because of all this expenditure of money then there might be some reason why it should be considered useful. So I hope that when it is completed that the Government will use it so that it will eventually be of some benefit to the Colony. Then with regard to the fact outsiders have come

into the city to do the plastering while our own mechanics are left idle. I think it is only right that our men should get the work since they have nothing to do and are able to do what is required up at the so-called Normal School. In finishing I can only say that I think that the Minister of Education has become what I called a short time ago, an enthusiast on education. He has allowed his heart to run away with his head. Finally I hope that the Prime Minister will find a way to have this building turned into something that will require the Colony to some extent for its size and cost.

SIR M. P. CASHIN:—Mr. Chairman, some time ago I asked some question with regard to the labour employer at the Humber, Mr. F. Penney. I understand that he has been paid from the Board of Works department. His salary is not in the estimates. If he is not employed by the Minister of Public Works I would ask the Colonial Secretary to take a note of the matter and have the payment of this salary stopped. I am sorry that the Minister of Public Works is not in the House.

HON. THE PRIME MINISTER:—With regard to the matter on which the hon. member for St. John's West has just been speaking I may say that the system devised for the settlement of the labour problem on the Humber was not found to be satisfactory. The intention was that every district was to get its per capita portion. But the idea was not carried out and various complaints reached us that some districts were getting all the labour and that some more were getting nothing and it was reported that outsiders were coming in and being employed. Mr. Penney was appointed to look after the problem as long as was necessary and then his job was supposed to be finished. I would not ask a vote for this salary because the appointment was not permanent. Major Butler is the employment agent for the

Armstrong people and it was necessary to have some check on him. I hope that this answer is satisfactory to the honourable member.

MR. SULLIVAN:—Mr. Chairman, in these additional estimates we are asked to vote thirty-one hundred dollars more than last year for the Auditor General's department. In view of the facts that have become apparent during the last few months one might be inclined to ask is it any good or not to vote this money. It looks as if the whole system has broken down. Therefore it is up to the Government to see that some drastic measure is taken to make this department function as it was intended that it should. The audit act is no good. The Auditor General disallows bill after bill and the Executive Government comes along and passes them all by Minute of Council. The Auditor General has no power under these circumstances. The Executive Government is acting illegally and the members of the Executive should be made shoulder the responsibility of their actions if they are not careful. I am not blaming the present Executive but with regard to the members of the late Executive I believe that if they are not directly responsible they have been negligent and deserve castigation. I want you to protect the Auditor General's department. Now Mr. Minister of Justice here is the weak link of the Audit Act and we look to you to remedy it with all possible despatch and see that the Auditor General is not overridden again. Sect. (b) No. 33. (Reads from Audit Act.)

I would like to know if any such report was made by the Finance Minister before these expenditures were undertaken. I don't believe he did because he was too ill to do so. This act must be fixed to help the department to guard the finances of the Colony, and to see to it that there is no repetition of what we have had during

the past few months. Under the Justice Department heading we are asked to vote eighteen thousand dollars for the Labrador Gold Police. You'd think that we were all desperadoes by the number of the police force in St. John's. Policemen on horse back, policemen with swords, more with pistols and lastly policemen with the Stag Bay uniform. Now this famous uniform will have to be scrapped. Make them homogenous; don't have them going around with Jacob's coats on them. The number of policemen in the city is frightful. In my district of sixteen thousand people there are four policemen, and in this town of thirty or forty thousand people you have sixty or seventy policemen besides the horse police and the fire brigade 'Tis hard for us to be on an even keel. Hard to have retrenchment and lower tariff if we don't cut down expenses.

Under head 4 of the Fire Department we see different items such as forage, etc., what is that for? Why such an item when we have such motor trucks for fighting fires? Is that to feed the engine on? And then there are some fancy horses up there too.

Now I endorse all that has been said about the Normal School, and I do hope that when it is completed that it will be turned into a Woman's Hospital; there have been dozens of women here for as long as six weeks waiting for a chance to get in the hospital, and lots of them had to be treated and operated on at boarding houses, and you know that this is anything but convenient or satisfactory. Another thing in connection with that Normal School is, that I hope and trust it will not be furnished for a Normal School.

Now, Sir, with reference to the amount loaned to the Armstrong Whitworth Co., I understand that \$1,300,000 has been advanced them; I also understand that \$550,000.00 has been

paid back, there is the sum of \$750,000.00 left. Now when are we to be free of this?

HON. THE PRIME MINISTER:—As soon as it is paid.

MR. SULLIVAN:—When will that be?

HON. THE PRIME MINISTER:—Oh I don't think you need worry about that Company, it will be paid back all right.

MR. SULLIVAN:—Another thing I would like to mention is in connection with the amount for Sudbury Hospital.

HON. THE PRIME MINISTER:—That is going to be dropped.

MR. SULLIVAN:—Now, Sir, with respect to retiring allowances. I see an item here of \$760.00 to one R. J. Kennedy, now he should not be pensioned because he does not want to be. It might have been done by the late Government, but are you going to sanction a thing done by them, or the carrying out certain ideas because they were suggested by them? Certainly you should not. Now there is the case of Blandford of the Lunatic Asylum; he was only in the Civil Service for three years, and then he was pensioned, why? Because he was not wanted; and what is more he should never have been put there. Why I have a man in my district seventy seven years of age, he is a line repairer, and has been in the Civil Service for fifty four years, and he is in need of the old age pension, and is crying out for it, and yet he cannot get it. Another appointment that I object to is the appointment of a German as a gardener down at the Government House, he should not be there, there are scores of ex-service men around town who should have been given that position, instead of having a Hun down there.

As you go down the list you find light house keepers. There are Mercer, Belbin, etc., all pensioned and they do not want to be pensioned, pensions are simply forced on them or thrown



at them. The whole thing needs a good cleaning, and I hope it will be done in the near future and that when the Prime Minister opens the House again in February next the whole thing will have received a thorough cleaning and a start made upon a new sheet.

There is the case of Barrett from Signal Hill he is pensioned, the first that he knew of it was when he saw an announcement of his being pensioned in the daily papers, he has been up there for seventeen years, and he did not want a pension.

Now with regard to the loan, I see here that there is to be a loan of \$3,500,000.00 raised; well there will not be much left of it. You have an estimate of a \$400,000.00 drop in running the Railway, that is a pleasing drop, you will be lucky if it costs no more than that; personally I do not think that it will be so small. I think that the Colonial Secretary should have given us some statement as to the running of the Railway, it should have been done during the past three or four months. As I said before I do not intend to delay the House very long, but I do hope that some of the things that I have said will be considered. The House will probably be closing on Friday or Saturday, so when you come back here in February lay your cards on the table of the House, and start the whole business on a clean scale and a new sheet.

MR. PETER CASHIN:—Mr. Chairman, I would crave the permission of the House for a few minutes, I shall not be long, but I certainly should like to say a few words concerning the appointment of Rusch, a German, to the position of gardener at Government House, it seems to fall to my lot to deal with those matters as I did in the case of Dr. Mosdell being on the Pension Board last week. I, as a returned soldier strongly protest against this appointment. I know by experi-

ence the feelings of some of our returned men concerning this appointment. Rusch is a Hun, the type that we were fighting against for four years; he is from a country which caused us here in Newfoundland, as well as other parts of the Empire, untold hardships and sufferings from 1914 to 1918. It is very galling to us who for four years sacrificed ourselves to save the British Empire from prostitution by the unscrupulous and obnoxious Germans; yet, in spite of all this, this Hun is pushed into this Government position in preference to our returned soldiers, and this thing is done under our very eyes. He is a Hun and he cannot be trusted. When I saw him the other day I believe that if I had a revolver I would have shot him and would have thought nothing of it.

HON. THE PRIME MINISTER:—Mr. Chairman, may I say a word concerning the matter? Rusch was not appointed by the Government, this Government had no knowledge of it, but I shall to-morrow see that representations are made to those who appointed him, as to the views of this House in connection with the matter.

MR. CASHIN:—I thank you Mr. Prime Minister. I now want to refer to the Horse Police; these men are unnecessary and besides they are untrained, it was evidently a fad of the Inspector General's, he said that he wanted them and he got them.

With regard to the Auditor General's office I think that Sir Patrick McGrath's speech in the Daily News this morning struck the right note. It is true that we have a new Government at present, but the Government of the present were practically all partisan to the doings of the past three years. Now in the Agriculture and Mines Department there are the usual scandals, as may be found in the other departments. There were five Rossing machines sold to the Government by one

C. Bryant and indirectly through Sir William Coaker. They cost somewhere in the vicinity of \$2000.00 each, whereas other Rossing machines only cost \$900.00, there were no invoices, and the machines might have been half worn out for all we know. Here is the point, the cheque was made out to C. Bryant, Fishermen's Union Trading Company, signed by J. H. Scammell, the Member for St. Barbe, and deposited at the Bank of Nova Scotia to the credit of the Union Trading Co. The cost of the five was \$10,000.00, but the cheque was made out for \$11,600.00, Bryant asked for \$10,000.00 and he had \$11,600.00 thrown at him.

HON. MINISTER OF AGRICULTURE AND MINES:—That was a typographical error.

MR. CASHIN:—There are too many of those typographical errors, and the sooner they are dropped the better.

HON. MINISTER OF AGRICULTURE AND MINES:—The thing is so self evident that no one would perpetrate it.

MR. CASHIN:—I do not believe anything now until I see it.

I also want to reiterate the remarks of the former speakers as to the Normal School, and I certainly endorse all that has been said by them.

MR. HIGGINS:—Mr. Chairman, before the vote goes through, I would like to ask a question concerning the Controller's Department. Is it the intention of the Government to appoint a Deputy Controller.

HON. THE PRIME MINISTER:—No, the Government has no intention of making any such appointment.

MR. VINNICOMBE:—Mr. Chairman, I just want to say a word regarding prohibition. Before prohibition every one was crying out against the Government making money as revenue from the sale of liquor. Now since we have had prohibition it has been worse. In the first year of the operation of the Prohibition Act the Gov-

ernment made \$6000.00; last year I am informed with a turn over of half a million dollars the Government lost \$28,000.00. What is wrong? There were fifty four public houses in Newfoundland when prohibition came in force and the year previous the importation was valued at \$380,000.00 now the Government is in the liquor business, and they import half a million dollars worth, and lose \$28,000.00, there is not much business in that.

A few years ago we had a Dr. Giezell down here to preach on prohibition. It was afterwards discovered that she was a Mr. Giezell, how it was found out I am not going to say here. Instead of preaching on prohibition or teaching us anything she spent half of her time on Torbay Hills making sketches. Now first when this country was being settled all the settlers coming out here from the old country brought rum and molasses, those were the most conspicuous articles among their belongings. I can produce bills 116 years ago, and you find a gallon of molasses and a gallon of rum. Now we have prohibition and the whole thing is prostituted by the 'scrip' system. A gallon of rum costs 72c. to buy in Demarara, the duty is \$3.40 and add 25c. and you get \$5.50 per gallon; out of a gallon you make eleven bottles, and a poor man has to pay \$1.50 per bottle, I say that this is unfair and wrong, a bottle of rum should not cost more than \$1.00, the poor man wants it, and he should not have to pay so much for it. A bottle of whisky costs \$1.80 to land here and it is sold for \$3.00, why not do the same with rum? But because rum is consumed by the poor man he is charged double for it. The whole system is rotten and no time should be lost in remedying it.

HON. THE PRIME MINISTER:—Mr. Chairman, while we are in Committee I beg to submit Resolutions with respect to the raising of a loan. We propose to ask for a loan of \$3,-

000,000 at interest of  $5\frac{1}{2}\%$ . In view of the way in which the Reid loan was taken up however, there seems no reason why we should have to pay more than 5%.

MR. HIGGINS:—It is no surprise, Mr. Chairman, that this administration should be introducing a Loan Bill. It has become an established feature of this Legislature to raise loans for the purpose of meeting deficits and I fear that this will not be the last one we shall be asked to vote for. However, we can only accept the inevitable now with the best face possible.

I am very sorry indeed to discover from the statement made by the Prime Minister that a little different policy was not taken with regard to the railway. The railway we are told is only going to lose \$400,000 on this year's operations. If it only stays at that it will be a wonderful success, with all deference to the opinion of the Auditor General and particularly in view of how his calculations were made out as regards recent events. I hope that this deficit is going to be borne out in fact and I trust that it will be so. As I have already pointed out in this House, this railway is going to be on our hands for twelve months, at least, and God knows how long after owing to the character of the Commission that the Government has just seen fit to appoint. What I had hoped would be that the Government would have lifted this railway matter clear of the realms of politics. It is practically a repetition of the old story, with all respect to the Colonial Secretary, the Auditor General and the Government Engineer, that the railway is going to be made a political machine, I care not how honest the intentions of the Prime Minister are. It is a pity that an outside commission, so constructed as to be non-partisan, are not taking hold of this matter. In the first place take the Auditor General. I have no confidence in him because he has no

time to attend to railway matters. Why it is an absolute joke to talk about the Auditor General being shoved about here, there and everywhere. And if he has all the time on his hands to handle all the different things that are passed around to him, he certainly has not the time to look after the railway as well. Secondly, so far as the Government Engineer is concerned, he is a very competent and capable gentleman, but I am confidently certain that he will not be in a position to devote the time that he should to the work of railway commissioner. As to the Colonial Secretary, he is going to pay no attention to it at all. He has all he can do to look after his own department now and how can he give much thought to railway matters with all the other duties on his hands. What I really thought was that some outside men would be specially selected to keep tab on this railway work. There are good men in the railway department; but the unfortunate position is that the Government has got to depend on the natural desires of the Acting General Manager (Mr. Russell) and others, who are not responsible to this House or to this country, to do the right thing entirely. If, Mr. Chairman, there is a drop of a million dollars on the operations of the railway the country has to pay the bill. It makes no difference to the Manager of the railway. I predict now that in the first place the railway is going to be on our hands for a very considerable period to come; and secondly that in February next when we meet again we will discover that so far as the three gentlemen announced here are concerned that neither of the three of them will have been any more in touch with the workings of the railway than they are at the present time. If the Colonial Secretary has the time at his disposal to attend to the railway, then his department alters from what it was. Now I do not want to be

critical; I merely want to register my disapproval of the personnel of the Commission and to register it purely on the grounds that it should be lifted clear of politics. People are going to look upon the railway as a Government party machine. It decidedly was that under the late administration, and more than that is that the very thing I had hoped was going to be cured is now made worse. There are certain gentlemen occupying prominent positions in the railway department now who appeared to become obsessed with the idea that an essential quality for occupying a position was to be a supporter of the Squires administration, and apparently they are going to regard this arrangement now as a contention of the same idea. I am sorely disappointed indeed that that aspect is not removed. There are men in important railway positions at present who were filled up with the notion that only those should be allowed to breathe and to receive any consideration whatever who supported the late administration, and I very much fear that the announcement of this Commission is going to leave the impression with these people all the stronger. I know men up there who have spent a life time at their work and who have had injustices done them simply because of their political affiliations. Consequently, I fear that the announcement as to who is going to control the railway is going to make their positions more acute. For the reasons set forth I am going to oppose the Resolutions.

MR. SULLIVAN:—Mr. Chairman, I wish to endorse fully the remarks made by the Leader of the Opposition. I think that the Government has made a great mistake. It is quite true that the railway is going to be on our hands for a considerable time yet and the Prime Minister informs us that this Commission arrangement is only for six months or until the House

meets again. Well I for one strongly object to the railway being made a party machine. Why did you not appoint a Commission, Sir, from members on both sides of the House and not pay any salary for their services. We, as Opposition members, want to get a fair show for our constituents, but with this Commission in charge of affairs we do not anticipate getting a square deal. We have now in our district sixty miles of railroad between Come By Chance and Placentia Junction being improved. There are two hundred men at work there, out of which number we have only ten employed from our district, although I was promised that we would have at least thirty. The other hundred and ninety men belong to Trinity Bay and other places North. What is going to be done for the needy people around Arnold's Cove, who have caught no fish and are out of employment? We were expecting to get our proportionate share of railway work just as well as the Colonial Secretary did for the Trinity Bay men, but under the newly appointed Commission or party machine we cannot now expect to get anything but politics until the House meets again. We came here and treated the Prime Minister right and in turn we expected to be treated right by him. We did not anticipate seeing the railway run by Government men and before the House closes, Mr. Chairman, you will hear more about this. I am sorry to say that the Prime Minister displayed bad taste in the step he took. Now I want an explanation of where and how that \$88,593 was spent on the Militia Department before I allow that vote to go through. You are asking for a loan of three and a half million dollars to hand over to the Militia Department eighty eight thousand. Just imagine voting that big amount for one staff officer who is to get a salary, separation allowance, field allowance and all the rest of it.

How long is this department of Militia going to continue and how is all this \$88,593 spent and why was not this vote taken last year in the regular estimates? Everybody is wondering where the money is coming from to carry on this department. I would like to have full details as to how all this money is spent and I move now that the Committee rise on these Resolutions until we get the desired information.

HON. THE COLONIAL SECRETARY:—Mr. Chairman, just a word or two in reply to a certain remark made by the last speaker in relation to the employment of men on the railway. Within the past three or four days it was decided by the Government that a certain sum of money was to be set apart to be used in connection with improvements on the railway so as to give employment to a few hundred men. That was submitted to Mr. Russell, Acting General Manager of the Railroad and he thought that he could usefully employ about three hundred men, but that was the total number of men he could put on the whole of the railway line to relieve unemployment. Well, if there were ten districts, as was the case, interested in the matter of getting employment for those who were in need, it meant thirty men for each district. I happened to see Mr. Russell the other morning and Mr. Sullivan, the member for Placentia, was there also. Mr. Sullivan, I understand, was promised thirty men for his district. Where those men were to be placed I do not know. That matter was for the railway management to decide. There appears to be a misunderstanding in connection with the whole matter. If any men from Trinity district got work where Placentia men thought they should be engaged, I cannot account for it. Why it was only this morning that I was told that I had 300 of my constituents on railway work, whereas the fact

is, as I have already mentioned, there were only that number engaged all told for all the districts that needed work. I can quite appreciate the fact that men who live in a certain section of the district of Placentia and St. Mary's are keenly interested in work on the railroad that is in close proximity to their homes. That applies to Trinity district also; and I regret to say that conditions in Trinity district so far as unemployment is concerned is just as bad and probably worse than any other district in the Island, especially that portion of it along the railway line. Only a day or two ago I gave the names of a considerable number of men to Mr. Joyce of the railway department who were looking for work and since then I am in receipt of a hundred telegrams or more from men in the vicinity of Heart's Content Branch and who cannot be placed. There is no intention on my part, I never had any such intention and I do not know that anyone can truthfully prove that I ever discriminated or had any intention of discriminating either while I was in the Government or in the Opposition. We hear a lot lately about scandals and graft and boodle. Now I happen to be a party to the administration of affairs when certain matters were conducted, whether regularly or irregularly, and I am prepared to take my part of the responsibility; but with regard to any personal advantage outside my regular salary I have not benefitted one five cents.

MR. SULLIVAN:—Politically you have.

HON. THE COLONIAL SECRETARY:—I have tried to play the game politically as fairly and as squarely as best I could. I have succeeded, but I have nothing to regret or to be ashamed of.

MR. SULLIVAN:—It is quite true that you are and have been a good representative.

Mr. Chairman, with reference to the

remarks made by the honourable the Colonial Secretary, I want to say that by accident I met him in the General Manager's office and we discussed the matter. I pointed out the frightful conditions that existed in certain sections of Placentia Bay. The people had caught no fish the summer and there was no work for them to go at. A week ago I read a letter from Little Heart's Ease intimating that they would probably have to bring themselves under the notice of the Government forcibly and incidentally pointing out that it would be better for them to go to jail than to be wandering about the country starving. It was understood that there were some ballasting work to be done at Rantem and that thirty men from Come By Chance and Arnold's Cove and other small places nearby would be engaged. Now there was no mention then of the Trepassey Branch until I stated here that there were 20 families badly off in Trepassey. On enquiry Mr. Joyce found that good work could be done there and work that would be an asset to the railway line. I felt quite easy at the time feeling that our district would get its share of the ballasting work to be done around Rantem, but, sorry to say we did not get a man from that section, the only men we got employment for at all being a few from the Western Shore and they are to be placed on the Trepassey Branch. This is what happened, notwithstanding the arrangement the Colonial Secretary made with me and Mr. Joyce, namely, to employ thirty men from our district belonging to Arnold's Cove and other places nearby to do ballasting work at Rantem.

HON. THE COLONIAL SECRETARY:—Your district is not discriminated against as much as the districts of Conception Bay which districts have not a single man employed on railway work.

MR. SULLIVAN:—You are discrim-

inating in favor of the men of Trinity district just as you did last year when nine men out of every ten were engaged on the telegraph lines.

HON. THE COLONIAL SECRETARY:—And when nine out of every ten of your constituents were engaged at snow fencing along the railway line.

MR. SULLIVAN:—However, Mr. Chairman, I am not going to stand for the make up of this partisan railway commission and I am not prepared to allow anything else to go through the House. First of all we want full details of how this \$88,000 is to be spent on the Militia Department and we want to know when the Government proposes to close that department for keeps. There is a lot of other stuff that we want the details of also unless the Government are prepared to reconsider this railway business. The men on this side of the House are prepared to back me and unless you are prepared to re-consider this matter there is going to be trouble. I, therefore, move that the Committee rise and ask leave to sit again.

HON. THE PRIME MINISTER:—Mr. Chairman, I can appreciate the point made by the Leader of the Opposition, but I want to point out that this railway arrangement is only temporary. It was impossible for the Government to come to a definite decision as to the future operation of the railroad at such short notice; but we thought it wise to appoint somebody who would be directly responsible to this House and who could receive reports from the heads of the various departments of the railway from time to time. As far as the Government is concerned any appointments to be made will be done free from political influence.

MR. HIGGINS:—I happen to know now certain gentlemen connected with the railway who are doing the wire-pulling.

HON. THE PRIME MINISTER:—

Nobody has approached me and any appointments to be made by Mr. Russell are going to be done in the interest of the railway. As I have said already, the House will meet again in six months' time and then, if the Government finds the railway still on its hands, other arrangements will be made.

MR. HIGGINS:—Mr. Chairman, I rise to support the motion made by the member for Placentia and St. Mary's and I do so for the reason that might appear quite obvious. I am making my own impressions, without having consulted my associates and in fairness to them I would like an opportunity to decide the attitude we propose to take, in view of the announcement of the commission in connection with the Resolutions now before the House. I want to be perfectly clear so far as I am personally concerned. Any statements I make myself I am not going to alter. The Colonial Secretary, I think, missed the point completely. There was no attempt or no desire on the part of anyone, at least, from this side of the House to impugn his personal integrity. I would like to point out to the House that up there in the West End of St. John's is a place called Reids and in that concern exists a few people who think they are little "tinned gods" and who imagine that this is the same partisan Government that functioned just how it liked within the past three and a half years. Now I cannot conscientiously come in here and allow this notion to go abroad. The present Government is an entirely new administration and functions different entirely from the late one. The idea that prevailed among some understrappers in that railroad office that the man who counted was the man who voted for the Squires Government did good service for a time but no longer does it hold good. There are quite a number of people up there, in-

deed, who think you are the same party and pursuing the same ideas. I want to get that feeling removed and for that reason I would like to be able to get a meeting of this side of the House as some are now absent who have very keen feelings on the matter. I must say I was greatly surprised as I thought a joint commission was to be appointed or matters allowed to remain as they were as the Hon. the Prime Minister stated he himself would resume the responsibility. This commission is no good as the men comprising it cannot give their time to the work. It would have been better to have allowed it to remain as it was 24 hours ago. There was nobody in charge then and it is worse now to call this a commission. I would be pleased if the Government would accede to my request as the resolutions were tabled only a few hours ago and I have no object in the delay except to learn what position we will take on the matter as the Commission is a great disappointment.

HON. THE PRIME MINISTER:—In appointing the Commission we were under the impression that we were carrying out your suggestions. I had listened to the hon. member for St. John's West on two occasions and thought at first that he wanted a department created. I found later that this was not so but that he wanted a representative for the railroad in the House. There is nobody better able to conduct the general affairs of the railroad than Mr. Russell or to look after the maintenance of the road than Mr. Joyce. As I interpreted the suggestions—these gentlemen being already engaged on the railway—the desire was to get someone to supervise their work and nobody being in this House who knew anything of their duties, I picked out Mr. Hall who has a knowledge of railroading, Mr. Berteau, and Hon. Mr. Halfyard as someone who was to be responsible here.

Now as to the vote to which the hon. member for Placentia takes exception I may say that I knew nothing of it till to-day when Mr. Berteau said that no vote had been taken last year.

MR. SULLIVAN:—I was told that there was a vote before.

HON. THE PRIME MINISTER:—That was only a small amount—the balance was to pay the soldiers' bonuses. I found no vote had been taken this year. Mr. Berteau says the department can be closed and it will be closed in a month or six weeks. One man can look after the shreds of the work remaining and he will be able to take a desk or office in some other department. I will make a note of the closing of this office and it will be done. Therefore no vote will be taken on it if the desire is to raise the committee I have no objection.

MR. SULLIVAN:—I want to know how the money is to be spent.

HON. THE PRIME MINISTER:—It is already spent and we will take no vote on it.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had passed certain Resolutions and asked leave to sit again.

On motion this report was received and adopted, and it was ordered that the Committee have leave to sit again.

Whereupon the Chairman from the Committee of the Whole on Supply reported certain Resolutions, which were read a first time as follows:

Agriculture and Mines	.....\$	68,520.00
Pension Board Commis-		
sioners	.....	669,766.00
Additional Estimates	.....	377,988.58
Supplementary Supply,		
1922-1923	.....	1,054,739.77

The said Resolutions being read a second time, it was moved and seconded that the House concur with the Committee therein, and the said Resolutions were agreed to.

Pursuant to order and on motion of Hon. the Minister of Finance the House resolved itself into a Committee of the Whole on Ways and Means.

Mr. Speaker left the Chair.

Mr. Simmons took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again.

On motion this Report was received and adopted and it was ordered that the Committee have leave to sit again.

Pursuant to order and on motion of Hon. the Prime Minister, the House resolved itself into a Committee of the Whole to consider certain Resolutions respecting the Raising of a sum of Money on the credit of the Colony for certain public purposes.

Mr. Speaker left the Chair.

Mr. Simmons took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had made some progress, and asked leave to sit again.

On motion this Report was received and adopted, and it was ordered that the Committee have leave to sit again.

Pursuant to order and on motion of Hon. the Prime Minister, the Bill entitled "An Act further to amend the Revenue act, 1905," was introduced and read a first time, and it was ordered that it be read a second time presently.

Whereupon the Bill entitled "An Act further to amend the Revenue Act, 1905," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Whereupon the House resolved itself into a Committee of the Whole to



consider the Bill entitled "An Act further to amend the Revenue Act, 1905."

Mr. Speaker left the Chair.

Mr. Simmons took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Whereupon the Bill entitled "An Act further to amend the Revenue Act, 1905," was read a third time, and passed, and it was ordered that it be engrossed, being entitled as above, and that it be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.

Pursuant to order and on motion of Hon. the Prime Minister the Bill entitled "An Act for granting to His Majesty certain sums of money for defraying certain expenses of the Public Service for the Financial Years ending respectively the Thirtieth day of June, One thousand nine hundred and twenty three, and the Thirtieth day of June One thousand nine hundred and twenty-four, and for other purposes relating to the Public Service" was introduced and read a first time, and it was ordered that it be read a second time presently.

Whereupon the Bill entitled "An Act for granting to His Majesty certain sums of money for defraying certain expenses of the Public Service for the Financial Years ending respectively the Thirtieth day of June, One thousand nine hundred and twenty-three, and the Thirtieth day of June, One thousand nine hundred and twenty-four, and for other purposes relating to the Public Service," was read a second time, and it was ordered that

the said Bill be referred to a Committee of the Whole House presently.

Whereupon the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act for granting to His Majesty certain sums of money for defraying certain expenses of the Public Service for the Financial Years ending respectively the Thirtieth day of June, One thousand nine hundred and twenty-three, and the Thirtieth day of June, One Thousand nine hundred and twenty-four, and for other purposes relating to the Public Service."

Mr. Speaker left the Chair.

Mr. Simmons took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this Report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Whereupon the Bill entitled "An Act for granting to His Majesty certain sums of money for defraying certain expenses of the Public Service for the Financial Years ending respectively the Thirtieth day of June, One thousand nine hundred and twenty-three, and the Thirtieth day of June, One thousand nine hundred and twenty-four, and for other purposes relating to the Public Service," was read a third time and passed, and it was ordered that it be engrossed, being entitled as above, and that it be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.

On motion of Hon. the Prime Minister a Select Committee was appointed to sit out of Session for considering the Bill entitled "An Act Respecting the Encouragement of Trade with the

West Indies" and to report at next session.

Mr. Speaker appointed the following Committee:—Hon. Sir Wm. Coaker, Hon. W. H. Cave, Mr. Randall, Mr. Higgins, Mr. P. J. Cashin.

On motion of Hon. the Prime Minister the Bill entitled "An Act Respecting certain Retiring Allowances" was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House on to-morrow.

Pursuant to order and on motion of Hon. the Prime Minister the Bill entitled "An Act to Amend the Business Profits Tax Acts, (1917-1922)" was introduced and read a first time and it was ordered that it be read a second time presently.

Whereupon the Bill entitled "An Act to Amend the Business Profits Tax Acts, (1917-1922)," was read a second time and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Whereupon the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act to Amend the Business Profits Tax Acts, (1917-1922)."

Mr. Speaker left the Chair,

Mr. Simmons took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Whereupon the Bill entitled "An Act to Amend the Business Profits Tax Acts, (1917-1922)," was read a third time, and passed, and it was ordered that it be sent to the Legislative Council with a message requesting the

concurrence of that body in its provisions.

Mr. Sullivan gave notice of question.

Mr. Fox gave notice of question.

Mr. Woodford gave notice of question.

It was moved and seconded that when the House rises, it adjourn until to-morrow afternoon at three of the clock.

The House then adjourned accordingly.

FRIDAY, August 17th, 1923.

The House met at three of the clock in the afternoon, pursuant to adjournment.

Mr. Moore gave notice of question.

Mr. Cashin gave notice of question.

Pursuant to order and on motion of Hon. the Prime Minister the House resolved itself into a Committee of the Whole to consider certain Resolutions "Respecting the Raising of a Sum of Money on the Credit of the Colony for certain Public Purposes."

Mr. Speaker left the Chair.

Mr. Simmons took the Chair of Committee.

HON. THE PRIME MINISTER:—

Mr. Chairman, when the House was in Committee on the Loan Bill last evening, I made a statement to the effect that the Government had under consideration the appointment of Hon. Mr. Halfyard, the Auditor General and the Government Engineer as a Commission to take charge of the Railway temporarily. Since then this matter has been reconsidered and the Commission appointed now consists of the Colonial Secretary, Hon. Mr. Halfyard, Hon. George Shea and Hon. Tasker Cook. These gentlemen will have charge of the Railway till the House meets again.

MR. HIGGINS:—Mr. Chairman, I desire to express the appreciation of the Opposition of the Government's choice of a Commission. The presence

of these gentlemen on the Board will go a long way towards preventing the Railway from becoming a mere party machine and I am satisfied that the Commission first mentioned would not commend itself to the Government as strongly as this. The new Commission meets with our approval and we trust they will be given a free hand and that their recommendations will be listened to and their suggestions, where feasible, acted upon.

SIR M. P. CASHIN:—Mr. Chairman, before we get away from this subject, I have a few observations to make. I asked the question the other day if the loan covered the amounts expended by the Agriculture and Mines Department. I was suspicious then and now I find my suspicions confirmed. The hon. minister had led the House to believe that these expenditures were covered by the previous loan, may I ask also what period this estimated Railway deficit of \$400,000 is supposed to cover?

HON. THE PRIME MINISTER:—That is for 1923-24.

SIR M. P. CASHIN:—Out of what was Mr. Morgan's estimated deficit of \$700,000 paid?

HON. THE PRIME MINISTER:—That was met out of last year's loan.

SIR M. P. CASHIN:—That is not in the Auditor General's Report. Now what is the policy with regard to the Militia Dept? There is a vote in the Estimates for it.

HON. THE PRIME MINISTER:—I stated last evening that no vote was taken for it last year nor has any been taken this year.

SIR M. P. CASHIN:—That proves my statement correct that the Estimates were cooked. We were led to believe that the expenditures that took place last year under the Agriculture and Mines Department and all the other Departments were covered by the 1922 Loan. Now we find that this is not so, and we find that, ac-

ording to the Loan Bill that we are now discussing, that this House is asked to pass to-day, the Government is only making provision for money that was spent last year and which money must have been carried by the Bank of Montreal on a temporary loan for the past eight months. That leaves this Colony in the position to-day that even after raising this loan within the next few months there will not be a cent to the credit of the Colony. In other words we are raising a loan of three and a half million dollars and the country thinks that they will have this amount to its credit, whereas in reality we are only borrowing money to pay our past bills.

Now I would like to ask the Government what provision are they making for the unemployed in this country? Within the next six or eight months hundreds of starving people will be appealing to the Government for support. Before we pass this loan bill I would like to ask are we going to take into consideration what is going to happen the coming winter? It is no use closing our eyes to the fact. The emergency has to be faced. The situation will gradually become worse as the season advances and the cold weather sets in. When the winter comes there will be no chance for labourers to earn a dollar at all—even for those who are steadily employed now—owing to broken time. Whatever we propose to do in this House we must do now, or otherwise it will be too late. Well then surely goodness it is not the intention of the Government to close this House without making the necessary provision for the poor and needy people throughout the country. During last winter, just previous to the elections, an enormous sum of money was spent and, it is true, not spent very economically either and an enormous number of people were relieved through it and hundreds of men are looking for-

ward now to get sufficient employment or relief from the Government to tide their families over the hard winter.

Now I would like to know from the Prime Minister what the Government proposes to do in this direction? The amount of \$250,000 that is voted, I understand, is only \$1 per capita, when the population of Newfoundland is considered to-night and that is a very small amount to offer to the people to live on the coming winter. I do not want to unduly delay the House; but I would like to have an assurance that something will be done in the form of relief for some months to come. The railroad will require considerable repairs, but that will only take a sprinkling of the unemployed and I trust that the Government have some other work, such as road building, to take into consideration on behalf of those who are out of work through no fault of their own. The fishery on the whole as you know, Mr. Chairman, is a poor one and the total catch will be a half million quintals short of a good average voyage. What is the position in St. John's to-day? Go down on our wharves along the waterfront and you will see, Sir, that there is not a quintal of fish handled on any mercantile premises; and I am doubtful if the total catch of codfish all over Newfoundland for this year is going to reach one million quintals. In former years at this particular season every fish premises along Water Street was kept busy. Hundreds of labourers were engaged in the different processes of handling fish and coopers were employed making casks and drums with which to put the fish in and get it ready for export; but to-day over a third of these same mercantile firms have closed their doors and everything seems deserted and hopeless. The situation to-day is even thirty per cent. worse than it was last year and I have no doubt at all but

that Newfoundland has a troublesome winter ahead of her. We need another two million dollars of a loan additional to carry our people over the winter. I merely throw out this suggestion to the Leader of the Government fearing that the facts that I have enumerated have been lost sight of. The name of a Loan Bill of three and a half million dollars going out to the country to-night gives the people the assurance that something is going to be done for them; but they do not know that that money has been already spent. Therefore, I would like to have some explanation as to what the programme of the Government is going to be for the next eight months as to the question of the unemployed.

HON. THE PRIME MINISTER:—Mr. Chairman, the matter of unemployment has been given some attention by the Government, and, under the circumstances, I would like to state, that, following the advice contained in the suggestion of Sir Michael Cashin some days ago, the Government has been rather diffident about starting any regular relief works; but the time has arrived now when something has to be done and I might say that \$250,000 has been placed in the Department of Public Works by the Government to be divided up on a per capita basis among the different districts. That amount, no doubt, will relieve immediate needs to a great extent. In addition the sum of \$50,000 has been placed at the disposal of Mr. W. F. Joyce, of the railway department, who will employ a certain number of men to do ballasting and other work along the line of railroad. I understand also that very shortly we are to be paid back by the Armstrong Whitworth Company another instalment of the money they owe us. When we get that we will have a further sum to devote to relief purposes. It must be remembered that we have now more avenues for employment avail-

able than we have had for many years past; but while I say that, I also realise the very great necessity there will be for relief work the coming winter on account of the bad fishery. Of course we will have two thousand men engaged on the Humber and fifteen hundred men employed cutting wood around Grand Lake as soon as lumbering operations commence, or a total of 3,500 men, which number we did not have engaged in those directions last year. Also the A.N.D. Company will be employing their usual quota of men during the winter; the Crowe and Mooney concerns will account for 1500 men and in addition there will be Messrs. Martin and Williams and I suppose Mr. Sullivan, the member for Placentia, with a large number of men engaged in the cutting of wood for export, so that all things considered we will see between six and seven thousand men employed during the Autumn and Winter months. Therefore, I trust that the amount already voted and the sums that will be at our disposal later on will be sufficient to tide us over the next six or eight months, and, consequently, one hesitates to increase the present Loan Bill on that account.

MR. HIGGINS:—Mr. Chairman, I wish to avail of the opportunity to put a suggestion to the Prime Minister on behalf of those on this side of the House. We realise that the Government is bound to have under consideration applications for relief work and realising how unsatisfactory that kind of work has proved in the past and will prove in the future we would suggest that any work to be given out take the form of careful public works. In view of the manner in which expenditures were made during the past couple of years, my colleagues, through me, request that the Prime Minister give an undertaking here now that before embarking on any Minute-of-Council vote for money to meet any

unusual or extraordinary contingency that may arise that we, the Opposition, be given the privilege of being consulted, the idea being to try and put some check on the handling of funds by the departments. Relief work expenditures have been a sad story as is well known. The Government holds the power to make all these allocations and our suggestion is made purely in the nature of assisting and not for the purpose of embarrassing the Government. We thought also that if the Government decides upon raising a temporary loan of a half a million dollars to help out the Municipal Council in their plans that we be allowed an opportunity to be permitted to say a word by way of advice only. We have no power to control expenditure except in this House, but we realise that the Government is likely to find itself confronted with a very serious situation ere long.

HON. THE PRIME MINISTER:—I think that I can give the undertaking asked for.

MR. HIGGINS:—In connection with the new loan that is to be raised, may I ask the Finance Minister if it is the intention to call for it by tender following the course adopted heretofore in which the tenders were all opened in the presence of representative people.

HON. MINISTER OF FINANCE:—Yes, by tender.

MR. HIGGINS:—I have a reason for asking that question and it is because the Colony dropped twenty five thousand dollars on the flotation of the last loan, caused by the fact that certain people were in, whose tender was accepted as the best and who were given up to a certain time to close the deal. The money market fluctuated, as might have been expected, and as time went on this firm withdrew their tender. Subsequently the Colony was compelled to look elsewhere to secure

the loan at a time when the market had fallen, with the result, as already indicated. Honourable members will recollect the correspondence that was tabled here concerning that loan. Therefore, I wish to see that this new loan will be handled in an honestly, squarely and above board fashion and tenders opened in the proper way and in the presence of representative people.

MR. SULLIVAN:—Mr. Chairman, before we go on with the Bill, I must once again ask the Prime Minister if something cannot be done within the next week to provide labor for people in certain sections of our district. The Western Shore and all along the bottom of Placentia Bay have experienced a blank fishery and we have three or four hundred men up against it. We have received no employment as yet for any of those people. I spoke about this matter last night. The only way I can see to find employment for those people is to have railway improvements carried on extensively. At present we have only ten men at work on the main line and I would ask the Prime Minister to try and get the railway people to do all the work that is necessary and as quickly as possible, and, furthermore, this is the best time of the year to have such work done and not in November or December when the cold weather sets in. The people that I am appealing for, I can assure you Mr. Chairman are in a desperate plight and they think that we are not trying to get them work. If the Government will introduce some working scheme I am prepared to assist them all I can.

HON. THE PRIME MINISTER:—I am not geographically acquainted with the places the hon. member refers to but I will be glad to discuss the matter with him with a view to opening up work for those needy people.

MR. HIGGINS:—Mr. Chairman, might I ask the Prime Minister to try

and arrange with regard to financing the Municipal Council, as it will be realised that to a considerable extent a lot of city work would be handled through the Council, and might I suggest to him at the earliest possible moment a conference with Mayor Cook so as to have certain works opened up in the city.

HON. THE PRIME MINISTER:—I will and I understand that this arrangement had already been done.

MR. HIGGINS:—Conditions are very serious indeed in the city. There are hundreds of men who have not done a day's work since the elections. Whilst I do not want to be regarded as unduly pressing and expecting everything to be done in five minutes I would ask the earliest consideration for these men who have gone through the past four months without work. I know of the bad conditions in their homes and of their circumstances generally. There are certain workmen that the Humber and other outside work does not appeal to. The only chance they have of earning any money is from work they get in St. John's.

MR. FOX:—Mr. Chairman, I would like to support my colleague in his request that the Government give immediate attention to the question of unemployment in St. John's. The circumstances of some of the people are appalling and there is no doubt at all but that unless immediate assistance is given in the way of work the situation will grow more acute. Hundreds of families in this town are without the bare necessities of life; the same thing applies down the shore in St. John's East and I would ask the Prime Minister in considering some form of work to be of permanent value in connection with the city proper that similar work be arranged for those people down the shore.

MR. VINICOMBE:—In endorsing what has been said by my colleagues

I would like to ask the Minister of Public Works if it is the intention to open up the road between Kenmount Road and Thorburn Road in the West End, as I saw 5 or 6 men on the ground there?

**MINISTER OF PUBLIC WORKS:**—No, the men must have been there for their own benefit.

**MR. VINICOMBE:**—Hundreds of men in St. John's to-day are badly in need of work and the sooner the Government take steps to relieve the situation the better. To give one an idea of what conditions are like, I heard of a man to-day on Duckworth Street who threw out two pieces of bread in his ash can and no sooner had he done so when a big robust man came along and grabbed them to eat. That is a true story. Now I hope that the kind of work that the Prime Minister proposes to give out will be of such a character whereby an honest day's work will be given for an honest day's pay and not have work carried on as it was last year.

**MR. WOODFORD:**—Mr. Chairman, in connection with this unemployment question I think it would be advisable to spend money on the completion of the branch line of railway to Fortune Bay. That proposition was supposed to be a good scheme when it was undertaken some ten years ago, mainly because it would shorten the route between here and points in Fortune Bay. I think that if that work was opened up again it would mean the employment of about 1,000 men and the Government would get value for the money so expended. I do not know whether the Prime Minister would agree with this suggestion or not. I merely hand it out as it dawns on my mind. All our people could go there as it is only a short distance from Conception Bay and I think this will be the hardest hit section this winter. The Labrador and shore fisheries have been bad and the people

are coming home with no returns for their labors and the best way to provide for them is to build this branch railway as it will give returns and be an asset. However, that is a matter for the Government. I am glad to know that the Government is going to consult with the Leader of the Opposition when large undertakings are to be taken up for the people. My principle reason in taking up the time of the House this evening is to call the attention of the public and the House to a charge against me reported in the News in reference to scandals. My name was published as being mixed up in some scandal but I don't know whether I was ever connected with one in my life. My name is given here in answer to some question. (Reads article).

That is the scandal I want to bring to your notice. However, the answer is this, I and my colleague had a special train which we used and I went to the office of the passenger agent, Mr. Pittman, and tendered payment but he refused it and said he knew nothing about the matter. I have the cheque here now that I tendered but Mr. Pittman said he had no bill against me. I am going to keep the cheque till they take action. It is payable to bearer.

**MINISTER OF PUBLIC WORKS:**—Give it to your poor constituents.

**MR. WOODFORD:**—That is very good because by handing it to the Reid Nfld. Co. it would go to the Government but by keeping it I may be able to help the poor. Now, I ask, is there any scandal about that. I instructed my solicitor this morning to take action against the News for publishing the scandal. Nobody could be more honest than to tender pay. I hope the News will take back its charge because the people may remain under the impression that I would not pay. I never committed a scandal in my life and I give the re-

representative of that paper who is here now, a timely warning that they must tell the truth. I do not want any money from the Government on pit prop or train account but I wish the people to be set right. Now I understand that the Hon. Prime Minister, the Minister of Public Works and myself are going to have a conference to see how much money I can get for my people. As I suggested yesterday I know you are willing and ready and can do it in the space of a few minutes. Now is the time to settle this matter as the House will soon be closing. I have confidence in the Hon. the Prime Minister and expect him to say Yes and therefore I will now take my seat.

HON. COLONIAL SECRETARY:—I would like to reply to Mr. Woodford on this matter and I think the paper in question should apologize to him because I find that his name is not among those with bills outstanding against them in connection with trains and why it is there is strange to say. Probably the one who put it in the paper was thinking of herring Mr. Woodford yesterday and could not get his name off his mind.

MR. WOODFORD:—Mr. Chairman, a moment please. There is one matter that I forgot and that is about the cattle killed along the railway line. Up to a few days ago all cattle so killed were paid for but now the Agriculture and Mines Dept. has been instructed to recognize no further claims. Is this fair to the representatives of Conception Bay where most of the cattle is killed, generally between here and Whitbourne and down the line to Carbonear. I ask the representatives if they are satisfied to put up with this treatment. I had to pay several claims myself and have others against the Government now. It is time to settle this matter before the House closes. Formerly all cattle killed by the trains were paid for by

the Reid Nfld. Co. but now payment is made only for these killed one mile outside a settlement. What action do you intend to take to get those claims paid. I do not know that the amount is much but I am speaking in all sincerity in behalf of the farmers who are encouraging agriculture. Animals are killed daily and the owners are refused payment. They were paid in the past by the Agriculture and Mines Dept. but I am told now by Mr. Turner they are to be turned down. Whether the Reids have paid any lately I do not know.

HON. MINISTER OF AGRICULTURE:—Mr. Speaker, the proceeding in the past was that the company was responsible for cattle killed within a mile of a settlement but beyond a mile the Government granted gratuity, probably two-thirds the value of the animal. I have collected many claims myself. I only learned at 1 p.m. that you were into my department looking for information and I asked that a full statement be prepared and I will submit it to you. I realize fully the extent to which the killing of cattle has gone and that it has greatly hampered the farmers in their efforts at agriculture. If I can remedy the present condition of affairs I will be only too happy to do it.

MR. WOODFORD:—I am glad to receive the answer of the Hon. Minister and all I want to know is if he is going to impress on the Government the justice of these claims. I ask this on behalf of the people to whom injustice has been done and I hope and trust the matter will be attended to.

MR. FOX:—Mr. Chairman, I notice that a million dollars was spent on relief and pit prop account. I would like to ask the Hon. the Prime Minister if the enquiry by the Commission into the alleged scandals is to be conducted under the Public Enquiries Act?



HON. THE PRIME MINISTER:— That is all we can do.

MR. FOX:—Well then, it will be abortive and fail in its object.

HON. THE PRIME MINISTER:— Why?

MR. FOX:—Because I fear that in many cases the Commission will not be able to elicit information as many of the witnesses will refuse to give information on the ground that they may incriminate. Therefore the enquiry will be of no use at all. I would suggest something on the lines of the Parnell enquiry where those claiming exemption were compelled to answer and the examiners issued certificates to those examined relieving them from future criminal proceedings. I suggest that as the only way that will be effective. Just as well have no enquiry as this which will be abortive and of no benefit to the country.

HON. THE PRIME MINISTER:— The Act provides that a witness need not answer. That is the usual rule of the Courts. I have given the matter some thought and I seriously doubt the wisdom of taking away that right. That was only done in the Parnell case. With the knowledge I have of certain facts I do not think that will make the enquiry abortive. We could possibly rush through some special legislation to amend the Act but I doubt the wisdom of it.

MR. FOX:—It is a matter entirely for the Government of course and the responsibility will be on them. To that extent we will be free and it is none of our business but I think if the Government would look to the future and consider their pledge to the people to conduct their house cleaning and investigation thoroughly, they would see that the Commission is given every power to probe the matter to the very bottom.

SIR M. P. CASHIN:—Mr. Chairman, I would like to ask the Hon. Colonial Secretary whose name was

on that list instead of Mr. Woodford's. Is it mine?

HON. THE COLONIAL SECRETARY:—Yes.

SIR M. P. CASHIN:—Well, I state that I do not owe one cent for that train. Mr. Woodford stated he tendered payment and it was not accepted. I got the bill. I was asked by Mr. Kennedy to get them a train and I did so and said to send them the bill. It was sent to Mr. Woodford and he went to pay it but his cheque was refused. Why was my name put on that list. You have bills a year old in your department for thousands of dollars and why don't you attend to them. Not long ago we had a vigilance committee appointed in the West End by the late Prime Minister to watch the laborer going to Mr. Brambrick for a day's work and if he had not voted right in the last election he was dismissed. Now when we came into this House we found who the committee were. They were men who were handed reimbursement for their work in the election by way of tenders for meat, etc., for the public institutions. One of them got 28 cents per lb. for beef for the Poor Asylum while a man who tendered for 18 cents was turned down.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, had passed the said Resolutions, and recommended the introduction of a Bill to give effect to the same.

On motion this Report was received and adopted, and the Bill entitled "An Act for The Raising of a Sum of Money on the Credit of the Colony for Certain Public Purposes," was introduced and read a first time, and it was ordered that the said Bill be read a second time presently.

Whereupon the Bill entitled "An Act for the Raising of a Sum of Money on the Credit of the Colony for Certain

Public Purposes" was read a second time, and it was ordered that the said Bill be referred to a Committee of the Whole House presently.

Whereupon the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act for the Raising of a Sum of Money on the Credit of the Colony for Certain Public Services."

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Whereupon the Bill entitled "An Act for the Raising of a Sum of Money on the Credit of the Colony for Certain Public Purposes" was read a third time, and passed, and it was ordered that it be engrossed, being entitled as above, and that it be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.

Pursuant to order and on motion of Hon. the Prime Minister the House resolved itself into a Committee of the Whole to consider the Bill entitled "An Act Respecting Certain Retiring Allowances."

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

Mr. Speaker resumed the Chair.

Mr. Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this Report was received and adopted, and it was ordered that the said Bill be read a third time presently.

Whereupon the Bill entitled "An Act

Respecting Certain Retiring Allowances" was read a third time, and passed, and it was ordered that it be engrossed, being entitled as above, and that it be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.

Mr. Speaker informed the House that he had received a message from the Legislative Council acquainting the House of Assembly that they had passed the Bill entitled "An Act respecting Certain Rights, Privileges and Franchises connected with the Supply of Electric Light and Power to St. John's for Street Railway and other purposes" without amendment.

Mr. Speaker informed the House that he had received a message from the Legislative Council acquainting the House of Assembly that they had passed the Bill entitled "An Act to Amend Chapter 22 of the Consolidated Statutes (Third Series) entitled 'Of the Customs'" without amendment.

Pursuant to order and on motion of Hon. the Prime Minister the Bills entitled "An Act respecting a Preferential Tariff on Products of Jamaica" and "An Act Respecting a Preferential Tariff on Products of Spain" were introduced and read a first time, and it was ordered that the said Bills be read a second time presently.

Whereupon the Bills entitled "An Act Respecting a Preferential Tariff on Products of Jamaica" and "An Act Respecting a Preferential Tariff on Products of Spain" were read a second time, and it was ordered that the said Bills be referred to a Committee of the Whole House presently.

Whereupon the House resolved itself into a Committee of the Whole to consider the Bills entitled "An Act Respecting a Preferential Tariff on Products of Jamaica" and "An Act Respecting a Preferential Tariff on Products of Spain."

Mr. Speaker left the Chair.

Mr. Hibbs took the Chair of Committee.

Mr. Speaker resumed the Chair.

The Chairman from the Committee reported that they had considered the matter to them referred, and had passed the said Bill without amendment.

On motion this Report was received and adopted, and it was ordered that the said Bills be read a third time presently.

Whereupon the Bills entitled "An Act Respecting a Preferential Tariff on Products of Jamaica" and "An Act Respecting a Preferential Tariff on Products of Spain" were read a third time, and passed, and it was ordered that they be engrossed, being entitled as above, and that they be sent to the Legislative Council with a message requesting the concurrence of that body in its provisions.

Mr. Speaker informed the House that he had received a message from the Legislative Council acquainting the House of Assembly that they had passed the Bill sent up entitled "An Act for the Confirmation of an Agreement between the Government and Malcolm Joseph Mooney" with some amendment, in which they request the concurrence of the House of Assembly.

On motion of Hon. the Prime Minister, the said amendment was read a first time and ordered to be read a second time presently.

Whereupon the said Amendment was read a second time and concurred in, with the understanding that the said concurrence in no way prejudiced the House of Assembly respecting their rights as to Money Bills.

It was moved and seconded that when the House rises it adjourn until to-morrow afternoon at half past two of the clock.

The House then adjourned accordingly.

SATURDAY, August 18th, 1923.

The House met at half past two of the clock, pursuant to adjournment.

Mr. Speaker informed the House that he had received a message from the Legislative Council acquainting the House of Assembly that they had passed the following Bills sent up entitled respectively:—

"An Act further to amend the Revenue Act, 1905,"

"An Act to amend the Business Profits Tax Acts, 1917-1922,"

"An Act respecting a Preferential Tariff on Products of Spain,"

"An Act for Raising a sum of Money on the Credit of the Colony for Certain Public Purposes,"

"An Act respecting a Preferential Tariff on Products of Jamaica,"

"An Act for Confirmation of an Agreement between the Government and Harry J. Crowe, Timber Merchant,"

"An Act respecting Certain Retiring Allowances."

"An Act for granting to His Majesty Certain Sums of Money for defraying Certain Expenses of the Public Service for the Financial Years ending respectively the Thirtieth day of June, One thousand nine hundred and twenty-three, and the Thirtieth day of June, One thousand nine hundred and twenty-four, and for other purposes relating to the Public Service," without amendment.

At three of the clock, the Gentleman Usher of the Black Rod appeared at the Bar of the House with a message from His Excellency the Governor, commanding the attendance of the House in the Council Chamber.

Accordingly Mr. Speaker and the House attended His Excellency in the Council Chamber.

Mr. Speaker at the Bar of the Council Chamber addressed His Excellency as follows:

May it Please Your Excellency:

The House of Assembly has voted the Supply required to enable the Government to defray the expenses of the Public Service.

In the name of the House of Assembly I present the following Bills for Your Excellency's assent:

"An Act for granting to His Majesty certain sums of Money for defraying certain expenses of the Public Service for the Financial Year ending respectively the Thirtieth day of June, One thousand nine hundred and twenty-three, and the Thirtieth day of June, One thousand nine hundred and twenty-four, and for other purposes relating to the Public Service,"

"An Act for the Confirmation of an Agreement between the Government and Harry J. Crowe, Timber Merchant,"

"An Act for the Confirmation of an Agreement between the Government and Malcolm Joseph Mooney, Lumberman,"

"An Act further to amend the Revenue Act, 1905,"

"An Act for the Raising of a Sum of Money on the Credit of the Colony for Certain Public Purposes,"

"An Act respecting Certain Retiring Allowances,"

"An Act to amend 12 & 13 Geo. V, Cap. 17, entitled 'An Act for the Encouragement of Shipbuilding,'"

"An Act respecting certain Rights, Privileges and Franchises connected with the Supply of Electric Light and Power to St. John's for Street Railway and other purposes,"

"An Act to amend Chapter 23 of the Consolidated Statutes of Newfoundland (Third Series) entitled 'Of the Auditing of Public Accounts,'"

"An Act to amend Chapter 22 of the Consolidated Statutes (Third Series) entitled 'Of the Customs,'"

"An Act to amend the Business Profits Tax Acts, (1917-1922),"

"An Act respecting a Preferential Tariff on Products of Jamaica,"

"An Act respecting a Preferential Tariff on Products of Spain."

His Excellency the Governor was then pleased to make the following

Speech to both branches of the Legislature:

Mr. President and Honourable Gentlemen of the Legislative Council:

Mr. Speaker and Gentlemen of the Honourable House of Assembly:

I am glad to be able to relieve you from the responsible duties of this session. You have applied yourselves earnestly to the consideration of the various matters that have been brought before you and I appreciate the zeal with which you have performed your legislative duties.

Since the opening of the Legislature in June last a change has taken place in the personnel of my Ministry. The late Prime Minister saw fit to resign and consequent thereon a new administration was formed. A thorough investigation into various Departments of the Civil Service has been promised by my Ministers and steps have already been taken to carry that promise into effect. The Government has requested the Secretary of State for the Colonies to select a competent and reliable man for the work.

The passing of the legislation respecting the development of the Humber Valley is a step forward in the utilization of the resources of the Colony and it is hoped that it is but the beginning of an era in which our water powers may contribute to the wealth of the Island.

The Railway Settlement Act brings to an end the conditions that pertained in relation to the running of the Railway and Steamship Services. In the meantime a temporary operating Commission has been appointed and every effort will be made towards the running of the Railway and allied services in an efficient and economical manner.

The prospects for employment in lumbering and logging during the coming winter seem better than last year.

His Majesty's Government has in-

vited my Prime Minister to attend the Imperial and Economic Conference to be held in London this Autumn, and I am glad to announce that he has accepted the invitation. These Conferences, at this stage of the development of the Empire, will be of the utmost importance and it is hoped that this Colony will be a sharer in the beneficent results that we trust will come from these deliberations.

**Mr. Speaker and Gentlemen of the Honourable House of Assembly:**

I thank you for the Supplies which you have voted for the various Departments of the Public Service and I can assure you that my Ministers will expend the same with due regard for economy and efficiency.

**Mr. President and Honourable Gentlemen of the Legislative Council:**

**Mr. Speaker and Gentlemen of the Honourable House of Assembly:**

In taking leave of you I desire to express my sincere wish for your prosperity and general welfare.

After which the Honourable the President of the Legislative Council, by command of His Excellency the Governor, said:—

Gentlemen: It is His Excellency the Governor's Will and Pleasure that this General Assembly be now prorogued until Wednesday, the Seventeenth day of October next, then and here to be holden, and this General Assembly stands prorogued accordingly.

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# Proceedings

*of the*

## Legislative Council

During the First Session of  
the Twenty-Fifth General  
Assembly of Newfoundland

1923



Proceedings

of the

Legislative Council

During the First Session of  
the Twenty-Fifth General  
Assembly of Newfoundland

1923



# PROCEEDINGS

of the

## Legislative Council of Newfoundland

### SESSION 1923

WEDNESDAY, June 6th, 1923.

This being the day appointed by Proclamation for the meeting of the Legislature.

The House met.

Present :

The Honourables: James D. Ryan,  
President.

R. K. Bishop,  
M. P. Gibbs, K.C.,  
Sir M. G. Winter,  
Kt., C.B.E.,  
Sir P. T. McGrath, K. B. E.,  
L.L.D.

At three o'clock p.m. the Honourable J. D. Ryan, the Honourable R. K. Bishop and the Honourable Sir M. G. Winter, Members of the Legislative Council, nominated and appointed by His Excellency the Governor as Commissioners, having taken their seats, the Hon. J. D. Ryan commanded the Gentleman Usher of the Black Rod attended on the Council, to proceed to the Honourable House of Assembly and inform the Members thereof that His Excellency the Governor's Commissioners desire their immediate attendance in the Council Chamber to hear the Commission read:

And they being come thereto the following Commission was read by the Clerk of the Legislative Council:

By His Excellency Sir  
William L a m o n d

Allardyce, Knight  
Commander of the  
Most Distinguished  
Order of Saint  
Michael and Saint  
George, Governor  
and Commander in  
Chief in and over  
the Colony of New-  
foundland.

W. L. Allardyce,  
Governor.

TO—

Honourable James D.  
Ryan, Honourable  
Robert K. Bishop,  
a n d Honourable  
Sir Marmaduke G.  
Winter, Members  
of the Legislative  
Council.

GREETING :

Whereas I have deemed it expedient that the First Session of the Twenty-fifth General Assembly should be opened for the despatch of business on Wednesday, the S.xth day of this instant month, whereof I have given notice in my Proclamation dated the Twenty-sixth day of May last; and

Whereas it is not convenient that the purpose for which I have called the said General Assembly together should be declared on the said day, nor until the Members of the House of Assembly have proceeded to the choice of a Speaker. You, the said Honourable James D. Ryan, Honourable Robert K. Bishop, and Honourable Sir Marmaduke G. Winter, are

hereby authorized and directed to signify to the Members of the said House of Assembly on the Sixth day of this instant month, that it is my pleasure that they should proceed to the choice of some proper person to be their Speaker, and present such person on the following day for my approbation.

Given under my Hand and Seal  
at the Government House,  
St. John's, A.D., 1923.

By His Excellency's Com-  
mand,

R. A. SQUIRES,  
Colonial Secretary.

The Hon. J. D. Ryan, addressing  
both Houses of the Legislature, then  
said:—

Honourable Gentlemen of the Legis-  
lative Council:

Gentlemen of the House of As-  
sembly:

It is not convenient for His Excel-  
lency the Governor to declare the  
reasons of his calling this General  
Assembly on this day, and it being  
necessary that a Speaker of the House  
of Assembly should be first chosen:

You Gentlemen of the House of  
Assembly repair to the place where  
you are to sit and there proceed to  
the appointment of some proper per-  
son to be your Speaker and present  
such person whom you shall so  
choose here to-morrow at Three  
o'clock for His Excellency's appro-  
bation.

The House of Assembly then with-  
drew.

On motion made the House ad-  
journed until to-morrow, Thursday,  
the Seventh instant, at a quarter to  
three o'clock p.m.

THURSDAY, June 7th, 1923.

The House met pursuant to ad-  
journment.

Present:

The Honourables: J. D. Dyan,  
President.

R. K. Bishop,

J. Anderson,  
S. Milley,  
M. P. Gibbs, K.C.,  
Sir M. G. Win-  
ter, Kt., C.B.E.,  
Sir P. T. Mc-  
Grath, K. B. E.,  
L.L.D.,

P. Templeman,  
M. Power,

J. J. Murphy,  
W. J. Ellis,

F. McNamara,  
S. K. Bell,

T. K. Cook,  
A. W. Mews,

D. A. Ryan,  
G. Shea,

A. Campbell,  
M. D., Minister  
of Agriculture  
and Mines.,

F. H. Steer,  
M.B.E.,

Eli Dawe,

John Davey,

H. M. Mosdell,  
M.B.

At three o'clock p.m. His Excel-  
lency the Governor, Sir William  
Lamond Allardyce, Knight Com-  
mander of the Most Distinguished  
Order of St. Michael and St. George,  
having arrived at the Council Cham-  
ber, and being seated on the Throne,  
commanded the Gentlemen Usher of  
the Black Rod, through the Honour-  
able the President of the Legislative  
Council to let the House of Assembly  
know:—

"It is His Excellency the Governor's  
pleasure that they attend him im-  
mediately in this House."

Who being come thereto—

Harry A. Winter, Esquire, B.A.,  
Member for the District of Port-de-  
Grave, having been presented by the  
Honourable Sir R. A. Squires,  
K.C.M.G., Premier, as Speaker Elect,  
and the choice approved, and the  
usual privileges claimed and granted,

His Excellency the Governor was pleased to speak as follows:—

Mr. President and Honourable Gentlemen of the Legislative Council:

Mr. Speaker and Gentlemen of the Honourable House of Assembly:

On this the first occasion of my meeting you in your Legislative capacity, I desire to extend to you my cordial greetings. Since my assumption of the Governorship of this ancient Colony of the Empire, it has given me pleasure to associate myself with all your interests, and the welfare of Newfoundland will receive my earnest thought and solicitude.

On the twenty-fifth day of April last on the occasion of the marriage of His Royal Highness Prince Albert, Duke of York, it was my privilege on behalf of the Government and people of Newfoundland, to forward to Their Majesties the King and Queen, a message of loyal and dutiful congratulation, and to His Royal Highness and Bride, an expression of the fervent good wishes from this loyal dependency of the Crown. Gracious replies were received from Their Majesties and from His Royal Highness.

Looking at the world to-day, we find that the process of reconstruction is making but slow progress, Action is followed by reaction, and the economic pendulum swings from one side to the other. It will be some years before comparative equilibrium is reached.

These world conditions affect us seriously in Newfoundland. They influence the cost of the commodities we import, they depreciate the value of the products we export, they tend to increase the cost of living, to hamper development of trade and to limit the avenues of employment. Although the rehabilitation of the world in its political and economic spheres, is not proceeding as rapidly as had been hoped, it is evident that progress is being made, and we can therefore go forward to our tasks with cheer and courage.

The difference between the imports and exports at 30th of June, 1922, showed, for the first time since 1919, a balance in our favor. A larger quantity of codfish was exported during the previous year, though the price was less because of low prices in the foreign markets. During the season of 1922 more vessels were engaged in the Bank fishery, and the catch was forty per cent. larger than in the previous year. The result of the prosecution of the Seal Fishery this year was slightly below that of 1922.

The question of unemployment and the consequent distress among the people, especially during the winter months, have caused my Ministers constant anxiety. These conditions are not peculiar to Newfoundland but are existent in well high every country. My Ministers have made an earnest endeavour to solve the difficult problem of unemployment by providing labor in connection with public works and other necessary measures. It is hoped that the crisis has been passed, and that new openings will shortly be provided to give all our men adequate employment.

Mr. Speaker and Gentlemen of the Honourable House of Assembly:

The statements of expenditure and revenue for the last fiscal year will be laid before you in due course, and also the estimates for the several departments of the Public Service, which latter have been prepared with due regard to economy and efficiency.

Mr. President and Honourable Gentlemen of the Legislative Council:

Mr. Speaker and Gentlemen of the Honourable House of Assembly:

Since my Ministers assumed office in 1919 they have been giving continuous attention to the question of the development of the resources of this Island. While the fisheries of Newfoundland are and will long remain the staple industry of the Colony, yet my Ministers are convinced that the time has come when a very



special effort should be made to secure the industrial development of the interior, with a view to relieving the burdens which are now carried by our main industry. The influx of new capital, the investment of money in the country by firms of high standing, and the profits which will be derived from turning our inland resources into money will materially increase our revenue and provide the means to meet the liabilities of the Colony without entirely depending upon the Fisheries. Proposals have been submitted by a powerful English firm for the development of the water power of Grand Lake and the Humber Valley, and the establishment of large Paper Mills and other industries in that vicinity. With the financial support of the Imperial Government, my Ministers, after extended negotiations, were able to give effect to their development policy, the details of which will be submitted to you for ratification. As the matter was of extreme importance, and time was an essential factor, a temporary arrangement was made under which the work was commenced at Grand Lake. Documents in connection with this temporary arrangement will also be laid before you.

My Ministers considered that the proposal in connection with the development of the Humber Valley was fraught with such far-reaching consequences, both to the future of this Island and the welfare of its people, that it should be placed before the electorate. The House of Assembly was therefore dissolved in February last and an election called for the third of May. My Ministers have been sustained in their policy and can now proceed with confidence to the formal ratification of the proposed measure.

It is hoped to lay before you certain proposals for the operation of the Railway and its allied services to replace the agreement for temporary

operation which expires on the 30th day of June instant.

With respect to the anticipated Gold Rush to Labrador on the opening of navigation my Ministers have made the necessary preparations to maintain law and order, and representatives of the Departments interested, will proceed there in due course.

In leaving you to the discharge of your duties I am sensible of the gravity of the questions which will come before you, and pray that, under the Divine guidance, wisdom and foresight may be granted you for the advancement and progress of our country.

The House of Assembly withdrew.

His Excellency retired.

The Minutes of Wednesday, the 6th inst., were read and confirmed.

The Hon. the President reported His Excellency's Speech and the same was read by the Clerk.

HON. SIR MARMADUKE WINTER:—Mr. President, I beg to move that a Select Committee be appointed to draft an Address in Reply to the Speech with which His Excellency the Governor has been graciously pleased to open this session of the Legislature.

I would like at this the earliest public occasion, to express on behalf of the members of the Legislative Council a hearty welcome to His Excellency and Lady Allardyce, the former having assumed the responsible post of representative to His Majesty the King amongst us. Sir William Allardyce has come to Newfoundland with a record of distinguished achievements. He has had the advantage of a world knowledge and a world touch which has developed in him a breadth of vision, and that practical ability and interest which can be acquired only in the school of life. While His Excellency and Lady Allardyce have been with us only a few months, they have already endeared themselves to the

people generally by the practical public interest which they have displayed in matters of public welfare and philanthropy. I feel I am voicing the sentiment of every member of this chamber when I convey to His Excellency, Lady Allardyce and family a hearty greeting and convey to them the wish that His Excellency's term of office in this ancient Colony may be long and successful.

I do not approach the consideration of the speech from the Throne as a politician. To those of us who are business men and not politicians it is deplorable that politicians should spend weeks and months in talk with little real business resulting. It may be that those of us who are primarily business men give public expression to our opinions too little, but it is certainly our opinion that politicians on the whole use a multitude of words to cover rather than to reveal thoughts of value. I consequently do not propose to enter into any discussion of a political character, but merely point out that the Speech from the Throne, formal and brief in accordance with recognized practices, suggests the possibility of the industrial development of Newfoundland on a large scale. The fisheries of Newfoundland are our primary industry. The fishermen who are of the planter, schooner-owning type, probably find it necessary to devote the whole twelve months of the year to their fishing activities. They are in a measure at least, capitalists in the fishing industry. The average fisherman, however, finds it exceedingly difficult to catch enough fish four or five months of his fishing period or to grow enough vegetables during the summer to make a living for himself, his wife and family for the whole twelve months. Grand Falls has been a wonderful help to the fishermen of the country, because there are thousands of fishermen an-

nually who are helped directly or indirectly because of the labour employment given them. The speech foreshadows the probability of the development in the Humber area of an industry which in its initial stages will be twice the size of Grand Falls today after ten years development. That means the investment of millions of pounds sterling of British capital in this country. The thing that Newfoundland needs at the present moment is the influx of foreign capital. The large expenditure of foreign capital in this country for the development of the enterprise will, during the course of the construction period, provide labour for a large number of men, and so tend to substantially relieve unemployment, and by the circulation of money stimulate trade and thereby increase public revenue without additional burden.

During the past year taxation has been very largely reduced. Last spring there was a reduction in the export duty on codfish and the duty was materially lessened on gasoline and certain other essential fishery supplies. The export duty was also taken off seal skins. Later the entire export duty was taken off codfish and special war taxation taken off sugar; the twenty-five percent. surtax was entirely removed with a consequent slight small proportionate save on account of sales tax. This spring the export duty was taken off seal oil. This reduction in taxation represents an estimated amount of a million and a half dollars. The position taken by the Prime Minister in connection with the reduction of taxation was that it was better to reduce taxation so as to lower the cost of articles to the consumer and stimulate trade and to face a probable deficit at the end of the fiscal year, than it was to maintain taxation, collect large revenue and have a slight surplus, but on the other

hand to have the cost of living maintained and a further tightening in credits with added business difficulties. I feel that the entire business community concurred in the policy of the Prime Minister in the matter of reduction in taxation, and it is to be hoped that as the industrial development of Newfoundland proceeds in accordance with the Administration of which I have the honour of being a member further substantial reductions in taxation will be possible within a very few years.

It will be noted that the speech refers to the probability of a program for railway reorganization being submitted. I am sure it is earnestly hoped by us all that a vigorous attempt will be made in this direction. It is essential for the commercial life of this country that reasonable services be maintained at least, certainly during the winter season railroading in certain sections of the country is an impossibility without an enormous expenditure of money in snow fighting, but it should be possible to devise some plan whereby essential rail services be maintained without large annual burdens to be borne by the taxpayers of the country. Such is the Government's program, and if as the weeks pass any definite step is taken towards the solution of this problem I am sure it will receive the endorsement of every member who has large business interests in the country. As I have already pointed out, I am not approaching the Speech from the Throne from the standpoint of a politician, but merely as a business man with large business interests throughout the whole Island, and one whose entire resources are locked up in the industrial progress of the Colony. I must frankly confess, that I am not interested in lengthy speeches of a political character. I must admit also that political recriminations and insinuations, are, in my opinion, ab-

solutely foreign to the conduct of good business, and I earnestly trust that the session of the Legislature upon which we are entering today will produce a maximum of business with a minimum of words.

I consequently beg to repeat my motion, namely that a Select Committee be appointed.

HON. DR. MOSDELL:—Mr. President, in rising to second the motion to draft an address in reply to His Excellency's Speech from the Throne I may say there are some speakers whom to follow is an advantage, others who lead one under a disadvantage. It is a matter of tremendous advantage to follow such a speaker as the hon. member who moved that a Select Committee be appointed to draft the address in reply. He has gone so thoroughly into the practical parts of the Speech that there is nothing left for me to do but to second the motion. I should like, however, to echo his congratulations to His Excellency the Governor upon his first appearance at the opening of the House, and I congratulate Newfoundland on having a gentleman of such a high type to represent the Crown. Newfoundland has been singularly successful so far in this respect for the Old Country has made a wise choice of Viceroy. I firmly believe Sir William with his long experience and knowledge of colonial affairs will amply maintain the traditions of those who have preceded him. I wish also to extend congratulations to the Hon. Sir M. G. Winter upon the honours conferred upon him since this Chamber last assembled—first at the hand of His Most Gracious Sovereign the King and later by the Government of this Country. I take it, that no member of this Chamber would contradict the assertion that, no Newfoundlander so singularly deserves these honours than does the hon. gentleman who has just put the motion. I sincerely congratulate him, and I am not, I hope, exceeding my

position in offering the congratulations of this Chamber upon his elevation to the responsible post of Member of His Majesty's Executive Council.

I did not intend this speech to be a long one. Reference has been made to one or two of the outstanding problems which the country now faces and I understand that it is the intention of the Government to limit discussion in both Chambers and to give as much time as possible to meeting the present necessities. There is no question about it, Newfoundland faces some of the most serious problems in her history. She has been confronted with difficulties before, but whether they have been quite as serious is a question. Our object should be to render all assistance that can be given to enable her to face with courage these difficulties and give her all possible freedom and power to progress which will make for the future welfare of the country. In facing these difficulties we do not stand alone, the Old Country, Canada and the United States are up against problems similar to those which we are endeavouring to solve. In regard, even now, the percentage of unemployment is very large, and an enormous sum of money is still being expended in the relief of unemployed and of those who are in actual want. The Government for the last three years has been facing exactly this kind of thing. We hear a good deal of criticism from the public—there was a great deal said during the campaign just closed of the Government's failure to keep its promises. I believe it to be a great achievement that the Government has made it possible to 'carry on,' and that it so far has relieved cases of actual want and necessity. Now, the Government is in the position of being able to carry on the Development Scheme referred to in the Speech from the Throne. What is necessary is some form of employment to relieve the fisheries. It has been said to me not

later than a few days ago by one familiar with the export trade of the country that it would be a good thing to have a close season for cod-fish. It would be a good thing if it were possible but the codfishery being our staple industry it is impossible; but the pressure may be relieved by supplying other means of livelihood, then, those who remain will have a better chance of finding a market for their fish.

In another paragraph of the Speech mention was made of the possibility of a settlement of the railway problem—this like the poor—"we have always with us" and people have come to conclude that the railway is a hole into which unlimited money may be put with very little return. Such a condition is bound to exist if the railroad system is lax and there is insufficient business to make it pay properly. The coming of an undertaking such as the Humber Valley and other development projects will pile up traffic, the railroad will be improved and will be enabled to 'carry on.' As the Prime Minister has said that without the Humber Deal there will be no Railway Settlement and without the Railway Settlement there will be no Humber Deal. Both propositions are linked up one with the other. One depends on the other. The undertaking of the Humber proposition provides a means of settlement to the Railway question, and will open a new era and thus give us an encouraging outlook for the future of the country.

I have much pleasure in seconding the motion made by the previous speaker.

HON. MR. ELLIS:—Mr. President, This is my first appearance in three or four years. Owing to illness I was absent from the city, and could not get here until this session. I wish to show that after my prolonged absence I intend to take a keen interest in the business of this session. I heartily

congratulate the proposer and second-er of the appointment of a Committee to draft an address in reply to the Speech from the Throne. I think the time opportune also to extend congratulations to the proposer upon the honours recently conferred on him by His Majesty. All of us who know Sir Marmaduke are aware of the great interest he has taken in this country. He has been prominent in business during the trying years of the War and has helped and encouraged to no small extent our own Regiment. He has contributed largely and has taken a foremost place in endeavouring to make this country take its proper place in the field, which shows that he is quite worthy of the honours just conferred upon him, and I feel sure the hon. members of this House will agree with me in this. I do not intend to make a lengthy speech, the principal matter referred to by Hon. Dr. Mosdell will, I feel, be fully debated upon in this Chamber. The Humber Deal, to my mind, seems to be one of the brightest things that could happen. It may not turn out so, but I imagine in that measure there is a germ that will develop and put us round the corner and bring in a new and better era than that through which we have been passing. The Hon. Dr. Mosdell has just said that the fisheries at the present time are unable to support those engaged in them. The price of fish is not sufficient to support a man and his family during the six months in which this industry is not prosecuted. The Humber terms, I trust, will be such as to enable the fisherman after finishing the sea to make good and to earn sufficient to help himself and family through the year. I arrived here just after recent elections and where I spent the last few months, the activity was so great that it made me feel badly, where, men or women could not be found in sufficient numbers to fill the places required, where wages were at

double the rate they are in this country, and everyone happy and contented, and then to come back here and see the conditions as they are here. I hope, and I am sure all of us hope that these new industries will do all they promise, and that the people will be able to find employment here instead of having to go abroad. Another matter I might mention is the aftermath of the election. There is a bad feeling around. I have been amongst numbers of people of all denominations and all classes and the sectarian feeling engendered during the election was talked about, and I think everyone felt that it is one of the worst things we have in this country. It is too bad that we cannot express an opinion upon matters for the weal or woe of the country without this accursed thing coming up, and in this connection I might mention a sermon which I heard delivered by a Jesuit father upon the character of Hollywood. A month or six weeks before all newspapers had been crying down Hollywood. This father was a learned man and a man of world experience. He had spent much time in London, Paris, Berlin and many of the principal cities of the United States. He had been for the previous five years in Los Angeles. He said that the Los Angeles population numbered about nine hundred thousand and there was not three per cent. of that population guilty of the vice and crime of Hollywood, that the other ninety-five or ninety-seven per cent. of the town were not good citizens, but that the three per cent. gave a very black eye to the whole population. And in the same way I think that this sectarian strife is confined to a very small portion of the population of our Island. I do not believe there is one per cent. or one-half per cent., but there are enough in the Island to give rise to this feeling and cause this disturbance. These people should be shunned, be-

cause they are guilty of a great crime. I believe there are ninety-nine per cent. of people in this country who do not think for a moment of such a thing, who look upon other men and women as their brothers and sisters, but that this thing should be brought up time and again I think is most deplorable. I look upon the people who are guilty of it as the worst citizens and the vilest creatures we have amongst us. Mr. President, I did not intend to take up so much of the time of the honourable members. I quite agree with the remarks of Sir Marmaduke that we should not think of things in the political sense, that if we think the measures are going to be for the benefit of the country we should support them heartily. On the other hand, if they are such that we do not think they are going to be of benefit to the country, it is for us to oppose them.

Select Committee was thereupon appointed to draft an Address in Reply to the Gracious Speech of His Excellency the Governor.

On motion the House adjourned until Tuesday, June 12th, at 4 p.m.

TUESDAY, June 12th, 1923.

Present—The Hon. J. D. Ryan, President.

The Hon. the President declared the House adjourned until Wednesday, the 13th inst., at 4 p.m., for want of a quorum.

WEDNESDAY, June 13th, 1923.

Present—The Hon. J. D. Ryan, President.

The Hon. the President declared the House adjourned until Thursday, the 14th inst., at 4 p.m., for want of a quorum.

THURSDAY, June 14th, 1923.

House met at 4.00 p.m., pursuant to adjournment.

Hon. Mr. Shea laid upon the table

of the House the Annual Report of the Newfoundland Government Savings Bank.

HON. MR. McNAMARA :—Mr. President, I would like to make a few observations on the gracious speech of His Excellency the Governor and wish to take advantage of this opportunity of associating myself with previous speakers in welcoming him and his family to Newfoundland. His Excellency although here only a few months, has already shown a great interest in our social and industrial concerns, and I am sure will administer the affairs of this Colony during his term of office with that well known fair play and impartiality which is traditionally British. It is true that post-war reconstruction the world over is making slow progress but compared with conditions one year ago, it will be observed that marked improvement is being made in the British Isles, and notably England is fast recovering from her depression and has reduced her income tax and excise duties to some extent and has lessened its number of unemployed to one million compared with two million out of work 12 months ago.

It must appear that similar improvement should obtain in Newfoundland if our main industry, the fishery, had not been interfered with and the same consideration and energetic treatment accorded it that has been given the Humber venture. After all is said and done, it will be admitted that the cod-fishery is our staple industry representing fully 75 per cent. of the earning power of this Colony and it is most surprising that reference to our four century old history is practically ignored and disposed of by a short paragraph of nine lines in the Speech from the Throne. How is it that there has been no reference made to our Lobster fishery, our Salmon fishery, our Herring fishery—the latter representing at one time an industry that yielded one

million dollars' return to this country? It is estimated that fully 60,000 of our fishermen are employed at the staple industry of the Colony, while at best we can only hope, after a lapse of some years, to have about 3000 or 4000 employed at the Humber venture. In view of these facts isn't it strange that nearly all the speech of His Excellency the Governor is taken up with this Humber venture and a prominence given it which is altogether out of proportion to its value to this country as a whole. It would be premature for me to fully express my opinion for or against the Humber venture until its features have been disclosed to this Chamber, at the same time considering the lack of employment in our midst, we should look with favor on every labor giving industry that would help our people through the present crisis.

I was disappointed that there was no reference made in His Excellency's Speech, to the British Empire Exhibition which is to be held in London next year. Already Australia has cut the turf on its 4½ acre space, and New Zealand, South Africa and Canada are busily engaged preparing their exhibits, and if our Government have not already made arrangements for our display, I would suggest that they do so without further delay. It is predicted that this exhibition will be visited by very many more people than hitherto attended similar affairs of this kind, and the opportunity for advertising the products of our fisheries, our mines and forests should be taken advantage of to the very fullest extent.

Our island, as a Sporting Paradise, should also be well advertised at this exhibition resulting, possibly, in attracting tourists and sportsmen here in very large numbers from time to time. We have the finest salmon rivers and the finest salmon fishery in the world, and every advantage should

be taken of this splendid chance to let the world know what we can offer sportsmen in what is rightly termed the "sport of millionaires."

In congratulating Sir M. G. Winter on his elevation to Knighthood, I was pleased to learn that he did not agree with the prolific use of words both spoken and written the past few years by politicians on both sides, and I heartily concur in these sentiments and admit that a business man always prefers direct action in public matters rather than surplus words and high sounding phrases which are sometimes of a meaningless character. Now that Sir Marmaduke is a member of the Executive and one of our most successful business men, I would like to tell him that the Colony will look to him to use his well known commercial acumen to oppose and prevent the introduction of any freak or fantastic fishery regulations such as has caused a good deal of the commercial disaster and unemployment that we are now endeavoring to overcome in this country.

On motion House adjourned until 4 p.m. Thursday, June 21st, 1923.

#### THURSDAY, June 21st, 1923.

House met pursuant to adjournment.

HON. SIR M. G. WINTER:—Before taking up the business of the day I would like to say a few words. I feel all members of the House will be sorry to learn that the Leader of the Government in this Upper House owing to illness in his family has thought it necessary to leave the Colony for a short time. During his absence I will have the honor of representing him in this Chamber and although I feel I will not be able to do so with that dignity and ability with which my hon. friend would deal with matters coming before us, still I hope with the indulgence of the House which was so generously extended to me last session to be able to get through the import-

ant business of the session with satisfaction. I assure the House I will be very glad to give members every information and do all I can to further the business of the House.

Hon. Sir M. G. Winter tabled the report of the Select Committee appointed to draft a reply to the Speech of H. E. the Governor, and moved its adoption. Further consideration of the same was deferred until next sitting.

Hon. Sir M. G. Winter tabled the Annual Report of the Registrar of Births, Deaths and Marriages for year 1922; also Report of the Internal Economy Commission.

House then adjourned until Thursday, June 28th, at four o'clock.

THURSDAY, June 28th, 1923.

Pursuant to adjournment the House met at 4 p.m.

Hon. Sir M. G. Winter moved that the Address in Reply be engrossed and presented to His Excellency the Governor.

The following were then tabled:

Copy of Newfoundland Products Corporation Act, 6 Geo. V.

Copy of Trade Facilities Act (England), 1921.

Newfoundland Railway Acts and Agreements.

Trust Deed, Newfoundland Power and Paper Co. Ltd., to the Whitehall Trust Co.

HON. SIR P. T. McGRATH:—I should like to point out to the hon. members in charge of the Internal Economy Committee, tabled here last season, that it was irregularly constituted. While this is not a serious issue it is one important enough to draw attention to. The requirements of the Act have not been complied with. The Act which passed in 1898 requires that the four members of the Internal Economy Committee shall consist of the Speaker and three members of the Executive Council, mem-

bers of the House of Assembly. Sir William Coaker was a member of the Executive Council a year ago and therefore qualified. Just now for him to be a member is illegal. This is no doubt an oversight. I simply called the attention of the hon. gentlemen to this so that they could see that it be rectified. This calls for another appointment, a new committee, according to section 4, number 7, Consolidated Statutes.

HON. PRESIDENT:—There is no salary attached to it.

HON. SIR P. T. McGRATH:—That is the serious side of it.

HON. SIR M. G. WINTER:—I shall see that the matter referred to will be attended to.

The House then adjourned until Thursday at 4.

THURSDAY, JULY 5, 1923.

The House met pursuant to adjournment.

A message was read from the House of Assembly stating that that body had passed the Bill entitled "An Act to Amend the Act 6 George V. (1915) Cap. 4, entitled "An Act for the Confirmation of a Contract with the Newfoundland Products Corporation Limited," in which they requested the concurrence of the Legislative Council. On motion of the Hon. Sir M. G. Winter, the bill was read a first time and ordered to be read a second time on to-morrow.

On motion made, the House adjourned until to-morrow (Friday) at 4 p. m.

FRIDAY, JULY 6th, 1923.

House met pursuant to adjournment.

The second reading of the bill to amend the Act for the Confirmation of a Contract with the Nfld. Products Corporation Ltd.

HON. SIR M. G. WINTER:—Mr. President, in moving the second reading of the Bill in relation to the Hum-



ber Development I would say, as I did on the opening day, that I approach the consideration of this matter purely as a business proposition.

Those of us who are more or less acquainted with the history of Newfoundland recognize that this Colony started out as a fishing station and and for many years was under the control of the fishing admirals as a Crown Colony. With the industrial and political development which resulted in Responsible Government came a commercial development which ultimately meant an increase in fishery operations, but chiefly the opening up of Newfoundland industrially.

The fisheries have been, and will no doubt continue to be, our chief industry. As a business man, however, (and I approach a discussion of this matter in this Chamber as a business man dealing with business men, because this Chamber represents commercial interests as distinct from politics) I would point out that our fisheries are becoming more and more of fluctuating value; our seal fishery, which a decade ago was an industry of major importance, has dwindled to one of quite minor significance. I venture to assert that during recent years the financial interests which conduct the sealing fishery have been paying no dividends on the conduct of that fishery. The business interests which have been conducting the codfishery have been subject to vicissitudes which attend all business enterprises of a gambling nature.

The codfishery is a speculative venture. Looking up and down Water Street to-day we find that the large and important names of over a quarter of a century ago have been largely eliminated; not due to the voluntary retirement of these firms from business, but to the fact that the uncertain nature of the business in which they were engaged compelled them to retire by financial embarrassment. The same thing applies to the outports. If

we look over a list of the names of the large fishing merchants of thirty years ago we find that some per cent of depression, some business complication, some shortage in the catch of fish or depression in markets abroad brought disaster upon their business. It, therefore, becomes more and more important that we should turn to industrial development for our Colony, not in the sense of deserting our fisheries but that there may be a permanent industrial development to supplement the various fishing industries and give our industrial and economic conditions more permanency of character.

#### Industrial Development

In the year 1905 the first practical and successful attempt for the development of the timber and water-power resources of Newfoundland was undertaken by the Harmsworth group. Many of us remember the political controversies which raged over that measure. It was argued that Newfoundland was giving away enormous resources and making a present of valuable properties to the Harmsworth family. But the Government of that day made up their minds definitely that the experiment should be tried, and in spite of protests throughout the country, public meetings in St. John's, and a memorial presented to the Colonial Office, the undertaking which we now know as the Anglo Nfld. Development Co., of which Lord Rothermere is the head, was started.

During these last few years of financial depression those sections of the country which were dependent upon fishery operations alone have been reduced to poverty. The bright spots in Newfoundland during these years of depression have been those places where logging, pulp and paper making, mining and farming industries have been successfully developed. If it were not for these enterprises, particularly Grand Falls,

and had we been depending entirely upon the fishery as in the years gone by, we should have dropped to a much lower level of depression and perhaps few of our financial institutions would have survived.

The idea that this Humber development is going to be a panacea for all our industrial ills is absurd. The fact that the Humber enterprise will be a wonderful financial advantage to the Colony is, however, well founded. I understand the position of those who were doubtful as to the success of the Harmsworth enterprise at Grand Falls. The natural tendency of Newfoundlanders appears to be to minimize the value of their own resources, to doubt the possibilities of their successful development, and to hamper rather than encourage local undertakings. To each member of the Council who is a shareholder or director of our local manufacturing industries (and I feel that every member of this Chamber is so connected) the situation is very apparent. Newfoundlanders seem to have the natural desire to prefer the foreign made article, even though that foreign made article has not the value per dollar cost that the local manufactured article has. Those of us who are manufacturers and connected with manufacturing enterprises realize the difficulty we have in inducing our own people to buy our own products. That same temperament was apparent when the Harmsworth program was before the Country and the Legislature. I am glad to note from the press and from the Debates in the House of Assembly that the outstanding success of the Harmsworth enterprise has had a steadying effect upon the Country, upon the press and upon the Legislature in considering this development program; for I must frankly state that I do not see how it will be possible for any group of business men to reject a program of industrial development such as we have here outlined

when we have to regard it not as an experiment as in the case of the Grand Falls enterprise but as an undertaking identified with the names of responsible English capitalists, and having as its predecessor the Harmsworth development which has been such a great success.

#### The Essential Features

As I see it the essential factors which we have to consider are:

(1) Are there waterpowers sufficient to run this enterprise? Are there lakes and ponds and rivers at such altitude and so situated as to be capable of developing the 230,000 to 250,000 horsepower ultimately required, with the initial development of 100,000 horsepower? That is the factor on which we have to make up our minds. If the waterpowers are not there, there can be no Humber development. My opinion on a matter of that sort is of no value. All that I have to say is that it is a matter of common knowledge that the lakes and ponds and rivers are there. It is a matter of common knowledge that the altitude is there also. It is also a matter of common knowledge that these areas have been surveyed by eminent waterpower experts and that highly satisfactory reports have been received. Combined with that is the fact that an engineering firm of such high repute as Messrs. Sir W. G. Armstrong, Whitworth and Company, Ltd., have had the waterpowers investigated on their own account. Their Engineers have given reports of a most satisfactory character, and they are themselves prepared to invest large sums of money in the enterprise.

(2) The next thing to be considered is whether there is Timber in that neighbourhood. I have heard rumours from time to time during recent months, that there was some doubt on that point. My position in that connection is similar to my position on the question whether the waterpowers

are there or not. These areas have been carefully cruised on many occasions. It is commonly known that that area of the country is of immense forest value. These sections have been carefully cruised year after year. In the year 1915 when similar questions were raised the consensus of opinion as to the forest wealth of that section of the Island was confirmed, and while the Newfoundland Products Corporation idea of 1915 was primarily for the development of a fertilizer plant, yet the timber development of the area was considered a matter of very great magnitude, a pulp and paper mill being one of the proposed subsidiary undertakings. From the debates in the House of Assembly it appears clear that no serious challenge has been raised on the question of the value of these timber areas. By reference to the press I note that when the leader of the Opposition in that Chamber raised some questions as to whether the timber areas were or were not of sufficient magnitude to justify a pulp undertaking having an output capacity of four hundred tons of newsprint per day, another member of the Opposition addressed the House alleging that without reforestation and without allowing for the natural growth of timber, there was enough standing timber on the areas owned, controlled or under option for the enterprise to last the company for a hundred years. We have to be satisfied that there is sufficient timber at present on that territory, including natural growth, so as to provide capacity output for say thirty years. I would point out, however, that English capital is not likely to be invested in an undertaking on the basis of a thirty years supply of timber. I understand from the debates in the House of Assembly and public utterances that there have been made, both official and unofficial, that the timber areas of that region give a permanent and inexhaustible supply, and it is

very probable that further pulp and paper making undertakings will be developed in that territory or its vicinity as the years go by. In this connection I would say that the water-power development means a supply of surplus power for subsidiary undertakings or for sale to other operating companies, and at the present time there is in St. John's the General Manager of the St. Lawrence Timber, Pulp and Steamship Co., Ltd., who, I am informed (though not officially) may be desirous of making arrangements with the Armstrongs for the supply of about 20,000 horsepower to them for pulp and paper development in their territory.

#### Questions of Markets

(3) Letting it be granted then, that the waterpower is there, and the timber is there, the next thing we have to consider is whether the world markets for newsprint are such and in all human probability are likely to be such as to absorb our product from year to year. In view of the statistics which have already been published it is not necessary for me to offer any argument on this point. As civilization and education develop the consumption of newsprint naturally increases. I am told that the average annual increase during recent years has been approximately five per cent. It is well known that the older established mills are compelled to go further and further from their main operations for their wood supply, and that the ultimate result is likely to be a dearth of newsprint with high prices rather than an abundance at low prices.

From the statements which have been published as to the cost per horsepower of this development, the cost of getting wood to the mills and manufactured into paper, figures based upon the conservative calculation of men expert in these lines of business activities, it seems proved that newsprint can be manufactured in New-

foundland ready for shipment at tidal water at a competitive price which makes an easy and satisfactory sale at a substantial net profit an assured probability.

I take it that honourable gentlemen present here have already studied this matter very fully, as it has been the subject of discussion for more than a year, and this particular undertaking has been fully debated and considered, and I feel I should not weary you with statistics and arguments in support of the measure, but rather that I should simply point out that, reviewing the thing in the most conservative manner as a business undertaking I feel it is of good advantage to the development of the country. The financial obligations of the Colony consist in our guaranteeing two million pounds sterling of bonds which we might term construction bonds.

#### Two Classes of Bonds

These bonds are of two classes known as "A" Debentures and "B" Debentures respectively. The "A" Debentures are secured by a trust deed in favour of The Whitehall Trust, Ltd., the amount of the Debentures being two million pounds sterling, interest not to exceed  $5\frac{1}{4}$  per cent. The "B" Debentures are secured by a second mortgage to other trustees to be approved of by the Newfoundland Government and the Imperial Treasury, the amount being two million pounds sterling, interest not to exceed  $5\frac{1}{4}$  per cent. The "B" Debentures are

secured by a second mortgage to other trustees to be approved of by the Newfoundland Government and the Imperial Treasury, the amount being two million pounds sterling, interest not to exceed  $5\frac{1}{2}$  per cent. It is estimated that the "A" Debentures will be issued at less than five per cent. while it is highly probable that the Newfoundland Debentures will be issued at five and a half per cent. Up to a month ago the Armstrongs had the option of having the "B" Debentures stated either in dollars for flotation in American and Canadian bond markets, or in pounds sterling for flotation in the English bond markets. They decided upon accepting the pound sterling option, which undoubtedly means that both bond issues will be floated in England.

It has already been officially announced that the proceeds of the English bond issue is, in accordance with the provisions of the Trade Facilities Act, to be applied for the purchase of machinery and materials in England. The proceeds of the "B" Debentures are to be applied in connection with the Newfoundland construction and for working capital. I am not aware that any statement as to just how these bond issues are to be applied has been published, and I, therefore, quote the following estimate in connection with both issues which estimate has been furnished me by the Newfoundland representative of Messrs. Sir W. G. Armstrong, Whitworth & Co., Ltd.:

#### ESTIMATED EXPENDITURE IN NEWFOUNDLAND

Contract Price, as per Clause 3 of Construction Contract..... \$6,489,459

#### Expenditure:—

- |   |             |
|---|-------------|
| (1) Civil Engineering Works:<br>Construction.           |             |
| (2) Hydro Electric Works:<br>Construction and Erection. |             |
| (3) Paper Mill:<br>Construction and Erection.....       | \$6,489,459 |

Interest during Construction, Preliminary Reports and Surveys.....	1,180,751	
Working Capital.....	1,306,790	
	<u>\$8,977,000</u>	<u>\$8,977,000</u>
Estimated Yield from sale of £2,000,000 "B" Debentures, Exchange calculated at \$4.70.....	\$8,977,000	

In calculating the amount chargeable for interest during Construction allowance has been made for putting unused money out at call, the proceeds from this operation have been credited to the Interest Charges Account for both the "A" and "B" Debentures.

#### ESTIMATED EXPENDITURE IN GREAT BRITAIN

Contract Price, as per Clause 3 of Construction contract.....	<u>£1,755,538</u>
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Expenditure:—

(1) Civil engineering Works: Material, Plant, Supervision and Freight.		
(2) Hydro Electric Works: Machinery, Designs, Supervision and Freight.		
(3) Paper Mill: Machinery, Supervision and Freight.....	£1,755,538	
Interest during Construction, Treasury Advisers Fees, Travelling Expenses.....	174,462	
	<u>£1,930,000</u>	<u>£1,930,000</u>
Estimated Yield from sale of £2,000,000 of "A" Debentures.....	£1,930,000	

Note that Treasury Advisers Fees have been deducted from this Acct.

#### By Working Capital

It will be noticed that a large margin is allowed for working capital. The Agreement provides, however, that in the event of any contingency arising within the period stated in the agreement whereby further working capital is required the Armstrongs will provide additional working capital to the amount of half a million dollars.

In reading the Debates of the House of Assembly I note that questions were raised as to the minimum wage which would be paid in the works. The minimum wage basis which the Government agreed upon for calculation of cost was \$2.50 per day for the cheapest class of manual labour. As some doubt was raised concerning that

point the Prime Minister asked the Armstrongs to confirm the general understanding in writing, and, as I understand their letter has not yet been published, I quote it as follows:

Sir W. G. Armstrong, Whitworth & Company Limited.

Smyth Building,  
Water Street, St. John's, Nfld.,  
July 4th, 1923.

The Honourable  
The Colonial Secretary.

Sir,

I beg to refer to the various conversations which have taken place between the Government and representatives of my Company, concerning wages. As I informed you verbally, my Company's estimates for the Hum-

ber construction were based upon the payment of \$2.50 per day for ordinary labour. This rate is at present being paid by my Company and by its subcontractors and the latter have no authority to alter that rate without my Company's sanction.

As far as I am aware, this rate will continue to be paid and I certainly do not know of any circumstance which would lead my Company to desire to effect any reduction.

I have the honour to be,

Sir,

Your obedient servant,

(Sgd.) D. C. JENNINGS.

Success Achieved

During the course of his speech in the House of Assembly the Prime Minister referred at considerable length to the fact that this Armstrong enterprise was not a pioneer development in Newfoundland and instanced the success of the Harmsworth undertakings at Grand Falls. In this regard I would say that during recent weeks it has become publicly known that the Anglo Newfoundland Development Company have secured a large interest in the Terra Nova Sulphite Company, and for the information of the House I beg to read the following quotation from the "Daily Mail" of London of date June 1st. The article is headed "Associated Newspapers, Limited and contains a verbatim report of the directors' annual report. I quote from it as follows:

"Our consumption of paper has greatly increased in recent years, and it has been decided to extend largely the operation of the Anglo Newfoundland Development Company, Limited, at Grand Falls, the control of which rests with the Associated Newspapers, Limited. The neighbouring mill at Bishop's Falls has been acquired along with its timber areas. A large paper making machine is to be installed, and should be running by the autumn of 1924, producing 25,000 tons of paper a year. This, added to

"the production at Grand Falls, will give this Company and its allies a yearly output of 75,000 tons of paper from Newfoundland.

"The Newfoundland Company has acquired a two-third interest in the large new sulphite Mill at Alexander Bay, Newfoundland, ninety miles from Grand Falls, which will produce 25,000 tons of Sulphite Pulp per annum. With these purchases, the Newfoundland Company now owns or controls 6,300 square miles of timber areas.

"Next January the Newfoundland Company will pay off the remaining 8 per cent. Second Debentures amounting to £500,000, which are in part guaranteed by this Company."

#### Question of Taxation

I have heard some discussion also with respect to the question of the alleged freedom of the company from taxation. I would point out that freedom from taxation is very limited. It consists of freedom from import duties and taxes on the machinery and supplies necessary for the original construction of dams, waterworks, mills, plants, sewerage, lighting and heating systems and extension. These concessions have, as a matter of practice, been given by this Legislature to all important new undertakings. The Company is also free from Business Profits Tax. It will be remembered that during the War the Business Profits Tax was imposed in England, in Newfoundland and elsewhere. I know that every member of this Chamber will agree with me that while it was very necessary that War revenue should be secured, yet the effect of the Business Profits Tax was not generally in the interests of the business community. It was a War measure only, and the fact that its continuance was not considered to be good business is shown by the fact that it is being discontinued and disapproved as a regular source of public revenue. But I would point out that the Act expressly

provides that the officers employees and shareholders of the Company are not free from such income taxation as the general laws of Colony from time to time may provide. The freedom from taxation is for a period of thirty years, the section as amended being so drafted that the matter may under certain circumstances come up for reconsideration at the expiry of that period. The effect of this is that the question of taxation so far as the Company, its subsidiaries and new enterprises are concerned, may come up for further consideration by the Legislature at or shortly before the expiry of that period.

#### Reputable Contractors

The contractors are the Sir W. G. Armstrong, Whitworth & Co., Ltd., who undertake to complete the works in accordance with specifications within the period named in the contract, the completion being subject to strikes, etc., as set forth in the document, the penalty for non-completion unless prevented by unforeseen circumstances as set forth in the document being approximately \$20,000 per week. The whole operations are under the control of a body of gentlemen known as Treasury Advisers. These gentlemen represent the most expert thought and practice in civil engineering, hydro electric engineering, waterpower development, and the installation of pulp and paper undertakings. Their appointment has been jointly concurred in by the Imperial Government and the Newfoundland Government, and payments can be made to the contractors only on certificate of satisfactory progress being issued by these Treasury Advisers. Certain advances have been made from time to time by the Newfoundland Government for the purpose of the early start of the work, and I know that in that policy every member of this Chamber will concur, because of the necessity of having the undertaking started at the earliest date possible, having regard to Newfound-

land labour conditions in the immediate past and future, but primarily because of the great desire we all have to see this enterprise launched and in actual operation as a pulp and paper manufacturing concern as early as possible. These advances with all interest will be repaid by the Armstrongs out of the proceeds of the Debenture flotation. By this policy the Colony gets the advantage of the considerable labour which has already been employed and the fact that the works will be completed and the company in operation one year earlier than could otherwise be done.

This Humber program is intimately associated with the railway settlement program. In the Railway Bill which has already been read a second time in the House of Assembly there is a clause providing for the railway settlement being contingent upon the completion of the Humber program. A similar clause was in the original Humber draft, but the English financiers took exception to any provision being included in a Bill, upon which bond issues were based, which provision did not relate directly and exclusively to the Humber development itself. As a result of the suggestion of the English financial advisers in this regard the Armstrongs and also the Reids who are connected with the Humber development scheme wrote the Government for confirmation of the arrangement in that connection. The correspondence is as follows:

Sir W. G. Armstrong, Whitworth & Co., Ltd.

St. John's, Newfoundland,  
June 9th, 1923.

The Honourable  
The Colonial Secretary.  
Sir,—

With reference to the two draft Agreements concerning the Humber development, the one made between the Government and Newfoundland Power and Paper Company, Limited, and the other between Newfoundland

Power and Paper Company Limited, Sir W. G. Armstrong, Whitworth and Company Limited and the Government, I desire to place on record that, from the inception of the negotiations between the parties to such documents, my Company has stipulated that they would require that the matters in dispute between the Reid Newfoundland Company Limited and the Government, concerning the Railway, should be settled prior to the completion of such negotiations.

You are aware that my Company have an intimate interest in the scheme, not only as Contractors, but also as prospective controlling shareholders of the Paper Company, and they have also in the Treasury Agreement, and independently of that document, accepted responsibility in certain contingencies, for providing working capital and other considerable funds for the paper Company.

My Company have always had in mind that, if they became participants of the Scheme, with the railway dispute outstanding, they would be allying themselves with interests antagonistic to the Government, and this could only lead to loss and difficulty in the conduct of the business. For these reasons my Company considered that they could not entertain the Scheme, unless a settlement of the dispute was arrived at, especially in view of the fact that without such settlement, a risk existed that the transportation facilities might not prove continuous, efficient and adequate to meet the requirements of the paper company.

I shall be obliged, therefore, if you will confirm that it is agreed between the Government, Newfoundland Power and Paper Company Limited, and my Company, that the latter two companies may, by joint notice in writing to the Colonial Secretary, caused the two agreements first above mentioned ab initio, if the proposed agreement between Reid Newfoundland Company

Limited and the Government is not approved and confirmed by the Legislature on or before the 30th instant, or such later date as may be subsequently agreed between the parties. Such notice is to be given, if at all, within one calendar month after the 30th instant, or such later date as above mentioned.

I have the honour to be,

Sir,

Your obedient servant,

(Sgd.) D. C. JENNINGS.

Colonial Secretary's Reply.

June 14th, 1923.

Sir:

Your communication of the 9th instant addressed to the Colonial Secretary, and referring to the two draft agreements concerning the Humber development, has been submitted to the Executive Government for consideration.

I am directed to inform you that the statements contained in your letter of the 9th June are as understood by the Executive Council. The Council feel that no confirmation is necessary because the situation as you outline it was clearly understood by the Executive Government during the course of negotiations last Summer and Autumn, and that, in so far as it is necessary to confirm the agreements to which you refer, the same are confirmed.

It is further understood and agreed that Newfoundland Power and Paper Company, Limited, and Sir W. G. Armstrong & Company, Limited, may, by joint notice in writing to the Colonial Secretary, cancel the two agreements first mentioned in your letter ab initio if the proposed agreement between Reid Newfoundland Company Limited, and the Government is not approved and confirmed by the Legislature on or before the 30th instant, or such later date as may be subsequently agreed between the parties. Such notice is to be given, if at all, within one calendar month after the



30th instant of such later date as above mentioned.

I have the honour to be,

Sir,

Your obedient servant,

(Sgd.) ARTHUR MEWS,  
Deputy Colonial Secretary.

Major D. C. Jennings, D.S.O.,

City.

REID NEWFOUNDLAND COMPANY  
LIMITED.

St. John's, Newfoundland,  
June 4th, 1923.

Hon. Sir R. A. Squires, K.C.M.G.,  
Colonial Secretary.

Sir:—

You will remember that throughout negotiations in London last year leading up to the Railway Settlement memorandum and the Agreement with the Treasury for the guarantee of the "A" debentures of the Humber Development scheme both you and the Attorney General were distinctly informed that neither Reid Newfoundland Company, Limited nor Newfoundland Products Corporation, Limited would enter into any binding agreement with the Newfoundland Government for the carrying out of the proposed Humber development unless the proposed Railway Settlement was ratified by the Legislature.

We also informed the Attorney General and yourself that our Agreement with Armstrongs by which the latter are to acquire a controlling interest in Newfoundland Power and Paper Company Limited (as the Products Corporation is now called) is conditional on the ratification of the Railway Settlement. We are now asking them to confirm this to you in writing.

As it is now proposed, in order to prevent the Treasury guarantee from lapsing by efflux of time, to have the Railway and Humber Agreements executed formally before the Bills are introduced into the Legislature, and as we are advised that it is considered undesirable to insert any conditional clauses in the Humber Agreements, it

becomes necessary for us to ask, before executing the latter, for an assurance from the Government that in the event of the Railway Agreement not being ratified by the Legislature neither we nor Armstrongs shall be bound to carry out the Humber Agreements. The draft of the Railway Agreements contains a clause making its effectiveness dependent on the ratification of the Humber Agreements, so that no difficulty arises on that point.

I have the honour to be,

Sir,

Your obedient servant,

(Sgd.) H. D. REID,  
President, Reid Newfoundland Co.  
Ltd., and  
Newfoundland Power and Paper Co.  
Ltd.

Reply of Colonial Secretary

June 14th, 1923.

Sir:

Your communication of the 4th instant addressed to the Colonial Secretary, and referring to the two draft agreements concerning the Humber development, has been submitted to the Executive Government for consideration.

I am directed to inform you that the statements contained in your letter of the 4th June are as understood by the Executive Council. The Council feel that no confirmation is necessary because the situation as you outline it was clearly understood by the Executive Government during the course of negotiations last Summer and Autumn, and that, in so far as it is necessary to confirm the agreements to which you refer, the same are confirmed.

It is further understood and agreed that Newfoundland Power and Paper Company, Limited, and Sir W. G. Armstrong and Co. Ltd., may, by joint notice in writing to the Colonial Secretary, cancel the two agreements first mentioned in your letter ab initio if the proposed agreement between the Reid Newfoundland Company, Limited

and the Government is not approved and confirmed, by the Legislature on or before the 30th instant, or such later date as may be subsequently agreed between the parties. Such notice is to be given, if at all, within one calendar month after the 30th instant or such later date as above mentioned.

I have the honour to be,

Sir,

Your obedient servant,

(Sgd.) ARTHUR MEWS,

Deputy Colonial Secretary.

H. D. Reid, Esq.,

President Reid Nfld. Company Ltd.

and Nfld. Power and Paper Co.

Ltd.

#### Railway Settlement

I notice that the reports of speeches in the House of Assembly show that every member of the Opposition except one who is a junior member of the House concurred in the railway settlement, several of them including the leader of the Opposition expressing the view that the settlement was a most admirable and satisfactory one for the Colony, and, as a matter of fact, would never have been made by the Reids on such favourable terms had it not been for the fact that little, if any, progress could be made by the Reids in the Humber program if they were not prepared to make a satisfactory railroad settlement. However, the entire Opposition voted as a unit against the Railway Bill, practically each member stating that his reason for voting against the Bill was the fact that the Government had not announced any final policy with respect to railroad operations.

The Premier said that he was strongly opposed to the idea of the railway remaining for any length of time under Government control and that under no circumstances should it become a Government Department or political machine as that would be contrary to public interests having regard to Newfoundland conditions both public and political. The Premier de-

clined, however, to go further than to say that it was the policy of the Government to take up the problem of land and sea transportation with a view to having these services operated outside of Governmental association and control, and made no statement as to any negotiations which might be pending with respect to the ultimate transfer of railway and steamship operations to private contractors. On the basis of this the Opposition in the House of Assembly as a Party opposed the Railway settlement, stating that they opposed it not because the settlement was not a good one, but because they would not under any circumstances consent to the Government having control of the railroad for such period as they might consider necessary for making other arrangements.

While I do not agree with the views of the Opposition that they should vote against a railway settlement which they admitted to be excellent merely because the Government would of necessity have control indirectly of the railway during such period as would necessarily elapse before any definite program could be secured for submission to the Legislature, yet I do agree with them and with the Prime Minister that it is not desirable that the transportation services of Newfoundland should be a Government enterprise. I think that the Prime Minister should be given an opportunity of working out, in conjunction with his Executive colleagues and Party, a solution of the problem of railroad and steamship transportation, and I trust he will be able to do so with the same success with which the problem of the Humber and the problem of the railway settlement with the Reids were handled.

#### Businesslike and Capable

I am greatly interested in the success of the Humber development, because of its value in solving in a large measure our labour-problem and being

of immense help to the industries of Newfoundland. I welcome concurrently with it a railway settlement which will avoid the unpleasantness and expense of arbitration and litigation before the Supreme Court and undoubtedly before the Privy Council. I consider that the matter has been faced in a businesslike and capable manner. I think that as one outside the active realms of politics I should express the appreciation that every member of this Chamber has that these matters have been dealt with expeditiously in the House of Assembly. It is hard to see how men can rise in responsible positions and with questions of such magnitude as this before them drift into discussion concerning very minor matters, but I must say that there has been much less of that kind of disorder in the passage of these two important bills through their various stages in the House of Assembly than we have been witnessing in recent years in that Chamber. So far as this Chamber is concerned I think I can assure the honourable members of the House of Assembly that we desire to approach all legislation which is sent up by them as it should be approached by business men. In this Chamber we are not interested in appeals to mob sentiment or galleries. We are interested in legislation in so far as it affects the vital interests of the country, and I give my whole-hearted support to this Humber program and to the railway settlement, because after a careful examination of the position from the point of view of one who is vitally interested in the welfare of the Island I think it is a measure which it is in the best interests of our country to adopt.

#### Armstrongs in Control

There is perhaps one additional point to which I would call the attention of this Chamber, and that is the fact that when this proposition has been finally disposed of so far as the

Newfoundland Legislature and the Imperial Government are concerned, the Armstrong, Whitworth Corporation proposes to assume control of the operating company which is known as the Newfoundland Power and Paper Co., Ltd. This is the new name of the Newfoundland Products Corporation. That Company is being reorganized in such a manner that it becomes a subsidiary of Messrs. Sir W. G. Armstrong & Co., Ltd. No formal steps in this connection have been taken or I presume will be taken until the legislation has been finally disposed of by this Legislature and such further steps if any as may be necessary in England for the final completion of the Imperial guarantee have been concluded. So that the position of the Armstrongs in this connection may be abundantly clear I quote the following communication received by the Prime Minister from the Armstrong, Whitworth Company, the letter being confirmed on behalf of the Newfoundland Power and Paper Co., Ltd. The communication is dated June 24th of this year, and is as follows.

Sir W. G. Armstrong, Whitworth  
& Co. Ltd.  
Smyth Building,  
Water Street,  
St. John's, Nfld.,  
June 14th, 1923.

The Honourable  
The Prime Minister.

Sir:

In reply to your enquiry regarding the share holdings in Newfoundland Power and Paper Company, Limited, I have the honour to say that Sir W. G. Armstrong, Whitworth and Company Limited is not at present a shareholder in that Company, but under its agreement with the present shareholders will, on the completion of the proposed guarantee, acquire control of Newfoundland Power and Paper Company Limited.

I have the honour to be,

Sir,

Your obedient servant,

(Sgd.) D. C. JENNINGS.

Confirmed on behalf of Newfoundland  
Power and Paper Company Limited,

(Sgd.) CHAS. O'NEILL CONROY,  
Secretary.

I beg to move that this Bill be now read a second time.

HON. MR. ANDERSON:—In view of the importance of this Bill, I think it would be a good idea that such valuable information as has been given to us here this afternoon, be at once put into the hands of the press, and printed for the benefit of others outside. In supporting the second reading, I make this suggestion.

HON. SIR M. G. WINTER:—We should like to get this Bill through as quickly as possible, not however to avoid discussion, for, it can be discussed at length in the Committee stage, but there is a time limit, and if there are no strong objections the House can meet to-morrow, Saturday, and go into Committee of the Whole on this Bill.

HON. MR. ANDERSON:—Why not meet at 3 instead of 4 for there is likely to be some discussion.

The Bill was then read a second time and ordered to be referred to Committee of the Whole House on to-morrow.

The president informed the House that the House of Assembly had passed the bill entitled "An Act for the Settlement of Certain disputes relating to the Newfoundland Railway," and other matters in which they requested the concurrence of the Legislative Council.

On motion of Sir Marmaduke Winter, the bill was read a first time, and ordered to be read a second time on to-morrow.

On motion made, the House adjourned until to-morrow, Saturday, at 3 p.m.

SATURDAY, July 7,

The House met pursuant to adjournment.

On motion made the House went into Committee on Bill "An Act Further to Amend the Act 6 George V (1915) Chapter Four, Entitled 'An Act for the Confirmation of a Contract with the Newfoundland Products Corporation.

HON. MR. TEMPLEMAN:—Mr. Chairman, referring to this section, I would like to be informed as to whether the Reids own the land mentioned in this section. They got them, I understand, under their contract. Have they carried out that contract, so that they own these lands and can sell them to the company? So far as I can understand, the Reids have no right to these lands and consequently no power to transfer them. Why should people be bought to let the Reids put through this thing? I cannot default with my creditors, as Reids have with the country, and then sell my goods and put the money in my pocket, and I must confess that I do not understand how Reids can default, as everybody understands they have, in their contract, and then be able to sell these lands to the new company. That is a point which I would like to have explained. Then I understand that this company is going to be free from taxation. So far as I can understand, the company has to pay no taxes for thirty years. And yet business people who have always done business in the country and kept it up to the best of their ability must do business, pay taxes and then be expected to pay their creditors in full and promptly. Fishermen have to pay everything in this country, and get no taxes taken off, but as soon as something else is started they get everything into the country for nothing. I must say that I do not understand why this section should be in the Bill.

SIR P. T. McGRATH.—Mr. Presi-

dent: This is one of the most important bills that have ever come before our Legislature. It is fraught with more serious consequences than most measures submitted to us, and it involves the future of our island home and those who dwell in it, to an extent that few legislative proposals submitted to us do. The measure provides for the construction of a paper mill of 400 tons daily capacity, to be built at a cost of four million pounds, which sum it is proposed to raise by two issues of debentures which the hon. introducer Hon. Sir M. G. Winter, described as construction bonds, each issue to be of two million pounds, and protracted by first and second mortgages on the property, while other funds necessary for subsidiary features of the project are being provided by the promoters themselves.

The "A" debentures, which constitute the first mortgage bonds, are guaranteed, both as to principal and interest, by the British Government, the funds realized therefrom being earmarked for expenditure in England on construction machinery and equipment for the plant; and the "B" debentures constituting a second mortgage, are guaranteed by the Newfoundland Government, being similarly earmarked for the erection of the mills, the equipment, and the other work to be performed in this island. The greater seriousness of this issue therefore, for our colony, as compared with most other measures that come before us, is that, now, for the first time in its history, the colony is obligating itself to guarantee the principle and interest on a very large sum of money in the event of anything going wrong with the enterprise, a contingency which will, we all hope, not arise, but which we are not justified, as sane people, in disregarding.

It is, therefore, rather humiliating to us as a chamber, to find that we

are unable, as our hon. friend (Hon. Mr. McNamara) puts it, to dot an "i" or cross a "t" in the bill. But the Council have nobody but themselves to thank for that. In 1915 the business men of whom this Council is largely composed, when the Government of that day brought in a bill to impose a profits tax on business concerns to help meet our war obligations, rejected it. I would remind those in the House who were then members, that I voiced a warning as to what the result would be, as no Government would be expected to submit tamely to anything of that sort. The Legislature was prorogued, a number of vacancies in the Council were filled by men pledged to support the measure previously rejected, a new session was called, and the Bill was put through both houses. Not only was that done, but at the same session a Bill was introduced and passed, taking from the Legislative Council the power to interfere in any way with "Money Bills." Hence our inability to do any more than express our opinion on this bill, without any power to affect its passage with law.

However, this Bill, to my mind, is a very good bill in some respects, and will do much at the present time, as a tonic to help the country back to a recovery from the ills from which it has been suffering. I agree with the hon. introducer in what he said yesterday, that it will not be a panacea for all our evils, but I think it will do a good deal to ensure a return to normal conditions. Great things are expected from it, great promises have been made in regard to it and if but part of them are realized, I think we will have cause to be thankful. I think too, we have already cause to be thankful that the Legislature and the country were not hurried into action on this measure two years ago, or even a year ago, as we were urged by certain el-

ements in the country. The wisdom of the policy of hastening slowly was never better justified than in this case. If we had enacted this bill in 1921, as invited by two men of no particularly strong financial standing, so far as the country knew, Messrs Blackstad and Greenwood, we would have had to face the guarantee of the whole four million pounds. It may possibly be that if we had made arrangements with these two people, we might find ourselves with this enterprise in much the same condition as the country found itself with its railway, after it adopted the Blackman contract forty years ago as described by the premier in his speech in the other House last month. In the early months of 1922, when Mr. Waite came here with the original project from the Armstrong-Whitworth Company, he asked us to guarantee the whole \$4,000,000, whereas by waiting until now, our liability is reduced one half, and we have secured the co-operation of the British treasury in the working of the company for the next twenty or thirty years, which, in my opinion, is a feature of the present proposal to which sufficient attention has not been directed. Another fact to be borne in mind is that the Blackstad proposal was based upon an interest rate of 7 per cent., so that in addition to getting the British treasury to take up half of the burden of the guarantee at present, we have only to pay 5 1-2 per cent. interest, which is a very substantial benefit, relieving us of roughly \$150,000 a year, and that which I may call the Waite proposal was based upon a 6 per cent. interest rate, and, as I have said already, we had to carry the whole guarantee, so that we get a decided advantage in this respect also. Therefore, as I have said, I think the vigorous agitation set up against the Blackstad proposal of last year were amply justified in spite of the strong advocacy of

both these proposals and the pressure put on the Government and the Legislature to enact them into law.

Similarly, I think, the proposals advanced by the Opposition party in the Lower House for certain amendments to this measure were amply justified and I am glad that they were accepted. When the Harmsworth Bill came before the Legislature in 1905, feeling was very strong both in the House and outside of it, and some thirty or forty amendments were offered, some of which were adopted. Being in London last fall when this agreement was signed, I was invited to a dinner given by the promoters of the present scheme, and, being asked to speak, I warned those who were undertaking the Humber project that they must be prepared for proposals for the amending of some of the provisions. Certain of the amendments now made will be of direct pecuniary advantage to the public chest, while others will preserve the rights of the community at large.

I have given considerable study to the details of this measure, which has both its advantages and its disadvantages and I would like to submit to the House a comparison of the two, which I think would be a means of presenting some features of it that have not received consideration as yet, so far as I have been able to observe from the discussions on it both in the press and in the Assembly.

## THE ADVANTAGES.

### 1. An Assured Market.

The first advantage I see in this Bill is that it provides for the manufacture of a commercial product with an assured and steadily increasing market. Discussion of this feature inevitably leads back to the original scheme on which this project is based—the Products Corporation bill of 1915. That measure provides for the using of the same properties in the

making of carbide and fertilizer as a primary factor, with a paper mill as a subsidiary. The measure became a dead letter for a variety of reasons, one of them being, as I found out some 18 months ago from a conversation with a prominent Reid official, that there is no market for the particular fertilizer that was to be made. There is a moral in this for us and it is the unwisdom of taking enthusiasts at their face value. Rather should we apply cold hard reasoning as the test of such projects. What a predicament we would be in if we had a big carbide plant tied up on the West Coast to-day there because there was no market for its output. I was in a plant at Ottawa just a year ago, a plant for the refining of nickel, originated in much the same way and covering acres of ground, with only a handful of men employed in it.

There is no commodity that to-day has a better outlook than that of newsprint paper. The best proof of this is the paragraph read yesterday by the hon. introducer from the London Daily Mail to the effect that the Harmsworths have just acquired control of two other plants in this country, the Albert Reed pulp mill at Bishop Falls and the Terra Nova Sulphite mill at Glovertown, and propose to link them up and produce another 75 tons of paper per day in addition to the 200 tons of daily output at Grand Falls. This, I say, is the best proof that we can want of the possibilities of a newsprint paper mill. The production of newsprint paper in Canada and the United States to-day is about 1½ million tons in each country, and we, with this new Armstrong mill will be producing 700 tons daily.

I cannot help recalling as a tribute to the foresight of Lord Morris, that when as Premier in 1915 he proposed the Products Corporation, his comment was that the only criticism he had to make of it was that it "seemed too good to be true." Possibly when

it was submitted to financiers and experts abroad they found that it was not commercially practicable and that, for this reason, and not because of the war, nothing more was ever heard of it. But now we are getting an enterprise that everybody knows can sell every pound of the product it manufactures, and, therefore, we have the first strong argument in favor of it.

## 2. The Reputation of the Promoters.

The next advantage, to my mind, lies in our having secured a firm with a world wide reputation like that of the Armstrong-Whitworths to take control of this enterprise. It is a great matter to have people of assured standing, financially and otherwise, to set on foot undertakings of this kind. For instance, after the Blackman collapse with our railway enterprise originally, we were fortunate in securing the late Sir Robert Reid to undertake to revive it in 1880. He was the first great outstanding figure in the development of our country. He carried through the building of the railroad in the '90s, in spite of the troubles resulting from the election trials of 1894, the bank crash of 1895, and the other difficulties that confronted us, and it is worth noting that in 1900, or nearly 25 years ago, he had plans for the building of a paper mill on his very property. Had he enjoyed the opportunity of giving effect to some of the projects he had then in mind, it is questionable if the country would be in the position it is to-day, but that is another matter and we gain nothing by discussing it now.

The next big factor in that development has been the Harmsworth enterprise which, in conjunction with Bell Island, when in 1913 when the mines produced one and a quarter million tons of ore and the mills at Grand Falls and Bishop's Falls were running to capacity, responsible for giving fishermen a higher wage than

they had ever received in pre-war days. Moreover, the Harmsworths put us on the map as a paper and pulp producing country and have given us advertising that was worth hundreds of thousands of dollars to us. We are now equally fortunate in having people of the financial standing as the Armstrongs to undertake the Humber development.

### 3. The Qualifications of the Promoters

I find the next great advantage to be the elimination of the Reids from the control of this enterprise. I do not say this in any disparaging sense, I simply make the point that the Reids are railway men, and not paper makers, that they have no association with paper making and that I do not think they have, or control, the resources necessary to make this enterprise a success. I say this without any reflection of condemnation on them whatever. I know it is popular in some quarters to belittle them at present, but the Reids in the past did great things for this country and for the misfortunes of later years I do not know but that we are as much to blame as they are. I recognize that it may be retorted that the Armstrongs are not paper makers, but it should be remembered that one of their subsidiaries builds paper-making machines and the others of their subsidiaries furnish practically everything else required for the equipment and operation of paper mills and that they have the standing, the resources and the money to enable them to procure all the necessary technical assistance for the carrying on of this industry.

A curious side light in this project is the widespread opinion that it is a Reid enterprise, in spite of all the publicity that has been given to the real facts, which are altogether different. Within the past week a prominent citizen of St. John's, a former representative in the House of Assembly and a member of a ministry

under a former Premier, expressed to me that this was a Reid scheme, that the Armstrongs were only contractors, and that as soon as the mills were built the Armstrongs would withdraw and the Reids take control of the whole thing. This gentleman, I might add, is not new in politics, and so far as I know has no identification with any of the political groups in the Lower House at present. His views are merely that of a citizen who has formed an erroneous impression and had not studied the facts which proved the contrary. When I pointed out to him, as I am going to point out to the House, that the Armstrongs have invested about five million dollars of their own money in this venture, he said it was the best news he had heard for many a day, and he would now begin to have some faith in the eventual success of the undertaking.

As we know, this Armstrong project is an outgrowth of the Products Corporation, and we know that the Reids own and control that. The Armstrongs, as I understand it, have purchased the control of this undertaking from the Reids, which means that they bought fifty-one per cent of the stock. For this they paid in cash, I have been told, \$750,000. I think they must have paid a substantial sum because this property was mortgaged to the Bank of Montreal, and I do not think the Bank would give up its mortgages unless it got a cash equivalent. By acquiring this control, the Armstrongs got possession of the land, water powers and other substantial assets in the areas to be worked, which were owned by the Reids and which formed the basis of the "carbide" proposition of 1915. The lands, I understand, which the Reids possess will amount to about 1,800,000 acres, or say 3,000 square miles, and the company has also purchased or secured an option on a lot of lands from other people



in the vicinity, amounting to somewhat over 500,000 acres, or say, another 1,000 square miles, for which, I learn, they have paid a million dollars more. Here we see that in the buying of the control from the Reids and the acquisition of other lands, the company has already paid, or will pay, about two million dollars in cash.

Perhaps I may be permitted to digress here for a moment, to deal with the point made by my hon. friend alongside (Mr. Templeman) as to the Reids being allowed to hold all these lands, although they have defaulted on their contract to operate the railway for 50 years. There is a complete misunderstanding in the public mind as to the Reid lands and their connection with the railway operating contracts. The complications with regard to the Reids and their lands in this country would puzzle a Philadelphia lawyer, but for all practical purposes, it may be said that the Reids got lands under three contracts. They got 5,000 acres of land for every mile of railroad under the Whiteway contract, of 1897, for the operation of the railway system for ten years, and it is under that contract, which the Reids claim they performed to the letter, that they hold the lands on the West Coast included in this property. Under the Winter contract of 1898 they got another 5,000 acres of land per mile of road for operating the system for 50 years, but that land was bought back from them under the Bond contract of 1901, for \$850,000, or say 30 cents an acre. Under the Bond "Timber Transport" bill of 1904, all the Reid lands within three miles of the coast containing timber areas amounting to about 400,000 acres, were taken back from them and they were to be given half that quantity of timber lands elsewhere in the country, but these lands were never given to them, and their claim is wiped out

under the Railway Settlement Act which we will discuss to-morrow. Finally, under the Morris Branch Railway contract of 1909, the Reids were given 4,000 acres of land per mile for operating the branch railways for say forty years, or until the expiry of the main contract in 1951. But most of these lands were bought back from them at the same rate by the Morris and Cashin governments and the Reids now waive their claim to the rest of these lands also, by the Railway Settlement Act I have already mentioned. The point which I think my hon. friend meant to convey really was that the Reids, although they have, according to the government's opinion (which is fortified by eminent English lawyers), defaulted on their contract to operate the railroad for 50 years, are allowed to retain possession of these lands, which should be available to respond to a claim for damages by the colony against them; and this, on the face of it, a strong point, but as we know, the government and the Reids have made a complete settlement, each abandoning their claims against the other, and the country taking over the railroad, the steamships, the dock and other properties and giving the Reids two million dollars cash in return.

To come back now to my enumeration of the amounts paid by the Armstrongs themselves in connection with this project, they have next to pay the sum of \$1,250,000 to build a transmission line from the power plant at Deer Lake to the mills at Corner Brook. This will mean a yearly outlay of \$750,000 as interest, but the company is reducing by two-thirds the cost of transportation on their output and incoming material and machinery, and eliminating the 32-mile haul in and out between Deer Lake and tide-water. This program means the loss of one hundred and forty thousand dollars in earnings to

the railway, but it increases the net earnings of the mills by nearly seventy thousand dollars, or the difference between the interest on the power plant outlay and the savings on rail-freights by the location of the mills at Corner Brook. Then, besides their outlay for transmission lines, the company must spend another million and a quarter in the building of the town at Corner Brook, and half a million in the establishment of a winter terminal at Port aux Basques. In all, their expenditures must amount to nearly \$5,000,000 which is altogether apart from the \$18,000,000 to be raised by debentures as soon as the Legislature sanctions the bill. If any proof of the strength and bonafides of the Armstrong-Whitworth Company is needed more than we have, it is to be found in this fact.

#### 4. The Supervision of the British Treasury.

The fourth advantage I would point out is in the association of the British Treasury representative to sit on the Board of Directors. If there is any Institution in the world to-day that, more than any other, enjoys the respect and confidence of financial and business people, it is the British Treasury. It is a great advantage to have the British Treasury associated with this enterprise and I look forward with confidence to what the British Treasury representative will do in keeping his enterprise, among other things, out of the hands of politicians and political influences in this country. I am not reflecting now on the present or any other Government, but I would point out that the Colony will be connected with this measure for nearly a quarter of a century, until the bonds are paid off, during which time there will be various Governments in control here; and there is always a disposition of Governments to use agencies of this kind for their political benefit. How

Governments have always used the Reids, and the Reids, it may be reported, have always used the Governments I need not elaborate on. I look for the British Treasury representative, with the powers he will enjoy, to serve as a wholesome check on that sort of thing in the future, and to prevent the debauching of this industry into a political agency. Another advantage of having the British Treasury associated with this enterprise is that we have had its prospects of success tested, in some particulars at any rate, by experts appointed by the British Treasury to examine it in regard to its technical, commercial and financial aspects. Leading authorities in regard to paper making, engineering, hydro-electric, and momentary matters had these various phases of the subject submitted to them, and it is only fair to assume that their reports must have been satisfactory or else the guarantee would not have been given by the Imperial Authorities for one half of a cent.

5. The next advantage I see in this enterprise is the part it will play in promoting the uplift of the workman by providing another big labor-giving industry in this island. A call was made for a minimum wage provision of \$2.50 a day and I do not know why it was not included in the contract, because in the original Reid Railway Contract of 1890 there was a minimum wage of \$1.50 fixed, and in the Morris branch railway contract of 1910 there was a minimum wage of \$1.50 fixed and the \$2.50 clause might as well have been inserted in the bill. Instead of that a letter appears to have been written, suggested as having the same effect, and possibly it will do as well. Anyway, I think the figure for labor will be fixed by the competition for the available supply of workmen between this Company, the Harmsworths, and I hope the Bell Island Company, when the

strikes at Sydney have ceased. I might point out that in 1913, the year before the war, when we had no Humber plant, but we had Bell Island producing one and a quarter million tons of ore and the Grand Falls Company cutting a quarter million cords of wood, we saw that, coupled with what employment the fisheries gave, such a condition was produced that no man in Newfoundland who wanted work at good wages need be without it, and I hope that before many years we may see ourselves back to that condition again.

### THE DISADVANTAGES.

I turn now to the disadvantages or drawbacks, of the project, which I propose to discuss in like detail.

#### 1. The Guarantee.

The first drawback of course, is the guarantee. Nobody can view this feature of the matter without concern. It presents an element of danger that cannot be winked out of sight by reasonable people. However, the promoters of this measure argued that it might be able to raise the necessary loans at reasonable rates of interest, and in view of the Old Country availing of this guarantee provision of the Trade Facilities Board, as shown by the Prime Minister in his speech on this measure in the other House, it seems to me that we had either to acquiesce in the guarantee or lose the industry; and I do not think that the Government, in view of the economic situation in this Colony at present, would have been justified in risking the loss of a labor-giving enterprise of this magnitude by refusing to assume this guarantee, especially when our obligation was cut in half and we had to bear only one half of it, the British Government bearing the other. But frankly, I do not take very seriously these "incurable optimists" who assure us that the Colony will never be called upon to meet any portion of this guarantee. I hope they are right, but I have seen too many

schemes presented to this Legislature or to the business community seemingly perfect on paper but which proved anything but money-makers when set a-going. I do not mean by this to reflect on the soundness of this enterprise, because, as I have already remarked, a paper making project is one of the soundest forms of industry known to-day, especially with abundant wood resources and water-powers, cheap labor and easy access to the world's markets; but every honorable member of this House knows that in the early years of all new industries, when they are finding their feet, they rarely realize financial expectations, and it should occasion no surprise if this enterprise has the same experience. Nor need we be unduly dismayed over the prospect of meeting the annual interest payment at any rate, out of the increased advantages the Colony will derive from the starting of this industry among us, provided that all goes well and that no serious dislocation of the fundamental features of the general scheme arises in the meantime. As I see it, the position is that after the construction period of two years, during which time provision is made for the payment of the annual interest out of the funds obtained by the bond issues, the Colony becomes liable, in the event of the Company failing to earn enough to pay half the interest, or, say, five hundred thousand dollars a year, and three years later must assume liability for, roughly, a similar sum in respect of a sinking fund to pay off the "B" debentures in 15 years afterwards so that we must visualize the fact that after 1928 we may have to find a million dollars a year if the enterprise fails. Of course, this is the worst that can happen, and will only eventuate if the enterprise suffers a total collapse, but it is not improbable that in the earlier years, during the formative stages of the undertaking

the Colony may be called upon to contribute part, if not all, its share of the interest payments, because experience here, as elsewhere, has shown that new enterprises are slow to make full profits in the earlier years of their existence. It must be noted that the Colony will have, toward meeting any obligation that will arise, the proportion that will return to the revenue of the increased earnings to all those employed in the various departments of the industry, some three or four thousand in all at some seasons, and the duties on all the various articles imported for the needs of the mills, which by the standard of Grand Falls, should be about a quarter million dollars a year, and I would estimate the return from the increased earnings of the workmen as considerably more than that—say, half million more, so that the interest obligation should be fully covered by the direct returns from the industry, and part of the sinking-fund obligation as well. Some people in discussing this feature credit the whole of the earnings of the workmen to the plant, and one-third of this to the Custom House in duties, as if everybody employed there was not doing anything previous, whereas the Colony gains a proportion of the increased earnings of these people over what they would earn at other work. It is argued that the royalties on the paper produced and the water-powers used would be available, but as these items only come in to us after the interest and sinking fund payments are met, they are not come-at-able when we need them most, namely: when the plant is not earning enough to meet its bounded obligations. I would estimate that while the plant continues to operate at full capacity our treasury should receive indirect benefits of about \$750,000 a year towards paying \$1,000,000 a year which will be the maximum liability, if the plant fails to earn anything above its working

costs, and as this is only a very remote contingency, I think the Government, under all the circumstances, could not afford to reject the proposition.

#### A Second Mortgage

The next drawback is that this colony has to be content with a second mortgage on the plant as security for its payments, the British government getting the first mortgage. Regarding this, the same line of argument applies. It would have been preferable if it could have been other wise, but apparently that could not be contrived; and the compensating provision by which the paying off of our "B" debentures precedes the paying off of the British debentures by five years, goes some distance towards equalizing matters and the provision for the building up of a special debenture reserve fund out of profits, to a figure of at least one and a half million dollars carries the re-insurance feature, if I may so term it, a good deal further. Moreover, the full seriousness of this mortgage provision will only apply if the enterprise meets complete shipwreck, which is a very remote prospect; and even in that event it is altogether improbable that the plant would be idle; somebody would certainly be found to carry it on and the earnings and duties would even go far toward meeting this obligation.

#### 3 Unforeseen Contingencies

The third drawback, to my view, is that sufficient allowance is not made for unforeseen contingencies. What I mean by this I can best illustrate, perhaps, by pointing out some of the set-backs suffered by the Harmsworths since they started at Grand Falls, some 18 years ago. After the mills were set up and the plant work done, the first set-back came when the lumbering village of Millertown, built on a level area at the foot of Red Indian Lake, was flooded one spring by an exceptional freshet, so

that the whole town had to be bodily removed to a higher level on the hillsides near, to prevent such a mishap in future. This cost probably not less than twenty-five thousand dollars. The next set-back came when the company thought it was possible, by using a sealing steamer from St. John's, to keep Botwood Harbor open two or three weeks longer each winter—the latter half of December. The experiment failed and the steamer Tritonia, loading at the pier, was frozen in with a cargo of paper for some months. What that cost I cannot say, but it must have been a large sum. Then the company put the Tritonia on dock and built a new ice-breaking bow on her at a cost of \$5,000, hoping that she then could keep the harbor open, but this scheme also failed and she had to be dynamited out of the ice and a channel cut for her by means of the dynamite, out of Tillingate Island—another costly item. The next trouble was that the company, which had worked with steel penstocks, that is, pipes through which water is carried from the dam to the power house) exposed to the open air, found that in the severe frost in mid-winter, the water froze inside and carried pieces of ice down the pipes into the turbines with risk of damage to them, and the company had to cover with wood the whole of these penstocks, several thousand feet long, and put a heating system in there to preserve a temperature sufficient in mid-winter to prevent this freezing of the water inside. This represented another considerable outlay. Then the company, finding itself unable to use Botwood after the middle of December, had to go to Heart's Content and build a shipping pier and storage warehouses there for the purpose of taking a cargo or two of paper out every spring, and this, I believe, represented an outlay of another \$50,000. Only two years

ago in the spring of 1921, a steamer, the Alconda, lay in the harbor for forty-three days, being unable to reach Botwood because of the ice, and incurring an expense of \$1,000 a day. These are examples of the sort of thing that must be taken into account in the starting of industries in every country, and where perfectly flawless schemes on paper develop serious defects in practice; and this new company must be prepared, in my judgement, to face set-backs of this kind for some years after starting.

The fourth drawback I see in this project is that it will not be sufficiently helpful to the railway system in providing traffic to reduce the heavy losses we have to face every year in operating our railways. Some people talk as if this Humber project would furnish traffic enough to make the railway a paying concern. As a matter of fact it will only add to the earnings of the railway by about \$70,000 a year, or less than one-tenth of the deficit on its reduced operation the past twelve months. I have this figure on the authority of Mr. R. C. Morgan, lately manager of the railway. I asked him what the Humber project would mean to the railway in additional earnings and he replied that if the mills had been located at Deer Lake, the gain would be about \$200,000 a year, but by the transfer to Corner Brook this would be reduced to about \$70,000 a year. Nor will the increased paper-making activities of the Harmsworths help the railway either. They intend to build a pipe-line, nine miles long, to pump the ground wood pulp in liquid form from where it is made at Bishop's Falls to the paper mill at Grand Falls, and the sulphite pulp made at Glovertown mill be shipped to England direct. There, then, is the situation fairly stated, the advantages on one hand, the disadvantages on the other. Balancing one against the

other, it seems to me, that the Government, with the certainty of getting a big labor-giving industry started, which, when it is established, cannot be taken away and would continue to be operated by somebody, even if the present promoters failed, and on the other side facing only the contingency that the guarantee might have to be met, could not do otherwise than go ahead with the scheme, especially when the British Government was prepared to bear half the risk. I have given some study to the experience of the Harmsworths and have in my hand their annual reports and balance sheets for some years past. From an examination of these it will appear that the company from the outset, was able to meet its interest and bond obligations up to the time the war was declared, but that during the war it, like every other industry, had serious troubles to bear, yet as soon as the war was over, it began to resume its profit-making possibilities, so that for the twelve months ended on August 31st, 1922, it had a profit of \$240,000, or over a million dollars, enabling it to not alone meet all its obligations for that year, but also to pay interest on its preferred stock for the two previous years as well, which had not been paid in these years, because the company had not earned enough. If then, we assume that this new company has only to face the conditions that other companies have to face, under normal operations, it should in most years be able to pay the interest on these two bond issues and the amount to be raised for the sinking funds, and if it can do that, the colony will be relieved of any obligations whatever.

The promoters naturally represented that it will do much better than that, and we will all wish them success in that effort, but if they can even do that it will be sufficient for us. That the prospect for this is a

good one I conclude from the fact that the Harmsworths are enlarging their plant at this very moment and that, as the Hon. introducer told me yesterday, the St. Lawrence Company, located at Bonne Bay, is also planning to start a paper mill and to purchase 20,000 horse power of electricity from this Humber concern. This is a further certainty, and one which I think we should like to see the day when industries of this kind, mining industries and others, will be established here which will take our people away from the fisheries entirely, and render it unnecessary to even catch a cod fish or a seal again. We are, I know, far from that yet, but this is a substantial step towards that end. For these reasons, I think this will receive our endorsement, even though we cannot affect its passage. I hope the Company associated with it will have all the success it hopes for, because it cannot succeed without the Colony sharing very liberally in that success, and even if that success is only partial, the labor this country will give and the stimulus it will impart the other activities amongst us will do much to justify its enactment into law.

HON. MR. ELLIS:—I expressed my belief in my remarks at the opening of this session that this measure contained a germ which if scientifically developed would help us very considerably to better times. Since then, nothing has transpired to check my belief. I have read the discussion in the Lower House and also the speech delivered by the Prime Minister in introducing the Bill, and, I think, it merits the approval of every member of the Chamber and is satisfactory to the country. The part played by the Opposition in the discussion was plucky and the amendment which was the result will be to the benefit of the country and I dare say to the Company. The guarantee has not been kindly taken to, but after all that has

been said, I am rather inclined to believe that the business which we are about to undertake is of such a healthy nature that it will meet with such success that we may never be called upon to pay the guarantee. I think that the Government is quite justified in making the venture considering the conditions existing at the present time. It will also enlist the interest of our people more so than if it was a private enterprise. Then we are very fortunate in having such a strong company to undertake the work. They have invested largely themselves, as has been pointed out, so they are bound to make good if it is at all possible. We are all under an obligation for the generous financial assistance rendered. I should like to put myself on record as being strongly in favour of the measure. With regard to the government control railway, I feel they will certainly not want to run it very long. I am led to understand that it is contemplating at the present time the procuring of a private company to undertake the control of the railway. This being so, the matter should be really satisfactory and the whole thing go with a swing.

HON. MR. BISHOP—Mr. Chairman, I had not intended saying anything this afternoon, and particularly because of the very full, very clear and very reasonable way in which Sir Marmaduke Winter exhaustively dealt with the Bill under consideration today. I would just like, however, to express my entire accord with the action of the Government in bringing this measure before the Legislature. Like most others I would say, however, that the idea of guarantee is not altogether welcome, but something was necessary to be done to induce capital to be brought in to develop our interior resources, and surely we have had it sufficiently demonstrated that it is not possible for our fishing population to earn enough in two or three months to keep them for twelve

months, and so other means of employment must be found if we are to keep afloat at all. I think the great attraction in this projected enterprise at the Humber, is the fact that we have such an unquestioned concern taking hold of the matter and entering upon the development of the waterpower in this section. I cannot, however, agree, I never have and never will, with those who say that this country will not at any time be called upon to make good any part of that guarantee. It is to me not conceivable that any such proposition can be stated and become a dividend paying proposition for less than some five or six years at the best, and even that would be wonderful. We must, I think, make up our minds that for a few years at least, the Colony will be called upon to make good the guarantee for which the Bill provides. But that is no reason why we should not give our full support to the measure, and, as the last speaker has remarked, let us all hope that before long the Gull Lake copper mine will be in operation, for we need mines and every other enterprise that can be induced by reasonable concessions and reasonable support from the Colony to come in and help to develop the country. I have great pleasure, Mr. Chairman, in supporting this Bill.

HON. MR. MURPHY:—Mr. Chairman, I would just like to make a few remarks. I am one of the men who have abandoned the industry which our honourable friend says is the last and only hope for the country. After my experience in my father's business and my own experience of seven or eight years, I may say that I saw no future for myself or the majority of the people I was doing business with. You will not get away from the fishery the Barbours and men like them, good, smart men who can make a lot of money and make it quickly. But for those who are not so energetic and smart the sooner we get something

else to do, the better. It is my opinion that we are catching too much fish, and I think it is unfair that our men, generation after generation, should be compelled to go into that occupation. When we got the railway going years ago and when Grand Falls started, the men got work from the Harmsworths, and in the mills and mines, and when that was filled up they could go to Sydney; if anything got wrong with their family, they could easily leave work and get back home by train to look after them. That is what they could do when I was in the business. Then a young man counted it a disgrace to put on overalls and go in the woods to work, and when I started lumbering operations at first, I had to import men from Nova Scotia. Our young men were always prepared to go to the seal fishery or on a foreign voyage, but would not go in the woods to work. Our young men now are satisfied to go to the fishery, and when that is over if they cannot get work in Newfoundland, they will get it some where else. But when they earn the money outside of this country half of it does not come back to us, and if we could start industries and factories to manufacture the thousand and one things which we have now to import, all the money could be kept in the country. I can remember when we had to send to Hamburg for all our hard bread, and had to put up with whatever we got. To-day we can manufacture very nice bread to please everybody; we can manufacture three or four different kinds of hard bread. We can manufacture all kinds of biscuits, plain and fancy. We manufacture boots and shoes and oil clothes. I have mentioned only a few things, but there are many others which we are making, and many others we can manufacture with the development of our waterpower. My honourable friend has said, that the fisherman has to pay it all. There

was a time when he had to pay every thing. There is no sympathy now for the blacksmith, shoe maker, carpenter, cooper or other mechanic. All the sympathy is for the fisherman, and the duty is taken off everything he has to use in the fisheries, and then he expects in a good many cases to live the twelve months out of the money he can earn in two or three months, while the carpenter and the cooper think it very well if they can earn enough in the twelve months to live on during the year. Everyone who tried to help the fishermen, that is, help them by giving them more credit, in nine times out of ten failed, and if I had stayed in the business, I would have gone on until I would have failed myself, and the only escape I had was to leave it and go in the woods, and there every bit of money I made, I had. The ordinary fishermen can make for the year's supplies only three or four hundred dollars. Now a man working at Grand Falls or at any of the other industries, if he only makes \$2.00 a day, earns six or seven hundred dollars in the year, and up to a thousand, that is, twice as much as the fisherman. I think that anything that can be done in this country to get men permanently employed at something other than the fisheries, should be done. In New Brunswick, they are doing it and developing all the water powers available. Newfoundland is fortunate in having numerous good water powers, and in twenty or thirty years from now, I trust the most of them will be developed. I am glad to see that the undertaking at the Humber is in such experienced hands as those of the Armstrongs. In this country we have had enough of experiments, but a company with good management ought to be able to come in here and earn enough in the first ten or twenty years to pay off the whole thing with interest and then start with a clear sheet.



There will be enough left to get all the good jobs we can for our people. And if we want to have an independent lot of fishermen farmers we have to grow enough to live on. Thousands are living without fish at all, in Conception Bay and other places, who used to go out and catch fish, and they have given it up. We have 6000 miles of coastline around Newfoundland and we are not catching one fish out of a thousand that comes down there. Still they fit out vessels and take the people like a lot of cattle and like slaves and bring them down and dump them in some part of Labrador where perhaps there is not enough fish for one. We want plenty employment for our people, factories and other industries to serve more people and that is the only way we can help the fishermen out. I had an interview with Coaker some years ago and I said, if you want to help the fishermen out you will have to get off the track you are on now, and get as many as you can away from the fisheries and into some other employment, and I noticed that at a convention held shortly afterwards, Mr. Coaker's speech was practically what I said to him, and he has been of that opinion ever since, and he is trying to get some other industries started. I will encourage every industry that can be started and if necessary, give all the guarantees and encouragement necessary to get capital in here. We have factories running all over Conception Bay with our power and the more industries we build up, the more revenue we will have, and the government is perfectly justified in helping this project out. Water power is the best investment you can put your money in. It is always there, and perfectly safe, war or no war, or anything else. I hope everybody will have sufficient interest in our country to support this thing. I hope these people will do

well and that people will realize that it is time to do something else than catch fish.

HON. MR. PHILIP TEMPLEMAN.  
—I do not know that Mr. Murphy ever gathered from me that I was fond of the fishery. But at the same time, I do not see how the fishermen are going to live on the Armstrong project next winter, or to-day or the next day. They are living to-day on the premises of the candidates during the recent election. He mentions Conception Bay as a place where the people are living on farms. Well I challenge him to name two or three who are living on farms there. But what I suppose is that these people should be given a guarantee for some thing you all say is safe and sound. Why should the government guarantee and why should these people look for it? I have been told there is \$26,000,000 in the Savings Bank, and I want to ask Mr. Murphy how many laboring men of Grand Falls and Sydney and the other industries he refers to have their money there. I venture to say that not one million of that money is theirs, but that the bulk of it belongs to the men who made it at the fisheries. I think if the government is going to guarantee this Humber deal, those of us in the fisheries should be guaranteed. Not as the government guaranteed it before, with discrimination, and as they are showing it to-day. Why there are people in Bonavista to-day who cannot get work because they voted against the government; and they have come to this pass now, that they discriminate against every man opposed to them. Coming to the fishery, I would like to ask Mr. Murphy how many laboring men in St. John's own their own homes, and hundreds of them have thousands of dollars in the bank. I do not agree with the government guaranteeing this Humber deal at all and I think there are lots of people here of the same mind.

If it is such a good thing, why should we guarantee it?

HON. MR. WINTER—With a Company, it is much easier to float a loan with a guarantee than without it.

HON. MR. TEMPLEMAN—I agree with you there. But why does not somebody start up some bonds to prosecute the fishery? I defy any man to stand up and say that this country does not, did not, and will not depend on the fisheries for many years to come. I am no lover of the fishery, but I am not a coward and I am not going to run away from it. How many people are employed at the Armstrong's now? How many are going away every day and cursing the government when they were promised employment three days after the election, if the Humber went through. And cursing Sir William Coaker who promised 150 tickets a day or two after polling day, and I think three were given out. Now, is that satisfactory? Why the whole election was fought on the Humber deal, and why should the people be deceived like that? I do not agree with some of the remarks made about the fishermen, and with some of the sneers made. It is a very good thing some people never had to catch a fish, but I am not a bit ashamed to have been a fisherman's son. I am proud of it. I was brought up by a good-living fisherman; I wish I was half as good; and I am not ashamed of it, and people here sneer when the word fisherman is used.

The committee rose and reported the bill without amendment, and it is ordered same be read the third time on to-morrow.

On motion of Sir Marmaduke Winter, the Bill entitled An Act for the Settlement of Certain Disputes relating to the Railway and other matters, was read a second time and ordered to be committed on to-morrow.

The House adjourned until Monday next at three of the clock.

MONDAY, JULY 9th., 1923

Council opened at 3 p.m. pursuant to adjournment.

The Bill "An Act Further to Amend the Act 6 George V. (1915), Chapter Four, entitled 'An Act for the Confirmation of a Contract with the Newfoundland Products Corporation, Limited,' was read a third time, passed, and ordered to be sent to the House of Assembly with a message that the Council had passed the same without amendment.

Second reading of Bill "An Act for the Settlement of Certain Disputes Relating to the Newfoundland Railway and other matters."

HON. SIR MARMADUKE WINTER:—Mr. President, in moving that this Bill be submitted to a Committee of the Whole House, I wish to make a few comments. Some days ago I had the privilege of submitting to the Council a Bill with respect to the industrial development of Newfoundland in the Humber area. I now have the honor to invite the attention of this Chamber to the associated Bill, dealing with the proposed railway settlement.

Many members of this Chamber are more intimately acquainted with the history of our many railroad difficulties than I am. My knowledge of our railway troubles relates chiefly to the difficulties which every shipper of freight over the rail line and by the Coastal services finds himself compelled to face month by month, rather than a knowledge of the political associations of the past railroad contracts and their legal effect. But I think I am voicing the sentiment of every member of this Chamber when I say that the whole business community welcomes a business-like final settlement of the ever recurring disputes between all Governments of Newfoundland and the Reid railway organization.

It would be presumption on my

part to attempt to discuss the various railroad contracts, Reid arbitrations, and the railway and steamship contracts, both for construction and operation, with which the Reids have been associated during the last thirty years. I remember that a year or two ago a very illuminating address was delivered in this Chamber by the Hon. Sir Patrick McGrath, and upon that aspect of the question I shall not venture to trespass.

It is a fact that the Reid organization in Newfoundland has been a very expensive one to the Colony. I could not venture an opinion as to whether the Reids have made wealth out of Newfoundland or whether their Newfoundland enterprise has absorbed any wealth which the late Sir R. G. Reid may have possessed before he became associated with railway contracting and operating in this country. I do say, however, that the railway services during recent years have become an intolerable burden.

The Reids have been unable to carry on. The Government has been forced to a position of assisting them to carry on the services. There have been dual ownership, dual control and dual executive management. Newfoundland was some years ago advised by Sir George Bury, an experienced Vice-President of the C. P. R. We have also been advised by Mrs. R. C. Morgan, an experienced and capable C. P. R. railway man. Our railroad has been under the management of the late Sir R. G. Reid, Sir W. D. Reid, Mr. H. D. Reid, and his brother, Mr. R. G. Reid. It has been under the management of Mr. R. C. Morgan and Mr. H. J. Russell. The accounting has been handled by Mr. J. Hunter, Mr. McNeil, Mr. David L. Kerr, Mr. Pill, and the Auditor General, and generally the whole situation might be regarded from a business point of view as bearing the hallmark of dissatisfaction.

When the Railway was originally opened up in accordance with the program of the late Sir William V. Whiteway the reason given for its opening was not because there then existed any necessity for a railroad, but that the opening up of the rail line would itself develop traffic, would lay the interior of the country open to industrial development and through that prospective development, business would be created which would make the railroad a practical business undertaking. Year after year there were further railroad developments. Very considerable business did result from the railway program, but from the record of the last twenty years it has been absolutely clear that there has been no such development on the one hand, and practical, efficient management on the other to make it possible to make both ends meet.

There are two fundamentals essential to make a Railroad a business proposition: (1)—It must have the constituency to serve. In other words there must be the people to be carried as passengers and the freight to be taken from point to point. A railroad unless it can serve the public and do business, unless there is a sufficient public to serve and sufficient business to be undertaken, is merely a sink for money. (2)—The second essential qualification is a conservative, aggressive, efficient business management.

The seriousness of our railroad problem has been caused by failure in both these essentials. I believe there are more lines of railroad and more railway stations in this country than up to recent years there has been a constituency to serve, and in the second place I believe that there has not been such careful, aggressive and efficient railroad management as made the very most in the interests

of the railway out of business conditions as they existed.

Then the railroad has been impaired by competing services. There are sections of the Island where there is enough business to justify rail connection or steamship connection, but not enough to justify both rail and steamship connection. In some parts of the Island we have a Government-subsidized train, a Government-subsidized boat, and a Government boat, each competing with the other for a volume of business which in itself is not sufficient to do more than justify one service. A large number of the railway stations in Newfoundland do not produce enough business to pay the salaries of the officials who are necessarily employed to keep these stations open—hundreds of thousands of dollars have been spent to keep sections of the line open during the winter season when there was no business justification whatever for the expenditure.

There is no commercial undertaking in this country which can live under such conditions, and the surprise is that for some years past we have had any railroad service at all. I am not interested in the political questions as to who is to blame or whether anybody is to blame, but I am vitally interested in the question as to whether this country must be plunged into the series of arbitrations and law suits, the result of which it is impossible for any layman to determine. If the remarks of the leader of the Opposition, who is himself a King's Counsel, are correctly reported it would appear that lawyers would not be able to tell the result, as he is reported to have challenged the opinions of eminent English lawyers who advised the Government on the ground that they had before them the Government's case only, and therefore their opinions would be much more favorable to the Government

than if they had heard the other side of the story.

It seems that the Reid lawyers advised the Reids that they could get millions of dollars of damages from Newfoundland in relation to the various contracts. It seems that the Government lawyers, whose standing is of such rank that their authority cannot be challenged, on the one hand advise the Government that the Reids have defaulted in their contract, which the Leader of the Opposition appears to dispute, but that on the other hand the case is difficult, complicated and uncertain, and that the Government would act wisely if it would make any reasonable settlement which could be secured.

As I look at it the situation is that the Reid Newfoundland Company owns eight steamers. The Reids say they are worth a great deal of money. (They are, as a matter of fact, worth much, but probably nothing like the amount the Reids state. The Reids say they own about half the rolling stock, at any rate more than a million dollars worth. The Government owns the rest. The Reids own or claim they own the railway station in St. John's, and various stations and sidings around the country. I understand there is no doubt about the fact that there are about 200,000 acres of land owned by the Government to the Reids under the old act passed in the year 1904. The Reids then claim that the Express Company, which it is admitted is a big dividend paying concern, is a large asset. The Reids claim that the Dock, which is also a dividend paying concern, is worth some hundreds of thousands of dollars. The fact is that the Dock cost the Colony about seven hundred thousand dollars and it was sold to the Reids for \$325,000. Its present condition is such that it will require large repair and remodelling to make it an efficient dock, capable of going into

at Halifax, Nova Scotia. Then the Reids have many miscellaneous claims based upon matters which they say have been violations of contracts, payments due on branch lines, and the hundred and one other things which contractors so often make up as irregularities, extras or such like in relation to contractual affairs.

Then we come to a serious matter which may or may not involve millions of dollars. When the War came upon us we had to depend almost altogether upon the railway services. What Newfoundland would have done without its railway we cannot say. My view is that it would have meant disaster for the whole country. We all know that during the war years every importer was clamoring for more trains, and every person who wished to travel for business or pleasure was clamoring for more railway accommodation. What arrangements were made by the Government of that day with the Reid Newfoundland Co. I do not know, but I do know that train services, both passenger and freight, were doubled, trebled, and sometimes quadrupled. I know that freight rates were increased on several occasions during the war. I know that there was most unfortunate congestion of freight at Sydney and Port aux Basques, and that the situation generally from a transportation standpoint was deplorable, though it was realized by the business people that everything possible was being done to press every engine and every car available into the service of the trade of the country.

The Reids claim that they are entitled to millions of dollars for their war services, and bolster up that in Canada, the United States, and England the railways were taken over by the Government, and that at the termination of the war large sums of money were paid by respective Governments for railway operations dur-

ing the war. While I admit that when a man orders goods or asks for services, everyone takes it for granted that there is an obligation to pay for the goods and for the services, yet I did not look upon this railway claim as coming under either of these heads until a few days ago when Sir Michael Cashin, who was Minister of Finance during the period stated in the House of Assembly that the Government of that day promised the Reids that they would get paid by the Government for their over-work during war time.

That statement by the Minister of Finance of the day was a very strong pronouncement in support of the Reids' claim for compensation for their war-time services, and in the light of that statement, coming from that responsible source, coming from otherwise than consider that the Reids may, after all, be able to claim from the Colony large sums of money. What the total of the Reid claims would amount to I do not know other than that it is common knowledge that a year or so ago, when the railway was closed down for a time because the Reids said they did not have enough money to meet the pay-roll, and it looked as if we were on the verge of a lawsuit with them, it was stated that they were claiming something in the neighbourhood of fifteen million dollars.

Whatever their claims were, they amounted to many millions. I would not say that business men always apply injunctions of Holy Writ to their business activities, but in this regard I am reminded of that passage which suggests that when you meet your enemy in the way, make peace with him or he may hale you before the Courts to your disadvantage. I am inclined to the opinion that in this case the Newfoundland Government is doing right in following that thought and making a settlement with

the Reids in these disputes now they have an opportunity of forcing a settlement, instead of neglecting this opportunity and going to arbitration, with results similar to those of previous arbitrations.

If this were my own business, I would not hesitate a moment to take over their assets, their dock, their Express Company and their steamers, and wipe out all their claims for two million dollars, payable twenty years hence, bearing interest at five per cent. That is how I look at it, and as that is the position I would take under the same circumstances in my own business affairs, feeling that I was ridding myself of a dangerous and troublesome financial involvement very cheaply, I have no hesitation in recommending it to my associates in this Council as good business.

The next difficulty that we have to face is almost if not just as serious as the difficulty which we are now overcoming, and that is the future management of our transportation facilities, railroad and steamship. Unless there is a co-relation of services so that we will not have two or three competing agencies for the same business which competition does not reduce rates but destroys the services from a business point of view, unless we have competent and efficient management for these transportation services, then the present is as bad as the past, but just as I have confidence in the industry, foresight and business ability which brought the Humber program to a satisfactory conclusion and which has brought the railway trouble to what I am satisfied is a most admirable settlement, so I believe that as the months pass it will be possible to make such arrangements in relation to our transportation services, both as to the services themselves and as to their management, that we will have a permanent and highly satisfactory solution of

the whole problem. I am not able to inform this Chamber what that program is. I have some knowledge of possible developments, but it would be improper and perhaps disastrous from a business standpoint for any pronouncement to be made in that regard at the present moment. But I am satisfied that the problem is capable of a satisfactory solution and that this world of ours has the capital, the enterprise and the experience to handle our transportation problem. In the Dominion of Canada they seem to have decided to continue Government control of their national railroads. They have made a most determined effort to cut their railway organization clear of political association and control. They have secured in the person of Sir Henry Thornton a man of outstanding reputation in railroading for their Executive head, and in that way hope to work out a solution of their railway problem, which from a comparative standpoint is quite as serious in Canada as it is with us in Newfoundland. For my own part I would like to see this transportation service even further removed from Government associations than the Canadian system, and while I cannot give this Chamber any definite hope that such will be accomplished, I can assure them that this problem is not one which has been overlooked in the pressure of other business, but is one which is receiving and will receive every attention and effort, as the Government realizes that while the Humber development scheme is a partial railroad solution and may be regarded as a first step, and that this settlement is a partial railroad solution and may be regarded as the second step, yet there is a third and final step to be taken, and that is to secure an efficient service with good management, as free as possible from the turmoil in which any large business enterprise which is

connected with political associations and Government control in this country is apt to find itself.

I therefore beg to move that this Bill be submitted to a Committee of the Whole House.

SIR P. T. McGRATH:—Before the Committee rises, I would like to make a few remarks on this Bill. The first is to emphasize again what I said on Saturday, namely, the extraordinary position in which this Chamber is placed by the fact that measures of this magnitude come before us with no possibility on our part of amendment. We cannot amend this Bill in one small particular, and I think it is necessary in the light of giving the Reid Company, through the St. John's Light & Power Company, valuable water powers at Mobile and Tor's Cove, without any quid pro quo. When my hon. friend here was given valuable powers some years ago, it was subject to the proviso that he should not charge over certain rates. Now why should not this Company be compelled to submit its rates for light and power to some impartial tribunal. We are paying to-day 15 cents per k.w. I brought along my own bill for comparison. Now far be it from me to deprive any business concern from a legitimate profit, but I wonder if hon.gentlemen realize that in Montreal to-day they are getting electric power for six cents. I noticed the other day where a citizen there complained of being charged 25 cents meter hire in addition to the lighting rate, and the case was taken up by one of the newspapers, and they found that the Company was not entitled to charge meter hire. Now, I am not complaining against being charged meter hire here, and against the Reids getting a liberal profit on their enterprise, but I think we should have something put in this bill to enable us to get light for less than twice as much as they pay in Montreal. In Ottawa the other day, the Upper

House gave the six months' hoist to a bill for the building of branch railways on the ground that it was not the time for such extensions. I do not suggest that we should throw out this Bill, but it is an undesirable and humiliating position to be in, merely that of a rubber stamp and making no other protest than a verbal one. With regard to the bill itself, I think that to get rid of all the entanglements and troubles in which we are involved with the Reids, is cheap at two millions of dollars. If that was the end of our difficulties, I personally, would breathe freely and nobody that I know of, is specially to blame, but we are only at the beginning of our trouble, it seems to me. I saw it indicated in the speech of Sir William Coaker, that plans were in embryo for taking the operation of the railway by British capitalists. I sincerely hope that result will be attained, but I fear it will not without paying something handsome by way of subsidy. I cannot see where it is possible for any company to make the railway and its allied steamship services pay. The Reids were never able to do it in the old days when they had the cross country line and practically a monopoly of the steamship lines. They at no time came within \$20,000 of a loss, but broadly speaking it has been a losing proposition for the Reids for twenty years. Now when the railway was taken off the Reid's hands and operated by a Commission, the understanding was that the Reids were to stand losses up to \$100,000 and the Government the rest, and no one contemplated the losses would be \$1,650,000, but that was the position. The Reids put in a counter claim against the \$100,000, and the Government got not one cent. Next year under Mr. Morgan, the loss was reduced to \$1,250,000 and the past year to \$750,000. But how much was reduced by closing down branch lines and not operating over the Topsails.

Perhaps in the future, it can be carried out on the same basis, but you cannot shut up branch railways and expect the roadbed to be in good condition. And the most serious feature is the amount of money we shall have to raise for a year or two to reoperate the line, steamers, etc. I do not think I am exaggerating when I say that this country, apart from the operation of the railway, is going to have to find millions of dollars to put the road in good condition. As I pointed out on Saturday, there would be some likelihood of reducing the inevitable deficit in the mills in connection with the Humber proposition had been erected at Deer Lake, but now all the railway will haul will be the three or four months output of the winter from Corner Brook to Port aux Basques. Under the other plan, the output for 12 months 120,000 tons would be hauled the 30 miles from Deer Lake to Corner Brook which could almost be hauled down by gravity, thus making for big trains, and then there would be a lot of material to haul back which would mean a lot of traffic.

This was carried up hill and down hill, with trains of limited capacity in the depth of winter, when the cost of keeping the road open was very considerable. So I think I cannot have been mistaken in quoting Mr. Mogan's figures that the transferring of the mills to Corner Brook reduces the cost one-third. Now we see the Harmsworth people planning an extension at Grand Falls. There is to be new paper-making machinery put in, and the pulp, previously hauled up by train, is to come in liquid form through a pipe line nine miles long. One hundred tons come from Bishop's Falls per day. This will be an item lost in the way of traffic. It will be brought all by pipe line, just in the same way as oil in California—winter and summer—just as the water is brought into St. John's. It runs

in the coldest weather. That will be a substantial item eliminated. These additional circumstances seem to strengthen the argument that it will not be easy to get any company anywhere to undertake the operating of the railway. The spending of millions will be necessary owing to dry dock conditions, etc. before satisfactory and a revenue-producing service would result. I sincerely hope I am mistaken, but when I am told otherwise, I'm inclined to say, as Lord Morris said, "It's too good to be true." The Hon. gentleman in his very clear review to-day, pointed out that the Reids had \$15,000,000 in claims. Ten million was for service during the war. I understand the Reids were to be paid. In all cases like this we have to get down to arbitration. War days were wonderful days for more people than the Reids. I am here, however, neither to defend nor uphold them, but during that time a great deal was piled upon the Reids, and they were expected to handle it. The trouble is we can be very wise now, and see all the faults made in the past. It is not an easy matter to keep things going. I was on the Food Control Board, and I know something of how matters stood. One man wanted sugar, another wanted flour, and it was a problem to give proportionate freight space on the steamers to New York. It seems to me we are only beginning one phrase of the trouble. I agree, we ought to be thankful to be rid of the trouble and difficulty with the Reid Nfld. Co. which has arisen during the years past, but I think there is nothing more pathetic—for I have a strong admiration for Sir. R. G. Reid—than, after twenty years, their going out of existence under such circumstances. We get back then, to whether the '98 contract was good or bad whether we should have let the paper and pulp mills go ahead or whether we did right in rescinding



that contract and setting up the '91? The net result is that millions are lost. To-day we are thankful to get out of the situation, after experiment after experiment, each more costly than the other, until now we buy out the Reids and start again. I hope it will be a success but I doubt it can be the success some people interpret it to be.

HON. DR. CAMPBELL.—Would you shut up the railway?

HON. SIR. P. T. McGRATH.—What I should do is immaterial. I offered an opinion before on the last night of the first session. I spoke words of warning across the House that the negotiations with the Reids had to be carefully arranged. I know who got the worst of it, and that is—the country. If you ask me why, I should say as I said then—try to make the best bargain with reputable people. I have heard that there is talk of getting the Armstrong-Whitworth people to take it over.

HON. DR. CAMPBELL.—That is street talk.

HON. SIR. P. T. McGRATH.—Men who have enterprises here, these are the type of men to put in charge of operations such as the railway. I was also amazed to hear that it was expected that the Reids were to be given it back again.

HON. DR. CAMPBELL. — More street talk.

HON. SIR. P. T. McGRATH.—For such to happen would not, I think, be to the best interest of the country at home or abroad. To get some local company to take things over would be a more disastrous solution. With regard to government ownership, the most that has been claimed by Canadian Government is that they are going to make an honest attempt to operate the system satisfactorily. It could be attempted here as a government enterprise, and if after four or five years it was

found impossible to continue, it could be passed over to a private company, if anyone could be found to undertake it. I know the outstanding feature is the tremendous outlay on the colony. Now to get back to the events of the past three or four years.

HON. DR. CAMPBELL.—What has been the millstone?—The branch railways.

HON. SIR. P. T. McGRATH.—As far as the branch railways are considered there was justification for them

The branch lines were built to cooperate when there were a couple of the finest steamboats in British North America in the service.

HON. DR. CAMPBELL.—Who originated the idea of the branch railways?

HON. SIR. P. T. McGRATH.—I suppose Sir Edward Morris.

HON. DR. CAMPBELL. — How much did they cost the country? Not a stock struck less than \$20,000 a mile.

HON. SIR. P. T. McGRATH.—Just as much as was spent on the Badger Road, if we talk of the loss on operation.

HON. DR. CAMPBELL.— The Badger Road was relief work.

SIR. P. T. McGRATH.—We won't get far at this rate, not that I want to back out from the argument. With the Humber we are bound to get value for every dollar. The more of that we get into the industrial history of the next few years the better we come out. The government intend building a road from Grand Falls to Bishop's Falls and Botwood, and I understand, one of the Goodyear's has charge, and a very good man I consider him for the job.

However, Mr. Chairman, I am not going to delay the House any longer. With regard to the Bill, I say it is satisfactory, in view of the present situation. I am sorry to say we cannot introduce an amendment. As to

the future of the railway experiment, I can only repeat that I hope the government will have the success they expect. But I personally, won't be surprised, if a year from now it is proposed to find a very large sum of money to keep things going until such time as it may be undertaken as suggested.

HON. DR. CAMPBELL:—It occurs to me from the annual railway discussions which have taken place here during the last four or five sessions, that the present Government seems to be to blame for all the railroad troubles. I am not a railway expert, but we have spent days and nights in trying to solve the situation. I can not sit down in silence and hear the blame of the railway losses attributed to the Government of to-day. The difficulty was when we came into power in 1919, everything was in a frightful state. We found ourselves lords of a barren heritage, with the railway in pieces, the rolling stock in pieces and with engines burning the country down. In the days of the war—and they should never be forgotten by some of the governments of those days—for they were great days, the Reids were given an open order to keep trains going as often as necessary, with no question of cost. Hence the tremendous claims for operation during that war period. Concurrently there was going on in this country the operation of transports—battleships like the Susu and dreadnoughts of that type chasing animals at a tremendous cost. I should like to take an opportunity of going into the work of the Defence Committee at the time. However, I am talking politics. The question is, should we have a railway or should we not? We can shut up the railroad and put an end to the trouble once and for all, for we find ourselves with the railway going to pieces and operators bankrupt. We had the choice, but the people won't stand for closing it

down. The rolling stock, as I have said, is out of order, and during war days the whole system was allowed to go to pieces. Then it was handed over to us with a deficit. Our object was then to get the rolling stock anywhere but over the bank, to keep the engines from burning the country down. We tried if we could conceive of any way to keep things going. We brought down Mr. Morgan and he gave it a lot of careful thought. As a matter of fact, we are railroaded to death. Now to come to the point—what was the idea of the branch railroads? We should never have had them, we could not afford them. That is the mill-stone which is hauling us down. They were built for political purposes and served that purpose. Take the Ferryland line, what was the use of it? Rarely is it used except may be during the berry-picking season. I should like the wise acres to reply where there sanity was. There seems to be some explanation for the Bonavista branch. The Bay de Verde branch was laid to capture the Bay de Verde District and it did so. It is refreshing to hear my hon. friend speak as he does, for he in those days was the "cloud by day and the pillar of fire by night."

He was one of the people who initiated the branch railway program, and yet he criticises the Government of to-day for expenditures in railway matters.

HON. SIR P. T. McGRATH:—I did not criticise.

HON. DR. CAMPBELL:—I am glad of that. Now I come to another little item. Perhaps some of my friends may have heard of the Fortune Bay Branch. It was a particularly brilliant stroke of mental genius. It began nowhere and it ended eight miles from nowhere, and the reason why it did not get to the nowhere on the other end was that it was found that if they built it any farther the trains would probably run out to St. Pierre

before they stopped. There has never been a train run over that line, and never an engine run over the line. When Mr. Morgan was here he came to me and said that some lunatics started to build some more branch railways and never finished them. He said they wanted some new rails and that there were seventy or eighty or ninety thousand there which we may as well save because the next year they would be so rotten that we would get nothing at all. And that is the end of the Fortune Bay Branch, built for election purposes, and costing the Colony over half a million dollars. The idea was to capture Fortune District. The idea of the Bonavista Branch was to capture Bonavista District. And it was successful. It cost a lot of money, but the District was captured. The idea of the Bay de Verde branch was to elect Crosbie, and it succeeded, but it cost the Colony a lot of money. I am not talking politics, but I am just pointing out that all the brains are not assembled in the Opposition ranks. They are human and given to human devices, but these are not altogether justifiable when the cost is as much as that of these railroads. Coming to the more important item, and the thing which we have now to consider in this House, and that is, the future of the railway. We make no promises as to the future of the railway. The railroad could have no future if left in the hands of the Reid Newfoundland Company. They have in the past given more of their energies to law suits and lawyers and litigation than they did to transportation. A year when they did not have a couple of lawsuits was not a very successful year with them. As a matter of fact, during the Governments of Bond and Morris they had some very successful lawsuits which turned them in some millions of dollars. We have not had many during our

term of office, and I think possibly with this two million five per cent. debentures we have come to a satisfactory settlement. We have got some real assets. I look upon the dry dock in St. John's as an asset which if a big concern took over could be made a handsomely paying concern. I understand that most of the ships have been given orders to avoid St. John's because of the delay in getting attended to. Instead of being in this position we should be capturing every lame duck in the Atlantic. I have no doubt that if we succeed in getting a large concern to take over the railroad and dry dock we will have in St. John's West a centre of activity that we have never had before. We have not at present any pronouncement to make as to what our future plans are for the railroad. We have been trying since 1919 to meet the colossal obstacles and difficulties before us. There has never been a Government faced with such obstacles as we have had to face during the aftermath of the war period. We have succeeded in bringing in a bill for a large development in the Bay of Islands area which received the unanimous support of this House with the exception of Mr. Templeman. We have settled the Reid muddle that has been a nightmare to us since 1898, whether settled satisfactory or not is a matter of individual opinion, but we could never begin anything and never make a start until the Reid situation was cleaned up once and for all. We are starting off now on a new year. I think we should have the wish of every member that we be successful in inducing a large concern to take over this problem. We have no definite pronouncement to make, but we will do our best, and if we are lucky enough to get hold of the people who are now on the trunk line it will be one of the happiest days in the country's affairs. We are confronted with

the idea that if we are to have a railroad we must pay for it. It has cost the country too much since 1919 and it will cost more going on as it is, but we are confronted with the idea of either closing it up or paying for it.

HON. MR. TEMPLEMAN:—Close it up by all means. Close up the whole thing.

HON. DR. CAMPBELL:—I thought you were one of the men that got it. I think, unless my memory is slipping me a little, that you were one of the men interested in it. However, let us admit here now that the branch lines were a bit of expediency, that they dragged us down and will continue to drag us down. They have been one of the greatest difficulties we have had to contend with. When Mr. Morgan drew our attention to this we shut them down in the winter months, and we will so continue to shut them down unless sufficient freight and passenger traffic accumulate. The pronouncement I want to make is. We have nothing definite to announce. We have worked on the proposition day and night, and let us hope that in the end we will have the same satisfactory result as we have had in putting the Humber on the map of the country.

HON. SIR PATRICK McGRATH:—Mr. Chairman, I had no idea that the honourable gentleman would construe my references as a criticism of the Government. I thought I was fairly moderate and was keeping away from politics, but in as much as the honourable gentleman has taken up the question of branch railways and has associated me closely with the policy of the Morris Government, with which I was more or less identified, I would point out that every criticism he directs against the branch railroads is a criticism of his own leader, because Sir Richard Squires was one of the Morris Party candidates elected for Trinity Bay on a policy of branch

railroads in 1909, and Sir Richard Squires remained in the Morris Government until the year 1917, so that for everything that happened in the Morris Government up to the end of 1917 Sir Richard Squires is as much responsible as anybody else in the country.

HON. DR. CAMPBELL:—They used to blame you.

HON. SIR PATRICK McGRATH:—They may blame me still, but that does not get away from the fact. Now the Honourable gentleman next tells us about the Defence Committee. Well, that is one of the things upon which I can plead absolute innocence. I knew there was such a Committee. I know it did a great deal of work looking for imaginary Germans, but there is this much to be said on the other side, everything that was done was done at the instance of the Imperial authorities. I was identified with the Government at that time and may claim to know something about what was happening.

HON. DR. CAMPBELL:—The Imperial Government never asked for that.

HON. SIR PATRICK McGRATH:—Up to the present it is merely a matter of my saying one thing and his saying another. However, there are gentlemen in this House who were members of the Cabinet of that day and who know better than I do, and who can tell the honourable gentleman whether what I am stating is correct or not. However, apart from that. If all this rascality, so to speak, was perpetrated by the Defence Committee I want to remind the honourable gentleman that one of the present Cabinet was one of the high admirals.

HON. DR. CAMPBELL:—He has reformed.

HON. SIR PATRICK McGRATH:—He would need to. But I do not agree that things were as bad as the hon-

ourable member wants to paint them. Money is wasted in this country as well as in every other country. I had a great deal to do with the operations of the War. During the first three years of the War I had to sign cheques for over three million dollars of expenditure in connection with the War, and while there was a great deal of waste I never saw a solitary instance of dishonesty or corruption on the part of anybody connected with the War, and there are gentlemen here in this Chamber who were associated with me in some activities since the day the War opened, and they will bear me out in saying that there never was anything run more free from corruption or dishonesty in any factor than the War effort of this country for the greater part of the time the War was in progress. Now as the Prime Minister the other day undertook to defend under circumstances such as he thought justified it the late Prime Minister, Lord Morris, I would like to say from here that I do not agree with the honourable gentleman in his scathing condemnation of the Branch Railway system. I say the Branch Railway policy was no more a political expedient than any policy with which the honourable gentleman is associated. If Lord Morris advocated a policy of Branch Railways he did so fairly and squarely; there was an election and the parties split even. He went to the country a second time and was elected. The people voted for the policy with their eyes open. There was just as much reason for the people who were opposed to my honourable friend to argue that the Humber deal has the result that the honourable gentleman suggests, that four or five years from now it does not realize expectations, and the Colony is called upon to pay the interest, what will the people say about the Humber deal then? I do not say that that will be

a justifiable argument five years from now any more than I admit that the honourable gentleman's argument is justifiable. The Reids had their schemes for the development of this country, which if they had been carried out might have made the whole thing a success. There is the fact, as I said previously, the Reids were so convinced that they could make this thing a success that they built three of the finest steamers of their class afloat at the time, built them out of their own money. There was the second Bruce, the Lintrose and the Kyle, built by the firm that built the Lusitania.

HON. DR. CAMPBELL:—They got their money back from Russia for them.

HON. SIR PATRICK McGRATH:—They did not build them in expectation of the War. They built them to do service in this country, and they gave people, at their own expense, a daily train across the country, and all they got for it was \$20,000 a year of extra subsidies. It may have been a foolish policy, but the honourable gentlemen will find many instances where expenditures were undertaken through what seemed a foolish policy, but in the end resulted in having become paying propositions. I do not know what might have happened if the War had not come upon us, but when the honourable gentleman talks about the Fortune Bay Branch being a farce it is another denunciation of his leader. He was a member of the Government that built the line from nowhere to nowhere. But I do not agree that the honourable gentleman's presentation of the case is at all correct. Because, as a matter of fact, if it is correct, it is the greatest indictment that has been made of the person responsible for it, and that is the Government Engineer, because that branch was approved by the Government Engineer before it was made.

HON. DR. CAMPBELL:—It was never surveyed.

HON. SIR PATRICK McGRATH:—My honourable friend says that it was never surveyed. There are two kinds of surveys. There is the general survey which lays out the line, and then there is the survey afterwards. And from what I know about it there was no difficulty in getting the train to go there. It was no more difficult to get a rain there than to get it to go to Trinity by building the loop. There was no engineering difficulty that could not be surmounted. What was the fact? The Fortune Bay Branch was not abandoned for any other reason than because the War started. My honourable friend shakes his head. But that is the fact. The road was being built, the men were at work, and the War came, and when the War came on of course the thing had to be abandoned. But when my honourable friend speaks about branch roads I would go further and point out that his own leader in 1919 undertook to further extend the branch railroads.

HON. DR. CAMPBELL:—Where was that?

HON. SIR PATRICK McGRATH:—He proposed to build railways along the north side of Bonavista Bay and the District of Twillnigate. However we are not getting very far, but in conclusion, Mr. Chairman, I wish to assure the honourable gentleman that when I started my few rambling remarks I was not intending to criticise the Government at all. I thought I was making that very clear by saying that I recognized the Government has had to face a very serious situation the past three or four years. As I said the night before the first session of the present Administration ended here when we were discussing railway matters, people who sat in conference to negotiate with the Reids should keep their eyes open. I did

not say that they did not keep their eyes open; I think I said that I considered this was a very satisfactory solution of a hopelessly impossible proposition, but I likewise say that I view with concern what is going to happen now we have started with a clean sheet. We have started with Government operation. We must continue Government operation until we get somebody else to operate for us, and not a day longer, but suppose my honourable friend finds he cannot get anybody to operate. In the meantime of course we will have to bear the increased burden of Government operation. I recognise he is justified in saying, well, what alternative have we? And I have to admit that there is no alternative. You had to get rid of the Reids. You have to furnish railway transportation. But you have to endeavour to get private operation of the railway, and I said I wished the Government would be successful in that endeavour, and I further say that I hope the Government will get people of the calibre of the Armstrongs and the Harnsworths to take it over, because with these firms having a big stake in the country we would have the assurance of a successful and economical operation of the railway.

HON. MR. TEMPLEMAN:—Dr. Campbell claims that Lord Morris built branch railways to get votes. People would say that if anybody was in favour of branch railways it was me. Well, I fought against the Bonavista branch. The branch railways have put the coasters out of business. Nearly every man doing business in the country has about five hundred claims against the Reids. The Railway has been a curse to this country, and I am afraid it will be for some time to come. Two or three years ago the present Government started a commission to look after the railway, and Sir William Coaker was

Chairman of the Commission. I would like to know how many hours he spent on it. The best thing to do is to scrap the whole thing and go back to where our grandfathers started.

HON. MR. ELLIS—The settlement of this railway matter has come at last. It has been predicted for many years. Sir William Whiteway, Bond, Morris, Lloyd, and Cashin, they all predicted the end of the Reid control would come to pass. It may have been better if it had come before. I cannot say that a better bargain could have been made, but we might have been able to make such arrangements that Reid would not have such a claim as put forward. That they have a claim I have no doubt. I was closely connected with the executive for some years and had knowledge of the running of the railroad, and most of our time was taken up with the Reids in encouraging and assisting them in every possible way to run the railway through those years. I think we were fortunate in having such a man at the head of affairs as Mr. Harry Reid. He was an excellent man and no better could be found in my opinion. He was very patriotic and never hesitated in complying with every request to run trains here and there during the war, and procured coal at even three or four times its former price and also other materials and I think in every way he acted as manager in a very commendable way. I know he made many requests to the government during these years for assistance and we did assist him. I know he did work in 1909 and 1910 amounting to two to three hundred thousand dollars for which he was never paid, and we investigated and did all possible to help them. I think in the light of subsequent happenings that during those years the work was done at less expense than since, because we had losses one year of \$1,500,000;

half a million another and three quarters of a million another. These are large sums and where the money was spent I do not know. The amount paid out by the present government is a good deal of money compared to that given during the years when it was most necessary that the railway be kept going. That the Reids have a claim I have no doubt. We all know the increase in wages that took place in recent years; they went up two or three times, and the coal was the same.

HON. MR. TEMPLEMAN—All others had the same experience.

HON. MR. ELLIS—No, not the same. The Reids were contractors and were bound to certain prices for passengers and freights, and when we consider the Canadian government gave the C. P. R. fifteen million dollars during the same time, I think the Reids have a moral claim, if not a legal one. The Reids have not been a success as managers of the railway. As a contractor I have an idea of what it is to undertake large works and find them not paying. It is a most discouraging task and I have experienced it myself, and that is the position the Reids have been placed in since they took over the railroad. And I am rather inclined to think there was a lot lost through mismanagement. We were never given the service we should have had, and it is the same with the street railway. I do not suppose there is a place in North America where the street has not extended for twenty-five years, as it is here. There has never been any extension. But at the same time the Reids had good points. They were all a big-hearted princely lot of men, fine generous fellows and I think H. D. Reid if not a success as a railway manager, was certainly a success as a promoter, as witnessed in the Humbler deal, one of the largest undertakings ever seen in the country. I think we might thank Mr. H. D. Reid to-

day for this great measure which we hope will be of so much benefit to the country. I trust with all my heart that the government will succeed in getting a company who will undertake the running of the railway. I regret very much, and it must so appear to all of us here, what a humiliating position we are in when an amendment suggested by Sir Patrick McGrath which would be of great benefit to the country and to St. John's cannot be put in, because we have no power to make that amendment. As a body we ought to be in a position to make amendments. I regret very much that this house by its action should have deprived itself of the privilege of making amendments if necessary. But that is past and gone. We refused to pass a war measure in this house and I think the Lower house was justified in taking that power from us. We should have passed it. It was passed everywhere.

HON. MR. TEMPLEMAN — How much are the fishermen taxed.

HON. MR. ELLIS—I do not suppose very much.

HON. MR. TEMPLEMAN — Then why should the business men pay?

HON. MR. ELLIS—Because it is their bounden duty to do it and help pay the cost of running the war. They should have passed it. Now the war is over and the profits tax is abandoned, and why should this house be for all time deprived of the power of dealing with measures that come before it? And I think an effort should be made to have its former prestige restored. I do not see why there should be any objection to it.

HON. MR. McNAMARA—I should like to refer to that part of the bill in reference to the water powers. Now in reference to our high charges for electricity, I think the charges are excessive. The rate in Montreal is six cents; I think only four cents in

Toronto; 3 cents in Winnipeg, and when we come east in Canada where water powers are not in use, it is more expensive, necessarily. But in view of the large concessions the Reids are getting under this bill, I think it is only right we should get something in return. I think also if they reduced the price, the consumption would be increased. There is an other clause, that providing a free site for the Reids for the erection of a power station. Now I question whether the government has the right to provide a free site. A few years ago, when the new station was started, there was a similar clause in the contract. They put up the station and a few years after, the city took action against the government for the land. An arbitration was held and the result was that the government was taxed \$250,000 for the very thing they contemplate doing under this act. So I suggest that the government go slow about what it is doing. I am not speaking against the Reids, because I believe the Reids, outside of the Bowings, are our greatest philanthropists. I say myself, it is a pity the '98 contract was ever tampered with, and if it had been let alone we would have had a dozen Humberes here to-day. The trouble is that our ideas were too small, and the Reid's large, and, I think it is a great pity it was ever tampered with. I suppose it is too late to do anything with it, but I claim the light charges are excessive. Over in Conception Bay the lights are burning all day, it is so cheap, and if they can generate the light so cheaply there, they ought to be able to do something the same here. I agree that it is a good thing to have this railway tangle fixed up at last.

HON. MR. ANDERSON—I join in the general congratulations on this matter being settled. It is in connection with section seven that I wish to refer. I think every industry in



St. John's using electric power should be put on the same basis. I join in the general congratulations to the government on getting this long and troublesome question finally settled, and I hope that the future will mean success and prosperity both to the country and to the Humber deal.

HON. MR. TEMPLEMAN—Hon. Mr. Anderson says he congratulates the government on this final settlement. I do not think it is settled at all. He is congratulating them on something we shall lose lots of money on. As Sir Patrick Mc Grath says, our troubles are only beginning now. Why should the government enter into this contract without sitting down and counting the cost. I am not against the government; I have no politics, but I cannot understand why they should be congratulated. But I am opposed to discrimination. Once election is over a man should be treated as a man. I am not talking against the government, because I have some interest in the country.

The committee rose and reported having passed the bill without amendment.

Hon. Sir M. G. Winter after asking consent of the House, moved that the bill be then read a third time.

The bill was then read a third time, and it was ordered to be sent to the House of Assembly with a message to the effect that this House had passed the same without amendment.

The House then adjourned until 11.45 to-morrow, when the address in Reply would be presented to His Excellency the Governor.

#### THURSDAY, JULY 10.

The House met pursuant to adjournment.

At 11.55 a.m. the House proceeded to Government House with the Address in Reply to the Speech of His Excellency the Governor.

At 12.15 p.m., the House having

returned, the Hon. the President reported that His Excellency had been pleased to receive the said Address and return an answer thereto in the following words:

Mr. President and Honourable Gentlemen of the Legislative Council:

I thank you for your Address in Reply to the Speech with which your present Session was opened.

(Sgd.) W. L. ALLARDYCE,  
Governor.

Government House,

10th, July 1923.

On motion made the House adjourned until Thursday the 12th. inst., at 4.30 p.m.

#### THURSDAY, JULY 12,

House met pursuant to adjournment.

Hon. Sir M. G. Winter tabled report of the Nfld. Patriotic Fund for year ending Dec. 31st, 1922.

House adjourned until Friday next at 3 o'clock.

#### FRIDAY, JULY 13,

The House met pursuant to adjournment.

The House was adjourned during pleasure.

The House resumed.

At 3.15 p.m. His Excellency the Governor, Sir William Lamond Allardyce, Knight Commander of the Most Distinguished Order of St. Michael and St. George, having arrived at the Council Chamber, and being seated on the Throne, commanded the Gentleman Usher of the Black Rod, through the Honourable the President of the Legislative Council to let the Honourable House of Assembly know: "It is His Excellency's pleasure they attend him immediately in this House."

Who being come thereto, His Excellency the Governor was pleased to give His Assent to the following Bills entitled respectively:

"An Act further to amend the Act 6 Geo. V. (1915), Chapter Four, entitled 'An Act for the Confirmation of a Contract with the Newfoundland Products Corporation, Limited.'"

"An Act for the Settlement of Certain Disputes Relating to the Newfoundland Railway and other matters."

His Excellency then retired.

The Hon. the President resumed the Chair.

On motion made the House adjourned until Thursday, the 19th inst. at 4 p.m.

#### THURSDAY, JULY, 19.

Pursuant to adjournment, the House met at 4 p.m.

A communication from overnment House granting leave of absence to the Hon. Dr. Campbell, was read.

The resignation of Hon. A. W. Mews as a member of the Legislative Council was received.

After the tabling of the Report of the C.H.E. Examination 1922, and the Report of the Department of Education 1921-1922, the House adjourned until Tuesday next at 4 p.m.

#### TUESDAY, JULY 24.

The House met pursuant to adjournment.

On motion made the House adjourned until Thursday, Aug. 2nd., at 4 p.m.

#### FRIDAY, AUG. 3.

House met pursuant to adjournment.

On motion of Hon. Sir M. G. Winter, the House adjourned until Monday next at four o'clock.

#### MONDAY, AUG. 6.

Pursuant to adjournment the House met at 4 p.m.

The following reports were tabled:

- (1) The Report of the Department of Education, 1921-22.

- (2) The Report of Posts and Telegraphs, June 30th., 1922.

The House then adjourned until Thursday 4 o'clock.

#### MONDAY, August 13.

House met pursuant to adjournment.

Hon. Mr. Winter moved the suspension of the 33rd rule and all other rules with regard to all business before the House or to come before the House for the remainder of the session.

Hon. President read the message from the House of Assembly that they had passed the accompanying bills, in which they requested the concurrence of the Legislative Council, namely:

The St. John's Street Railway Act, 1923 was read a first time.

HON. M. G. WINTER—Mr. President: This is a bill brought in for the purpose of enabling the Reid Newfoundland Company to raise money for the improving of the plant at Petty Harbor. As is well known, the machinery there is antiquated, and it is felt that it may give out at any moment unless money can be raised to put it in proper condition. This plan has been approved by the government and I consequently move the second reading of the bill.

HON. SIR PATRICK McGRATH—Before the bill is read a second time, I would like to reiterate the objection I made when the railway matter was before us; that there is no protection for the citizens of St. John's in regard to what the Reids may charge the citizens of St. John's for light, etc. This bill gives the Reids the valuable franchises; moreover from what the hon. gentleman has said I see there is no obligation on the Reids to proceed with the development of the water powers on the Southern Shore at present. Apparently they expect to have sufficient power from Petty Harbor when mod-

ern machinery is installed, to generate enough for their requirements for a number of years, and we are apparently tying up these valuable water powers on the Southern Shore when they might be of some use to somebody else. Now I do not mind that so much, but I think the people of St. John's should have some protection from the excessive charges they are paying at the present time. In that connection also, I would point out that the only competitors they have, the Gas Co., is practically moribund, and if they go out of business to-morrow, then we would be absolutely at the mercy of the Reid Company, and they could charge what they like. How this bill was allowed through the lower house without any objection from anybody else, passes my comprehension. However, I can do no more than express my views.

HON. MR. TEMPLEMAN—I would like to say I agree with all Sir Patrick McGrath has said in regard to this matter, and as to the excessive rates charged.

HON. SIR. M. G. WINTER— They have no monopoly.

HON. SIR P. T. McGRATH— I know they have not; but as a matter of fact, nobody else can come in here and do business against them.

HON. R. K. BISHOP—The system needs to be improved and extended. There has been no attempt made to do this and it must be apparent that it is the outlying sections which are being built up and it is quite time that there should be an improvement and extension made to those parts of the district. The hon. gentleman in charge of this bill is not obliged. I take it to pass it in all its stages to-day. We can endeavor to ascertain whether it would be possible in the committee stage to bring in some amendment of this bill as it stands before us to-day.

HON. SIR M. G. WINTER—As far as having the monopoly is concern-

ed, there is no monopoly at present. The company supplying Harbor Grace and other places in Conception Bay are now coming on to St. John's and are likely to come in and operate in the city. There is nothing to prevent them. They are within a few miles of St. John's now. It seems to me if the Reid Newfoundland and Co. are charging too much, the other company will come in here and operate in competition.

HON. SIR PATRICK McGRATH— If that be the case, there ought to be no objection on the part of the Reids. An additional clause might be inserted, stating that the rates are to be fixed by someone acting in an arbitrary capacity. In Montreal they are paying less than half what is being paid here in St. John's. I cannot understand that. Water power here costs twice what it costs anywhere else. No one wants to deprive the Reids of any substantial returns on their investments, but we do not want to pay twice as high as other countries are paying.

HON. SIR. M. G. WINTER— The rates are high as far as the ordinary householder is concerned, but the charge made for the supplying of factories with power is not unreasonable; 3c. or 4c. per k.-w. This price is not excessive. It is the same as charged in other cities. Probably the amount of business is not very large. Other companies, having much larger business are able to supply very much cheaper than we can do it here. When this bill was framed the rates were probably discussed. I do not know that there is anything we can do just now to alter them. The charge to manufacturing concerns is very reasonable.

HON. SIR PATRICK McGRATH— The householders are the bulk of the country. If the power rates for factories can be cut down, why cannot the light rates be reduced also?

HON. MR. ELLIS—Is not now the

proper time to fix the price satisfactory to the community? When once this act is passed, we shall have to go down on our hands and knees to the Reids and point out that the rates are too high. I do not think we should be placed in that position. Now is the time to fix the price so that it will be in comparison with what is being charged in other countries. I am rather inclined to think that it costs far more for water power in Montreal than it does in St. John's, and yet the rates there are lower than ours. The matter should be decided now, and the rates for light and power fixed.

HON. SIR M. G. WINTER—I have no wish to force this bill. It passed the lower house, where there are representatives of the city. I think it was a pity that this matter was not taken up by them. If it is the wish of the House, we can defer consideration of this bill until to-morrow.

HON. SIR PATRICK McGRATH—Is there any reason why there should not be a public Utility Board to fix rates? It is universal on the continent. The rates for street cars, electric lights, etc., are determined by this board. It is so in all states of America, and in the provinces of the Dominion. No one wants to prevent the Reids from getting fair returns, but I think there should be some tribunal to protect the public against excessive charges. Suppose the Gas Company went out of business, and we were depending on one company to supply light; why it could charge what it wished. Some body of men as suggested would hold the balance carefully between the company and the public.

The bill was then read a second time, and referred to the committee of the whole House on to-morrow.

An act to Amend 12 and 13 Geo. V. Cap. 17, entitled 'An Act for the Encouragement of Shipbuilding,' was read a first time.

HON. SIR. M. G. WINTER—In reference to this bill, I may say it was passed last year. The section referred to here contains the date of July 1922. It is now asked that the date be altered to July, 1923.

The bill was read a second time, and the House then went into committee of the whole (Hon. Mr. Milley in the chair.)

HON. MR. BISHOP—I should like to ask why this bill is renewed from year to year. It passed last year. Is there any special reason why this act should be continued year by year. Is not this condition extreme?

HON. SIR M. G. WINTER—I did not see this bill until I came into the House this afternoon. I cannot therefore give any explanation beyond the fact that I understood it was a simple adjustment.

HON. MR. BISHOP—We are not burdened with legislation, some enquiry may be made before to-morrow.

The committee rose and reported having made some progress, and asked leave to sit again

The House then adjourned till to-morrow at 4 o'clock.

TUESDAY, August 14th, 1923

Pursuant to adjournment, House met at 4 p.m.

The House went into Committee of the Whole on Bill re Light and Power Co. Ltd.

(Hon. Mr. McNamara in the chair)

HON. MR. GIBBS:—While this Bill is in committee I should like to draw the attention of the House to the very high rates charged in the city for electric light. The time has come when something should be done whereby some control should be exercised over the rates which citizens are charged. The same power is used in developing here as is used by the company operating in Conception Bay, and yet their light and power are sold at a much lower rate. Why should there be this disparity? The average

citizen is at a loss to understand why here in St. John's rates have to be paid, which are higher than those of any city this side of the water? Why allow this to continue? Now an opportunity of exercising some control over rates is afforded us, and this should be done in a reasonable and just manner. What is the right of the citizen? The water power of the country is our natural right, and we are giving it away. Something should be done to decide what is the right of the company and what the right of the citizen. In what manner can we control the interest of both? The opportunity afforded us to settle these questions should not be allowed to pass unheeded.

HON. SIR P. T. McGRATH:—I pointed out in the second reading of this Bill yesterday, that in the city of Montreal the charge for electric light is half what it is here in St. John's. It has been suggested that now an opportunity is given us to make an equitable agreement. When once the Bill has passed it is out of our power to effect any change. I cannot understand why in the other chamber this matter was not dealt with, but was left for us. As we are constitutionally part of the legislature there is no reason why we should not deal with it. The appointment of a public utility board such as exists in the provinces of Canada and in the United States, would be one solution. Only last week I received an annual report from Massachusetts of the Public Utility Commission, which has the power to control rates and charges of all the necessities of life, and exercise a general supervision of such things. If such a commission were created to deal with the electric light here, it would deal fairly with both the Company and the community.

HON. SIR M. G. WINTER:—This matter came up for discussion yester-

day and was deferred until to-day so that information from the Government might be obtained. I interviewed the Prime Minister and he says that he does not see how the Bill can be altered in any way. At present the Company has got no monopoly and he cannot see how the Government can frame prices or make rates.

HON. MR. GIBBS:—It is not for the Government to make rates.

HON. SIR M. G. WINTER:—This Bill has been put through the Lower House without protest. There are six members there for the city. It seems somewhat strange that it should be taken up here and a Bill of this kind thrown out.

HON. MR. BISHOP:—There is no suggestion to throw the Bill out.

HON. SIR M. G. WINTER:—In my opinion the rates for private residences are too high, but I know the Company will furnish power for industries as reasonably probably as it is furnished in any other city. It is necessary to protect the public in a matter of this sort.

It is a matter which would require a good deal more consideration, perhaps more than it has been given by the Lower House. I am not personally, very familiar with the details. As I have already stated, I have brought the matter to the attention of the Premier, and he says they are very anxious to have this Bill go through quickly, that the company are badly in need of funds, and it is his opinion that the Bill cannot reasonably be altered. My honourable friend opposite, Mr. Murphy, would probably be able to give us some information which we have not already, and the House may be able to judge the matter better after hearing some remarks from him.

HON. MR. MURPHY:—I am not much interested in the rates of this company. However, our rates are considerably lower than Mr. Reid's,

and we have no intention of raising them. We want all the people who are now sending their money out of the country to Mr. Rockefeller to have electric light and keep the money in our own country. We have not all the people in the sections where we operate, and Reids have not all the people here. There is only one way to get the poor man, and that is, to give him rates he can pay. We do not intend to raise our rates. We intend to get all the people. The rates are pretty high here in St. John's. There is no doubt about it. So far as I understand, it is quite useless for us to talk about rates, and useless for us to talk about this waterpower, as they have it already. It was part and parcel of the Railway Deal for which they occupied two million dollars and the waterpower, and I do not see how we can dictate to the Reids as to how they shall deal with it. Mr. Reid is not really charging 15 cents. He is charging thirteen and a half cents. He gives you a ten per cent discount. His power rates are as reasonable as you can get anywhere. They start with five and they stop at two. Anyone who is using a large amount of power is only charged two cents for it. But I do think the rate for the electric light could be reduced. I would be only too glad to give you any other information in connection with the matter, but I am not the person to start abusing the Reids.

HON. SIR PATRICK McGRATH:—Nobody wants you to do that.

HON. MR. MURPHY:—I would like to work with them, and I think they would be better satisfied because they would get more than they are getting now.

HON. MR. ANDERSON:—Do you propose to become a competitor of the Reids?

HON. MR. MURPHY:—We are building a double-pole line, and we are not coming in here for our health. We are using a large amount of electricity

in our telephone system, and we get it from the Reid Newfoundland Company, and in any case we would come in here to supply ourselves.

HON. SIR PATRICK McGRATH:—You are going to sell light?

HON. MR. MURPHY:—We are going to sell light, but whether by amiable arrangement or not, I do not know. In Canada and the United States the companies cooperate. If we come in here and the Reids want to do some repairs or they may get into trouble. Then they can switch on to our company and take our current instead of letting the town go into darkness. On the other hand, if we wanted to do some repairs we could switch on to their system. That is the way companies are cooperating in other countries. I cannot say that I do not want to pull with Mr. Reid, but I want to get all the people and keep our money in the country, but when you ask whether I am going to compete with the Reids or not, I would say that I am going to do what is best in the interests of my country.

HON. MR. ELLIS:—I quite agree with my friend here on my right, when he says that now is the time to safeguard the public so far as the price of electric current is concerned. My friend, the last speaker, says that this Bill has already passed. If it has passed it should not be brought in here again. So far as giving water-powers to this new company is concerned, I am quite willing. We have given them waterpowers in the Bill, but then they were not given without there being some supervision or control over the matter. Now the honourable the leader of the Government stated yesterday, that he thought that power could be developed in Montreal cheaper than in St. John's. made it my business to-day to interview a man who is an authority on the matter, and he says that is not so. The development of waterpower would be

in favour of St. John's rather than Montreal. From the same source I got some information with regard to lighting and prices charged for lighting and power in other places.

I think therefore it will be seen from the comparisons made with Canadian cities that we are paying a very high price for our light, and if water power can be developed here as cheaply as there, there is no reason why we should not have cheaper rates, and I endorse all that has been said that something should be done to give the people a fair show in this matter. It may not be necessary to fix prices, but something should be done that prices for light and power should be adjusted by a commission such as they have in nearly every city in Canada and the U. S. Why not have one here? It would be only fair. There is no intention of depriving this Company of the water powers they are asking for, but at the same time we want everything done fairly and squarely.

HON. MR. GIBBS:—I desire to point out to the House that the discussion now and criticism is not made for the purpose of depriving the St. John's Light and Power Co. of any rights which they have acquired previously or now. Neither this house or any hon. member I am sure objects to legislation being introduced for the purpose of confirming any rights previously given or to interfere with them in any way either under the recent railway bill or under the present bill. All that is asked is that power should be given the Governor in Council to appoint a committee to regulate and control the prices charged by the Company to the people who require same. As has been pointed out by two hon. gentlemen on the other side, in all cities on this side of the water as well as on the other side they have what is known as Public Utilities Commissions which

inquire into all matters of import to the community, even prices for food, and that is going a long distance further than any commission here has gone. All we ask is that power should be given if it should become necessary so that the rights of the citizens may be conserved and looked after.

HON. SIR PATRICK McGRATH:—I suggest now that the Committee should rise and this bill be referred to a select committee. The hon gentlemen say the Government do not see their way clear to allow amendments, but as there is a strong feeling in the House on the matter I think it would be best to have a select committee.

HON. MR. POWER:—I wish to endorse the sentiments expressed in regard to water and light. They are two very indispensable matters to the citizens of St. John's and why we should be paying any more for them than in neighbouring cities in Canada. I do not see. As one hon. gentleman remarked I do not think the expense of carrying out these works here are any heavier than in other cities. I do not see why we should be paying exorbitant prices, and I think the right thing to do is to appoint the commission suggested.

HON. MR. MURPHY:—If you do not interfere with the Reids, it is all right. We hung them up last year when they had a financier down here and all arrangements made. They have not a dollar to repair their flume or anything else and are in need of the funds to replace generators which are worn out and to enlarge their plant. They wanted to do it last year and to insert in their charter the right to mortgage and the Government side-tracked it. We both applied. We got the money elsewhere and do not care if they ever pass it, but the Reids did not, and want it badly. We should not hamper them financially. I know you cannot interfere with my United Towns Company; you cannot tax me,

and I doubt very much if we would come under the rule if you established a Public Utilities Commission tomorrow. You can get the Telephone Company to come under it because it is specially mentioned.

The Committee rose and on motion of Hon. Mr. Winter bill was referred to a select committee to consist of Hons. Sir M. G. Winter, Sir P. T. McGrath, McNamara, Cook and Gibbs.

House went into Committee on the Shipbuilding Bill, Hon. Mr. Templeman in the chair.

HON. MR. WINTER:—In reply to inquiries made yesterday by Hon. Mr. Bishop, I would say that the object of this Bill is to permit schooners now being built and which would not come under it if not amended and the time extended, so that they may get the bounty.

HON. MR. BISHOP:—I notice the Hon. leader of the Government states that this extension is asked for primarily, if not entirely, because there are now in course of construction a certain number of vessels. I cannot agree with him that the needs of the fishery require these vessels. But I submit that any vessels in course of construction should be finished before Dec. 31st, and permission should not be given to start new vessels and lay down keels and finish by next July. We may find ourselves in the same position then as today when somebody has a vessel unfinished and asks for an extension for another year. I submit the principle is entirely wrong of paying a bounty for vessels not required. They are now lying around the country in hundreds. I cannot conceive of anybody building now; he would only be a madman. And it seems to me there should be no objection to extending only to July of next year and not to December 31st.

HON. SIR M. G. WINTER:—I do not look at the matter in exactly the

same way as my hon. friend. As regards building new vessels I do not think there is anybody in the country so foolish as to do such a thing. But if there is, I think the Government would be quite justified in paying a bounty. My own view is there is no possibility of anybody wanting to build schooners now. The cost would be so great and also existing conditions: any numbers of schooners can be bought and cheaply. Although we may pass a bill allowing a bounty. I do not think anybody is going to avail of it. At the same time there are some vessels under construction and the Government are anxious to help them along and enable them to complete the vessels. But I cannot conceive of that being an injury to the country.

HON. D. A. RYAN:—I quite agree with Hon. Mr. Bishop as regards this bill. It is brought in no doubt for some particular purpose to shelter some few who have vessels now under construction. Any vessels now under construction should be finished by Dec., 1923, and anybody else laying a keel after that should not get the bounty.

HON. SIR PATRICK McGRATH:—But if somebody is not able to finish in that time, is it worth our while balking on this thing for the sake of six months? The best thing to do is to pass this and make up our minds that if this bill comes back again for further extension, we will have nothing to do with it. If any man is crazy enough to go to work now in view of what has been said and put another ship on the stocks I think we should face that position when we come to it.

HON. MR. RYAN:—The time for commencing building vessels is in the fall, and any man who has a vessel under construction now should have her finished by the end of December. This same bill, it appears, went



through last year and now we are asked to pass it again to shelter some few, and next year no doubt we will be asked to pass another similar.

HON. SIR PATRICK McGRATH:-- As a matter of fact the names of two gentlemen have been mentioned to me. Both were candidates at last election, one on one side and one on the other, so there can be no partisanship about it. Under these circumstances it cannot be argued that this is a partisan measure and as the number of vessels is few, is it worth our while wasting time on it?

The Committee on Bill for the encouragement of shipbuilding rose and reported having passed the same without an amendment.

The Bill was then read a third time, passed, and ordered to be sent to the House of Assembly with the message that this House had passed the same without an amendment.

The Bill entitled "Of the Auditing of Public Accounts" was read a first time.

HON. SIR P. T. McGRATH:--I should like the hon. gentlemen to give us some idea of what the object of this Bill is.

HON. SIR M. G. WINTER:--The purpose of the Bill is to authorize the appointment of a Deputy Auditor. The object I thought was clear to all members of the House.

SIR PATRICK McGRATH:--This Bill is represented as one to strengthen the Audit Department by providing a Deputy to assist the Auditor General, and we know from the newspapers that over this has arisen a fierce controversy of a denominational character. Personally, I think the angle from which the matter should be viewed is that embodied in the question, what is the value of the Audit Act, and does its administration justify as in continuing it at the present rate of outlay. To my mind the Audit Act is a joke, its administration

is a farce and the whole of its machinery ought to be thrown on the scrap heap to-morrow morning. I say this regretfully, but I say it in all seriousness and sincerity. I have thought deeply as to whether I should make this declaration and support it with the arguments I intend to offer, because I know this speech is going to bring pain to some people with whom I am on good terms, but I feel that the present crisis in the country is of such a character as to demand plain speech and I am prepared to contribute my quota towards it in the hope that something good will result.

It is now 25 years since the Audit Act was brought in by the Winter-Morine Government and the Department created under Mr. Berteau, a gentleman who, in his personal capacity I highly esteem. We should expect to have this department functioning properly and efficiently in a shorter period than 25 years. But what is the position to-day. No fair minded man can dispute my assertion that to-day the working of the Audit Office is vastly less efficient than ever it was, and that public confidence in it as a Department no longer exists. During the period the Audit Act has been in existence the Department of Finance and Customs has been the scene of at least four serious robberies involving large sums of public money, and in every case such investigation as was attempted disclosed that the Audit Act broke down completely. In the same period the Post Office Department has been robbed several times, under the same circumstances. Other departments have also been defrauded by dishonest officials and when the revelation of these dishonesties is made and one asks "how about the Audit?" one is afforded the melancholy consolation embodied in the statement that the offenders "got ahead" of the Audit Office. One could under-

stand this sort of thing in the early days of the Audit Office, when the existing conditions in the other Departments were being adapted to the new machinery, but the conditions which prevail today are worse now than they were 25 years ago. I am justified in asserting that there is something wrong in the system and all this talk of the power of the Audit Act and the Audit Department is a mockery, a delusion and a sham. Today we have confronting us a condition never approached in the previous history of this country. We have before us a saturation of waste and corruption in the Department of Agriculture and Mines, a condition in the Controller's Department which has brought a Government to shipwreck, and before the country had recovered from the stupefaction at the scandals in these two departments we are appalled with the knowledge that an Outport Magistrate in Placentia Bay has got \$12,000 worth of money from the local Post Office in I.O.U.'s. for a series of transactions covering months and certainly suggesting the grossest negligence or incapacity on the part of those entrusted with the care of this particular department. The Auditor General is not alone Auditor General but he is Comptroller as well, and the dictionary defines this as meaning an official with larger executive powers than an Auditor; in other words, an official who controls as well as audits, but there is no evidence in all of that is going on at present of any control being exercised.

On the contrary, there is evidence of such absolute lack of control that the auditor or officials have been actually receiving money from Departments whose books and accounts they are supposed to audit. This house is, if anything, an assemblage of business men and I ask if any per-

son with sound business acumen would tolerate such a condition of things for twenty-four hours? I say he would not, and I say that until drastic action is taken to prevent such, it is hopeless to expect any reform in the public service. If any gentleman in this chamber who has a business in an outport or is connected with some other business, sent an accountant from his place to audit the affairs of one of these other concerns and found that the accountant was taking money from the business whose accounts he was auditing, what would the employer do? He would dismiss him instantly, and that is what ought to be done with these audit officials who have been taking money from the Agriculture & Mines Department, but the government cannot fairly and decently dismiss these officials because the government finds at present that the police authorities, from the Inspector-General down to the policeman on the beat, have been getting payments that were grossly improper and absolutely irregular. The Inspector General is a man for whom I have personally a very high regard, and who, I think, has done splendid work in the department since he took it over. But it does not blind me to the fact that in taking the thousand dollars he did and allowing his subordinates to take other money he has struck a blow at public confidence in the Police Department from which he will take a long time to recover.

There is only one phase to my mind, to describe the condition of things in a public department where the auditors are debauched and the police "got at" and that is that it is "poisoning the wells," the greatest crime known to civilization. There is one step more to go and that is to "square," the judges and I hope that the house-cleaning which is promised in regard to all this will not reveal that some people connected with

the administration of justice were tampered with in the same fashion.

Take again, the Public Works Department. This morning's newspaper gives a list of every official in the Public Works Department from the Deputy Minister down to the fireman, Mr. Frank Woods, as getting a grab out of a relief account there given in detail. The most skilful practitioner in this matter of "extras" I consider, is the Deputy Minister, Mr. Harris. There is no year, in my recollection, that Mr. Harris has not by some claim for special services, increased his voted salary by 25 to 30 per cent. I may no doubt be told that these are all very capable and efficient officials, which I am quite prepared to admit, but there are other equally capable and efficient officials holding responsible positions and who carry out their duties efficiently and who do not receive half as much salary as Mr. Harris is voted "extras" which he is permitted to get every twelve months, and it surely must follow that if Mr. Harris and those under him are allowed to continue this sort of thing we may as well bid good day to an efficient performance of their duties by officials of other public departments.

If this discrimination continues and these grants to a favored few officials go on, how can we expect any jury to convict any man in the public service for any violation of his obligations? In the light of the revelations that are made by the newspapers every day of the week now, how can we regard the ordinary minor offender as a malefactor? To my mind it is utterly hopeless to expect any conviction by juries hereafter, and I will go further and say that I marvel at how we can expect any of the lower grade civil servants, trying to live on small salaries, to refrain from helping themselves from the money that comes into their possession, when they see the public

Treasury being "raided" as the term is, in the fashion that the newspapers show is now commonplace in the daily life of the civil service of this country.

I now turn to the Liquor Control Department, which has been the subject of more comment and criticism the past month than perhaps any branch of the Public service at any time in the history of this country. I do not propose to deal with some matters which are to be investigated but will content myself with referring to matters that have been officially announced thru the newspapers. For instance, it has been stated officially that grave irregularities have been discovered in connection with the finances of this department, and that as a result, the official in charge last month was suspended. It was also announced that the Auditor General had been instructed to hold an investigation and later it was announced that the Auditor General's son, an official in the Finance Department had been transferred to the Controller's Department to operate it in the meantime. Now, to me this procedure reveals nothing so much as a situation out of comic opera, such as Gilbert and Sullivan would have delighted in. First, serious shortages are reported in the funds of the Liquor Control which necessarily involve the Audit Office. Then the Auditor General is appointed to conduct an investigation into the derelictions of his own department; and finally, to cap the climax, his son is taken out of another public position and put into the Liquor Control store which his father is investigating, and the conditions in which reflect upon the father's administration. Now I wish it to be clearly understood that I am not suggesting that the conditions in the Controller's Department reflect personally upon Mr. Berteau, but I do cer-

tainly say that the last official in the public service who should be put in charge of this Liquor Department while it was being investigated is the Auditor General's own son. In no other country in the world would such a thing as this be thought of or tolerated for a moment, because it completely justifies the outside in concluding that it is a scheme to smother up and prevent an exposure of whatever wrong doing exists in the Control Department. I would like to add here that within two or three days of this having been done I expressed to Sir Richard Squires precisely the views I am now stating in this House that the appointment of young Ber-teau was a scandal and amply justified the public in thinking the worst of it, and I made similar observations to the present Premier very shortly after he took office, so that I am glad to find that Captain Bonia was appointed Acting Controller of this Department.

So much for that aspect of the Control Department. But the next thing which I ask myself, which thousands of people of the country are asking themselves to-day, is, how it comes that such a condition of affairs existed in the control department as rumour suggests. To this it may be answered that most of these rumours are unwarranted. That may well be, but there are certain facts which can be accepted without question. One is that there are shortages amounting to many thousands of dollars, and it is a justifiable question how could these shortages exist if there was an efficient audit of the Department? I maintain that they could not exist, if there was an efficient auditing of the department, and in order to illustrate the inefficiency of the audit I have only to say what is the fact, as the gentleman who is leading for the Government in this House knows well, namely, that the only audit

made of the department was an audit of the scripts or orders for liquors on file from day to day, against the amounts received therefore. In other words if a man brought in an order or a "scrip" for a bottle of whiskey, and the clerk supplied him, and the whiskey was, say \$5 a bottle, then so long as the "scrip" was on file and there was \$5 in the till the audit was complete, but if the clerk gave him two bottles of whiskey, took \$10 from him and put \$5 in the till and the other \$5 in his pocket there was no means of tracing that. That was the sort of audit that took place in the Controllor's Department. In other words, there was no stock-taking, there was no check of any kind whatever. I know it will be said that this was the auditing that the Government directed to be made.—which Government, I do not know. But my answer to this is that if the Audit Office showed no more intelligence of recognition of its obligations than to carry on tamely from year to year with this mockery of an audit then I am certainly justified beyond any question in claiming that it ought to be abolished, I know, too, that it will be said that the Auditor General complained to the Government that there was no stock-taking and could not get any action, but my answer is that he did not complain to the Legislature, whose servant he is, and not the Government's. He holds office under a special statute which makes him unremovable except by a vote of two-thirds of both Houses. He is as independent of the Government as the Governor himself, and if he did not submit his complaint to the Legislature he has only himself to blame.

But that is not all that can be stated of the laxities of the Control Department. It can be stated without affecting any of the issues, that have yet to be tried in this matter, that the Controllor, besides his general ac-

count which was audited—save the mark—in the fashion I have just described, also had a "special account," which was not audited at all. That is to say the Controller, besides retailing liquor by the bottle, was doing a wholesale business in the selling of liquor by the case, and this was not subject to any audit whatever. I know it will be said that the Auditor-General called attention to this, but I have in my hands the last report of the Auditor-General and I find no reference to any such letter in it. There is no comment by the Auditor-General on the running of the Department, no criticism, no explanation, no statement of the conditions that existed there. If the Auditor-General had publicly exposed this situation and had not been granted by the government the powers necessary to remedy it, no one could have any complaint against him, but to my mind, it is too late, now that the scandal is exposed, to plead that the attention of the government had been called to the matter previously and that nothing was done. I have stated enough, I think, to show that as far as the liquor control department is concerned, the audit was a complete farce, and that no attempt was made to do more than carry on a routine which had existed for years although it is inconceivable to me that men of intelligence enough to be audit officials, could go along unaware that the working of this department was rotten to the core. It seems to me then, that when we know there are shortages in the department amounting to many thousands of dollars, and that there has been no stock-taking for years, that it is time that some plain talking was indulged in here and else where as to the utter and absolute collapse of the organization created for the express purpose of preventing this sort of thing in the public service.

I submit, then, Mr. President, that

I have established my claim that the Audit Office as at present operated, is worse than useless. It seems to me that there are two alternatives which the country can pursue at the present time. One is to employ a private firm of standing and reputation like Read and Watson, pay them liberally and let them do all the auditing of the public departments, and I think we would get an efficient and thorough-going examination of our public accounts.

Nobody will seriously argue for a moment that Read and Watson or any public reputable private auditing firm would tolerate for a moment an audit office machinery which has broken down so completely as ours. But it may be argued that it is against the dignity of a self-governing country to have its accounts audited by a private firm or that it is a confession, which we cannot afford to make, that we have nobody in the public service capable enough to carry on this work in future. If that view is held, then the time has come, it seems to me, to remedy the present system of auditing and create a new organization. I think the government ought to face very frankly the fact that the working of the audit office to-day has got beyond the powers of the Auditor-General and that he ought to be retired. He has been nearly fifty years in the public service. I know he is desirous of getting out, and I think opportunity ought to be taken to retire him. I do not suggest this should be done to-day, but I think it should be done in the course of the next few months of the fiscal year. Similarly, Mr. Donnelly, who has not been of very robust health for some time past, ought to be retired at the same time. I think the strain of trying to improve things after the experiences of this trying period will probably prove too much for him, and that at the same time he should be retired.

A new Auditor-General ought then to be put in office and if I had the doing of it, the man I would put there would be—not our late colleague, Mr. Mews—but his brother, Mr. Arthur Mews, the Deputy Colonial Secretary. I consider that, all things taken into account, he is the most experienced and representative official to be found in the public service to-day to occupy that position. Mr. Berteau, the present Auditor-General, graduated there from the Deputy Colonial Secretaryship. The man occupying the position of Deputy Colonial Secretary, provided he is an accountant, which Mr. Mews is, acquires a knowledge of the running of the affairs of the country which is not possible for any other official in the Public service.

Speaking with some little knowledge of the working of affairs gained as a result of long journalistic experience and serving for 15 years in the Clerkship of the Assembly, I have no hesitation in saying that Mr. Mews is the man best suited for this work of anybody in the public service in the country and I would not have any hesitation in appointing him to the position regardless altogether of denominational aspects of the matter. The men to constitute his staff would be quite as readily found. The objection, if it can be so termed, which I have to his brother, our colleague, is that it will take him years to gain the experience that Arthur Mews has, and that this is no time to put an inexperienced man in this job, but Alex Mews could fill any other offices or positions usefully.

Finally, I think the Prime Minister ought to go a step further to insist that all of the money obtained by public officials in the way of "extracts" on pit-prop, relief, or any other accounts, ought to be paid back by these people, and if necessary should have it deducted from their salaries month by month, until it is

made good to the Treasury. Then later on in the year, say, after the return from the Imperial Conference, let the Government as a whole consider the claims of all these officials fairly and impartially and if they have good grounds for a bonus or some recognition, let it be given to them by the responsible authorities. I might say that in Canada some months ago a number of Government officials connected with the Railways there, voted themselves a year's salary when the property was being transferred to the direct control of the Government, but the Government repudiated the procedure and insisted on the amounts being paid back; and I think Mr. Warren could add to the confidence which the public is showing in him if he adopted such a step as I now suggest. I do not mean to imply that everybody who received an allowance is an adept in what O. Henry, the American humorist, termed "the gentle art of grafting," but I claim that it is detrimental to all efficiency, good order and discipline for money to be flung out to all-comers by one Department, with the heads of other Departments knowing nothing about it.

I end, as I began, with an expression of regret that I have to speak thus plainly, and doubtless cause some pain to those whose names I have introduced into this address, but when all is said and done, the fact remains that the public interest is involved. Thousands of dollars have been lost and the country has no parallel in its history and it seems to me that much, if not all of this, might have been avoided if there had been efficient and searching enforcement of our Audit Act, such as the country was entitled to from a Department that was created and officials that were paid for the carrying out of this service.

HON. SIR M. G. WINTER:—I should like to explain that the reason

Mr. Berteau's son was placed in the controller's Department, was not because he was Mr. Berteau's son, but because he was the best man to fill the position at the time. The controller's Department is under the jurisdiction of the Finance Department and the Minister of Finance considered that the man chosen was the most efficient officer in the Custom's Department at the time.

The Bill then passed Committee stage and was read a third time.

The House adjourned until Thursday, at 4 o'clock.

THURSDAY, Aug. 16.

House met pursuant to adjournment.

Hon. Sir M. G. Winter submitted report of Select Committee appointed to consider St. John's Street Railway Bill.

HON. SIR M. G. WINTER:—It was thought when this bill was before the house in committee that some amendment should be made for the purpose of protecting the police of St. John's from excessive charges for electric light. The matter was referred to a select committee, and we found that the proposed amendment might interfere with the raising of funds which was the object of the bill. We now have the assurance of the Prime Minister that if the bill is let go in its present form, that if a Public Utilities Commission is formed as suggested in the future, these activities would cover this bill as well as other matters, and it was thought advisable therefore to allow the bill to go forward in its present form.

HON. MR. ELLIS:—The opinion expressed by the Prime Minister may be alright, but it seems strange to me that the insertion of this amendment would interfere with the raising of

the money required. If it is kept back for that reason, it seems to be that is not being straightforward. The opinion of legal gentlemen may be alright, but I have my doubts as to whether this commission you talk about will have any effect as regard controlling prices of light, and I am afraid the public will suffer by this amendment not being put in.

HON. SIR PATRICK McGRATH:—As I was instrumental in raising this question I would like to say that we called the Prime Minister's attention to this section in the Telephone Company's bill, and the position is simply this. The Mayor is strongly of the opinion that it would be undesirable to put anything in this bill which would affect the Company's ability to raise money for improving the service in St. John's. This section was drafted by the solicitor of the Dominion Securities Corporation who are negotiating for the raising of the money for the Reids, and it was thought it would have the effect of making that more difficult. It was not left out as my hon. friend suggests to make the proposition any less attractive, but if this is left out and another section put in it might have some bad effect. On the other hand, the Prime Minister assures us, and I have other information to the same effect, we can at any time pass an act which would have jurisdiction over this Company for any form of service which may be described as a public utility and that board would have power to fix the rates for such service. Under these circumstances we do not think it wise to insist on recommending the addition of a section to this bill, if the same purpose can be attained in the future by the means suggested.

HON. MR. TEMPLEMAN:—I have not much experience in this kind of thing, but from a commonsense view-

point I should say that after we pass this act to give Reids this power we cannot touch it or no government no matter what board you constitute or appoint. It seems to me no board or government could upset that arrangement.

HON. MR. GIBBS:—The object of this discussion was not to take away from the Reids any rights or privileges they possess, but rather as to whether the time had come when it became necessary to appoint a board to control and regulate the prices charged for electric light or power in this city. If this bill fixed the rates which the Reids were to charge and we passed them, then we would have no right to alter them, but this bill does not fix any rates at all. Consequently a Public Utilities Board appointed next year or in the future after taking evidence and coming to the conclusion that the citizens were being charged too much would have the right to fix it.

HON. MR. ELLIS:—That explanation satisfies me. I understood the prices were fixed, but if that is not so I am quite satisfied that there is nothing to prevent any Public Utilities Board fixing prices afterwards.

HON. MR. MURPHY—I do not think anything should be put in their way no, particularly in the present state of the money market. They really want to improve their plant; and they think they can increase it from 25 to 50 per cent. which would give them sufficient power without developing a new water power. I do not think any Company would object to a Public Utilities Board. I have been 20 years dealing with one in Sydney and have no reason to kick; they have always treated me right. To-day we are sending money out of the country for many things that should be manufactured in it. We have not enough electrical companies here, and I should not like to see anything put

in the Reid's way or to hamper them. If any board is appointed in the future are like those I know of in Canada we will have nothing to complain of, because they will protect those people who have sufficient belief in their country to put money in it, and those who have sufficient spirit to enter such enterprises and provide public utilities. Our own people are not unfortunately sufficiently interested to put their money in it, and we have to send dividends out of the country that should be kept in it. All these enterprises are safe and sound, better than the banks in many cases, and will bring in 6 and 7 and 8 instead of 4 and 5 per cent. All money should be kept in the country and whatever profits made kept in and not sent to Canada.

The report was received and bill recommitted.

The Committee rose and reported the bill without amendment.

The Bill was then read a third time and passed.

It was ordered that a message be sent to the House of Assembly informing that body that this House had passed same without an amendment.

The Bill entitled "An Act for the confirmation of an agreement between the Government and Malcolm Joseph Mooney, Lumberman," was read a first time and ordered to be read a second time on to-morrow.

The Bill entitled "An Act to amend chapter 22 of the Consolidated Statutes (third series) entitled "Of the Customs," was read a first time, and ordered to be read a second time on to-morrow.

HON. SIR M. G. WINTER:—In moving the reading of this Bill I should like to make some explanation to the House as to the necessity of it. Probably all members are aware that a large quantity of liquor is sent to St. Pierre from the other side



of the Atlantic to export to different points on this side. The authorities at St. Pierre are making a handsome income and I believe that the Newfoundland Government have been approached with the hope that some arrangement can be made to export the liquor from Newfoundland instead of from St. Pierre. There is one difficulty as the law stands at present, for goods sent in bond are put in bond here, and export bonds have to be given. Those bonds will not be cancelled until the goods are landed at port of destination. In case of liquor business that is impossible to do. The parties shipping away liquor do not care about revealing the destination. This Bill provides that liquor can be brought here and put in bond in St. John's and exported without these export bonds being exacted. The Government thinks that it makes no difference to us where it goes, and the result is we are likely to get a large revenue from this source, probably one hundred to two hundred thousand dollars. As the law reads now we cannot export as they want us to. The cost at present of export from St. Pierre is three dollars a case. Two dollars is the tax the French Government exacts in St. Pierre on landing, and one dollar in expenses in warehousing and transshipping etc. The charge is excessive. The Nfid. Government have been approached for the purpose of seeing if that business could not be done through St. John's instead of through St. Pierre and at perhaps a lower rate. That is the principle of the Bill. I beg to move it be read a second time.

HON. MR. BISHOP:—Mr. President this Bill seems to me to be so radical it nearly takes my breath away. To me it seems inconceivable that such a Bill could be brought before this House and that the Government is going to put itself in competition with St. Pierre to capture

part of the liquor traffic. I protest in the strongest terms and will continue to pursue this to the extent of getting the voice of the House. How this Bill passed the Lower House without common regard being made to the outrage I cannot conceive. At present I shall content myself with these words expressing my strongest denunciation of it.

HON. SIR P. T. McGRATH:—When the hon. gentlemen introducing the Bill stated "That is the principle of the Bill" I remarked to my hon. friend on my right, "If it had any principle." Under ordinary circumstances I should oppose this as the hon. gentleman opposite has done. When a Bill was introduced to put the prohibition measure on the Statute Book I supported it to the extent of my capacity, and I say under ordinary circumstances I should oppose this Bill just as strongly. I am going to support it, however, as a protest against the way in which some of the most active supporters of prohibition have fallen in the carrying out of the law. A good many were serious in their advocacy of prohibition, but a good many people who advocated prohibition showed a very singular laxity in insisting on the measure being enforced after it was put on the Statute Book. Those who were strongest on platforms and in the press in advocating prohibition have been making a handsome living out of it ever since I know medical men who acted as members of the committee have been making a small fortune on scripts ever since the Act has been put into effect. One has only to read the figures of the result of the liquor traffic as practised by the Control Department to realize how far we have drifted from the principle so vigorously advocated. In the province of Nova Scotia, which has twice our population, they had a profit last year of one-quarter million dollars,

and according to newspaper figures we had a profit of half a million. Now then since that is so the fact is that for every dollar spent in Nova Scotia, four dollars is spent here. In view of the fact that we have stood for this for the past four or five years and that one has not heard the voice of the professional prohibitionists, not a word in spite of what has been going on, I do not think that they are entitled to serious regard on our part. I propose to support the Bill. On the morality of the Bill, however, I have nothing in its defence to say.

HON. MR. MURPHY:—With regard to Nova Scotia I might say there is no trouble to get liquor anywhere there—no scripts from doctors are required. The reason they made only \$250,000 out of it was that what is selling everywhere does not come from the Government supplies. While they sell there one gallon of Government rum they sell three or four gallons which are not. If they were as honest as we were and got all their supplies from the Government it would be a different matter. We need a revenue. The sources from which we got it before are not very promising. I was not in favour of prohibition. It is a failure. The Government could handle the business and make reasonably good profit out of it, and there would be less drunkenness. As it is at present it is not what it ought to be. It is a joke. I don't see why St. Pierre should have it all. We might as well have our share of the business, and charge a little less, say, \$1.50 instead of \$2.00 a case. I have no objection to the Bill.

HON. MR. ELLIS:—I congratulate the hon. gentleman to my right on his manly statement in denunciation of this Bill. When Prohibition came up I supported it, thinking it would be a benefit to those who were sufferers through indulgence, but I have come to the conclusion since that it

has not been the benefit I then thought it would be. Now it looks as though the Government intend carrying on the business for themselves. I think it would be much more decent for them to bring in an amendment to the Prohibition Act. It would be more satisfactory if by such an amendment light wines and beers could be obtained. I remember when prohibition was being discussed in the United States Cardinal Gibbons and President Wilson thought the measure too extreme, that all conditions of men require stimulants and that if light wines and beer were permitted to be sold it would be much more satisfactory to the general public. They were overruled. It would have been much better for law and order and morality also if their opinion had carried. While the prohibition law remains on the Statute Book, this Bill must be a source of revenue to us. I do not think it should have our support.

HON. MR. TEMPLEMAN:—I agree with Hon. Mr. Bishop in that we should not support this Bill, and I agree with the hon. member who stated that our prohibition act as carried on was a farce. I do not see very much difference in the drunkenness now and in the drunkenness before the act was passed. Then, a man got his glass on the way home, now he gets a bottle and makes an all day job of it. There has been a great deal of indifference shown on the part of the so-called prohibitionists. As far as money for the revenue is concerned, what do we want more money for? To throw away, for that is what is done with it; and now they are giving it to doctors. There were widow women who had to sell out their property when they had a flourishing business going on. What does it mean? Why were drug stores allowed to fill up their shelves with whiskey, gin and such like, and then sell it out. I agree with Sir Patrick

McGrath that there is a great laxity on the part of Prohibitionists. They worked very hard to get Prohibition, and when they got it they put out of business people who made a living selling liquor and now they have made wealthy people of druggists and some doctors. One more thing, the only control place is in St. John's, and if liquor is good for anybody, the man or woman who lives a hundred miles south or north of St. John's cannot get the benefit of it. They have to go and get a script from the doctor, and pay for it, and send it here, pay fifty cents to have the bottle of spirits expressed to them. Why should St. John's have control of all the liquor in the country? If it is no good we should not have it at all. Prohibitionists are acting as if they were dead. I am very sorry, indeed, Mr. President, that there is so much talk about this liquor business, but we have got no proper measure. I do not think it right for any Government to expect to get revenue out of liquor, but as long as they get the money they do not care about the principle. I agree with Sir Patrick that the Prohibition law is a farce, like the Audit Act.

HON. MR. ANDERSON:—Mr. President, I should like to make a few remarks. I do not think this is a Bill which the Government should press at this session. The Prohibition Act itself requires remodelling, and I would suggest to the Leader of the Government that he withdraw this Bill. I do not believe the Bill would be acceptable to the people of the country. When it is a matter of a hundred thousand dollars and the saving of a soul, it is not worth the money. A hundred or two hundred thousand dollars got in this way would not be of any benefit to the country. If the Government of this country wants to adopt a clean, clear policy of liquor traffic, let us have no objections whatever of any kind to

have a steamer off the coasts to prevent anybody coming in here and landing rum. Stop the importation of liquor altogether, and then if the Government requires one hundred or two hundred thousand dollars through this channel, delay for a year and let us give careful consideration to the question as to whether the Prohibition law should be altered in such a way that would meet the approval of this House and the people of the country, but I hope that the Leader of the Government for the paltry sum mentioned will see his way clear not to let this House pass a Bill that would not do us credit.

HON. MR. McNAMARA:—I do not think there is anything objectionable in this measure. The Government is already getting \$500,000 from this source, and if they get another \$100,000 in a much cleaner way than they are getting the \$500,000, I do not see any objection. This Prohibition measure has been a rank failure, and the best proof of that is that there is four times as much liquor consumed in Newfoundland today as before Prohibition days. The thing that is wanted here is a sane Liquor law, made by sane people and not by extremists. When I went to school I was taught that an island is a piece of land with water all round it, and while we are surrounded by water we are going to have liquor. Mr. Anderson makes reference to having a rum-runner outside. Does he know how much that is costing the United States. It is costing them \$20,000,000 a year. If anybody is satisfied to pay a proportion of that amount I would say I am not. Another thing, Mr. President, the world is all astray on this liquor business. There was no unrest in Russia until the liquor was put out of it. A great deal of the unrest around Canada and the United States is due to the fact that the people cannot get a glass of light beer or wine when they want it.

They have to suffer the privation of doing without these things to which they are entitled. I therefore say, Mr. President, that I would accord my support to this measure.

HON. MR. MILLEY:—Mr. President, I would like to say one or two words. My honourable friend has said that this Prohibition Act is a farce. I would like to ask him why it is a farce? Why it is not carried out? Who is supposed to carry it out but the people in authority? Was it so under the late Administration headed by Sir Michael Cashin? Was it not carried out then? But is it carried out today by the very men who want to get this Bill through?

HON. MR. BISHOP:—Mr. President, I move that this Bill be read this day six months.

HON. MR. TEMPLEMAN:—I second the motion.

HON. MR. WINTER:—This Bill, I think, is certified as a Money Bill. It was pointed out that the Bill was not certified.

HON. SIR PATRICK McGRATH:—I would suggest to the honourable gentleman, in view of the attitude of the House, that he not press the matter. It may be that the Government will let the Bill stand over.

HON. MR. WINTER:—Mr. President, I move that the second reading be deferred until to-morrow.

The second reading of the said Bill was thereupon deferred until to-morrow.

Honourable the President read a message from the House of Assembly informing the Legislative Council that they had passed a Bill "An Act for the Confirmation of an Agreement between the Government and Harry J. Crowe, Timber Merchant," in which they requested the concurrence of the Council. On motion the said Bill was thereupon read a first time and ordered to be read a second time on to-morrow.

The House then adjourned until August 17th at 4 p.m.

FRIDAY, Aug. 17th, 1923.

Pursuant to adjournment the House met at 3.30 p.m.

Bill entitled "An Act for the confirmation of an agreement between the Government and Malcolm Joseph Mooney, Lumberman."

HON. SIR M. G. WINTER:—In moving the second reading of this Bill I may say it has been endorsed as a Money Bill, and as such we have no power to amend or alter it in any way. The agreement with Mr. Mooney provides for the building of a pulp mill in White Bay with capacity for producing 100 tons a day. The pulp mill is to be completed in three years, and the sum of \$300,000 is to be spent during the first year in the construction of mill or in the cutting of timber. The general opinion of those who have studied the Bill is: that in providing work for the Colony it will be a good thing, particularly at the present time when employment is so much needed. It will mean the employing of several hundred men this year and for years to come. It will be a profitable undertaking, offering good wages. Otherwise pauper relief would have to be given to many who will now be enabled to find work. I beg to move that the Bill be now read a second time.

The Bill was read a second time and then referred to a committee of the whole House.

(Hon. Mr. Steer in the chair)

HON. MR. GIBBS:—I should like to ask the hon. gentleman in charge of the Bill why, if pulp is going to be manufactured, should the right to export wood in its raw state, be granted for a period of twenty-five years? There must be something underlying this that we cannot see. It appears inconsistent.

HON. MR. MURPHY:—If he is to

complete his mill in three years it may help him to do so, and during this time every facility should be given him. After that it is an outrage to permit this sort of thing. A big mill will require every mile of pulp wood in the country. There is not half enough timber lands in the country today to carry that out. For twenty-one years after the mill is erected! I can't understand why he wants that.

HON. SIR P. T. McGRATH:—This is a very important point which has been raised. There seems nothing to limit him. He may cut what he likes and where, for this period.

HON. SIR M. G. WINTER:—The inference is on his own land.

HON. SIR P. T. McGRATH:—It is not clearly stated. It must be remembered that it is by "inferences" lawyers make their living.

HON. MR. MURPHY:—Industries, it is true, should be given every encouragement. We need them instead of giving pauper relief, but I question whether half a dozen members in the Lower House took the trouble to go into this matter thoroughly. A great many also may not have had the experience to enable them to do so. It is not fair to expect that we can digest this Bill and pass the whole thing in so short a time. Our forests are our only asset outside the fisheries, and I see no reason why we should let them be given away, and others take the money that should be kept in the country. As far as I am concerned I am satisfied to give the Bill proper consideration, and take two or three hours at it, night or day, in order not to make a blunder in this matter. We do not want to be unfair to the people of this country. The only reason in favour of passing this Bill it seems, is the great need of labour at the present time.

HON. SIR P. T. McGRATH:—With reference to this matter it appears to

me that the simplest way to prevent unnecessary discussion, if the hon. leader of Government will permit me to suggest it, is, for a committee to go outside and ask the premier to come over and give us ten or fifteen minutes' explanation of the Bill. This will enable us to dispose of it without any more trouble.

The committee rose and reported progress, and asked leave to sit later.

Second reading of Bill entitled "An Act to amend Chapter 22 of the Consolidated Statutes (Third Series) entitled 'Of the Customs.'"

HON. MR. WINTER:—Mr. President, in moving the second reading of this Bill I would say that I have made some inquiries about the Bill and I find that its passing would make very little difference in the law. A difference in this way only. At the present time anybody is at liberty to import large quantities of liquor into Newfoundland and export it by giving a bond. The passing of this Bill would obviate the necessity of giving a bond and allow the liquor to come in and be exported without giving a bond. But the position would be exactly the same. At the present moment there are seven or eight thousand cases of whiskey on the Furness Withy wharf. As the law is at present that can be exported to St. Pierre or elsewhere and a bond has to be given, but that liquor can be exported and the bond cancelled on receipt of a certificate saying that the liquor has been received at its destination. Under this Bill there will be no necessity to give a bond for the liquor, but the Colony would be able to charge \$1.50 or \$2.00 possibly a case for the permission to bring the liquor here and export it. If this Bill does not go through, the 7,000 cases, for instance on the Furness Withy wharf at the present moment will be exported, and will probably be sent to St. Pierre,

the bonds cancelled and the revenue get nothing out of it, whereas if this Bill goes through it will probably mean \$12,000 or \$15,000 to go to the revenue. I do not see what difference it makes to us whether we give a bond or whether we do not. The law allows whiskey to come into the country and we can ship it where we like. This Bill does not alter that. It facilitates the exportation from here of the liquor. We allow it to come here now, and what difference does it make whether we ship it to Nassau or anywhere else. We are not giving any permission to import liquor where it was not allowed before. This is to enable us to bring it in here and not give a bond, for that privilege the Colony gets \$1.50 or \$2.00 a case. The Government is getting a large revenue now from liquor sold by the controller, and apparently he is trying to sell all the liquor he can, and why should we object to take this money from people who want to send this liquor here and export it. The liquor does not come in to be used here or go into consumption here, and if we can make \$100,000 or \$200,000 for permission to export that liquor without giving a bond I think we would be very foolish not to avail of it. I beg to move that this Bill be now read a second time.

HON. MR. BISHOP:—Mr. President, I wish to say that I am even more amazed at this moment than I was on yesterday when the honourable gentleman first moved the second reading of this Bill. I did hope that he would be able to come in today with some explanation and give a satisfactory reason why this change in the Customs Act is proposed. I suspected then that the Government were preparing to go into the smuggling business of liquor, and submit that that is now emphatically proven by the statement of the honourable

gentleman. At the present time any one can bring in liquors as other goods and enter them in bond for export. That entails the importer giving a bond for the liquor imported, and shipment may be made to some other country, and from that country must come back a certificate that these goods have been landed in that country and the bond is thereupon cancelled. But now it would appear that it is proposed that by paying a fee, a bonding fee or whatever it may be called, of some amount to be determined hereafter, to the Government for revenue purposes, then anybody can take that liquor and carry it anywhere. They can carry it to Twillingate, they can carry it to Burgeo or anywhere else and have it distributed. The Govt. will have nothing more to do with it, according to the leader of the Government, after they have been paid the fee.

HON. SIR M. G. WINTER:—We must have satisfactory evidence.

HON. MR. BISHOP:—That would make all the difference. Let it be provided in the Act that there should be something in the nature of a certificate, and some penalty for not returning it, but I think it is admitted that this liquor is ultimately intended for the United States. Is the United States Custom Officer going to give a certificate that so-and-so has been landed. Nothing of the sort. We are going to assist the rum runners into the United States.

HON. SIR M. G. WINTER:—We are doing that now.

HON. MR. BISHOP:—We are not doing that now.

HON. SIR M. G. WINTER:—When the liquor comes in here it is going to St. Pierre.

HON. MR. BISHOP:—And we are dissatisfied apparently that St. Pierre is in the smuggling business to a large extent, and we are not sharing the spoils. It amounts to nothing

else. There is absolutely no difference. It is immoral in the highest degree, and I cannot conceive of such a Bill passing the lower branch of the Legislature. I am of the opinion, however, that the majority of the members in the lower house have been hoodwinked and been told, as we have been told, that it does not amount to anything. St. Pierre is reaping a benefit from smuggling, we might as well have some benefit by just putting this through. That might be alright if it were going to St. Pierre and we did not have the responsibility of sending it to the United States.

HON. MR. MURPHY:—I think this is a Money Bill.

HON. MR. BISHOP:—If it be a Money Bill I am not debarred as a member of this House from having my say even upon what is a Money Bill. But it is altogether absurd to pretend that there is nothing in this Bill and it is simply a matter of passing it through so that we may get some revenue on the liquor. There is to be no bond given, and it may be taken anywhere. The honourable gentleman in charge of this Bill says we can get some assurance. How are we going to get any assurance. The Customs has no further control over it when the fee or tax has been paid.

HON. MR. WINTER:—The mere fact that you get a certificate that liquor has been landed at St. Pierre is no evidence that it is not coming back.

HON. MR. BISHOP:—That is quite true, because there is, we know, more or less smuggling going on from St. Pierre. But here is the Government going to engage in smuggling and going to make it unnecessary for people to go to St. Pierre. There is nothing to prove that the liquor will ever get out of St. John's. A person goes down and pays his fee and then it is

released. Whether it be ten thousand cases or ten cases, and the statements of the Hon. Gentleman clearly proves it is the deliberate intention of the Government to enter into illicit trade and to assist lawbreaking, for we are told here plainly that the intention is to obviate the necessity of transfer of liquors to St. Pierre, and that here as there Rum-runners may obtain clearance with liberty to take it anywhere. With the passing of this Act there will be less revenue from the Controller's Department.

The question before the House is as to whether we are going to give our assent to an amendment of the customs Act which will permit any quantity of liquors to come in here, pay this fee and then do what you like with it. I submit that if we pass this amendment to the act there is nothing to prevent the whole of that liquor being distributed around Newfoundland, and instead of getting additional revenue the Controller will have far less if any, and we will have only this dollar a case we are collecting under this bond. I submit after that fee is paid here, a permit is given for that liquor to be taken away and it can be taken away on one, two or ten vessels, and where it goes after that, the Customs will have apparently no concern. If I import other goods that are dutiable they remain in bond until I have shipped them in the regular way to some other country, and from that country must come to the Customs a certificate that the goods have been landed there. Then why give for liquor a certificate that you will not give for any other goods? I protest, Mr. President, that it is a most iniquitous thing to attempt in this way to make an act which is already largely ignored far and away worse than it is at present. This bill we are told is not a revenue bill. It will be difficult very soon to determine what is or is not, and we shall

be practically useless. This bill is not certified and for that reason we are at liberty to accept or reject it, and we should have no hesitation in rejecting it. To do otherwise and give our assent to it is to make us in our private capacity as well as legislative, participis criminis in all that occurs in connection with the Controller's Department and everything in connection with the Prohibition Act. I sincerely hope that hon. members will give serious thought to the matter and I think they would come to the conclusion I have, namely, that this bill is beneath the dignity of this House.

HON. SIR PATRICK McGRATH:— I think the hon. gentleman, with all due deference, is wrong in his reading of this bill. With regard to the phraseology of it I would point out that this applies to goods brought in to the Colony in transit to some other place outside of the Colony on which an ad valorem duty is not imposed. That as it is destroys his argument that this liquor could be taken from here after paying this fee and brought to any other place in the Colony, because once taken outside, that is, outside the three mile limit, if it came in again, it would be goods that would in the case of liquor, be liable to seizure for a violation of the Custom's Act. Let us assume that a consignment is brought in from Glasgow in transit to St. Pierre. We know to-day definitely that that liquor is coming through from Glasgow to St. Pierre in bond to St. John's. Tomorrow we are not concerned where that liquor comes from or goes to so long as it is from a place outside the Colony and goes outside the Colony, that is, the three mile limit. It cannot be brought in afterwards except it is smuggled. Now dealing with the general feature of the bill I do not suppose anybody in this house has any misapprehension as to what the

intention of this is. It is to enable us to facilitate people in getting liquor to the U. S., or to put it broadly, go into the smuggling business. Well so far as I am concerned I do not know why we should be so tender to the U. S. I do not know the attitude of the U. S. as a country or people is so high as to justify us in giving them special consideration. There is no country in the world where the laws in this connection are more violated than in the U. S., and you or I can go to the U. S. and get all the liquor we want ashore, yet the U. S. will not allow a ship to bring a bottle within the 3 mile limit. Punch has a humorous cartoon the other day in regard to this and showed a picture of a carpenter who was not allowed to take a spirit level ashore because there was liquor in it. Perhaps that is a far-fetched view. In Canada they are running liquor across the border everyday into the U. S., and while I agree as I said yesterday, the bill has no principle in it, no morality behind it yet in view of the fact that we as a community are standing for such barefaced violations of the Prohibition Act I do not see why we should swallow a camel and strain at a gnat. I voted for the Prohibition Bill and will vote for an enforcement of it, but many of us who supported it have been let down badly by men who should be pressing for its proper enforcement.

HON. MR. ANDERSON:— I have not changed the views I expressed yesterday, namely that this act might be delayed until such time as we had a remodelling of the whole Prohibition Act. I am going to support the second reading, but when it goes into Committee I think we ought to give it more serious consideration. This whole matter I go so far to say is a huge cod, and I hope the leader of the government will during the closing of this house go into the whole



consideration of this matter and see what is the best bill for the country and how to carry it out. If for a certain period of a man's life he finds little spirits is to do him some good, why in the name of common sense if he possesses all his faculties and is in good health should he have to ask a doctor for a script for a bottle of whiskey? At the present time it is ridiculous, and I hope some amendments will be made before next session to have the Prohibition Act put on a proper basis. I support the second reading and hope when it goes into committee, many little matters can be brought up in connection with the business that if it is to be run at all let it be run on strict commercial principles, and that can only be done by having a thoroughly competent man in that business to control and invest the enormous capital of \$400,000.

HON. MR. MURPHY:—I was just wondering if this was going to encourage smuggling. At present we allow port wine to come in for maturing and be exported, and we do not hear of any smuggling. I do not see why people would have any more chance of smuggling this whiskey than they would with this wine which we allow in now. I think the arguments of the hon. gentleman in that case will not hold water. We want the revenue; we are not asked to drink the whiskey, just to pass it along. And if we do not pass it along, somebody else will. And why should we not have these Scotch people consign their goods to a British port instead of a French port? I do not see. We are not asked to drink; but I have been drinking it for 60 years and had little use for Prohibition when brought in, and less for it now. I always took a glass of whiskey or rum when I needed it for sixty years. and I do not care what rules are brought in, I will have it.

As regards this amendment, it will increase our revenue, and I think under present conditions every man should support it to get all the revenue we can.

HON. MR. ELLIS:—I take the same position I did yesterday and support Hon. Mr. Bishop's proposition for the six months' hoist. I think it is not dignifying to our position or at all consistent in face of the Prohibition Act, and do not think we should consider it for one moment. At the same time I am aware of the views expressed as to the carrying out of the Prohibition Act, and think it is scandalous, but this is not the way to remedy matters.

HON. MR. TEMPLEMAN:—I have been thinking about this bill since yesterday, and would now like to ask if we do not pass this bill will the liquor still be sent to St. Pierre?

If we put this Bill through we shall get an income from it. It cannot do any more harm than is being done now. It seems against the principle of the Prohibition Act, but since that Act is not carried out as it should be, this won't make it much worse or better. The thing the Government should do is to amend the Act, and either enforce it more strictly or more leniently. If more leniently, it would do away with the making of so much "moonshine." There are hundreds of young men killing themselves today by drinking this stuff. The whole thing is a great scandal, and it is a disgrace to the country that the Government has become a liquor dealer—wholesale and retail. The doctors are making fortunes. It is actually robbing the people. Some men have a twelve month script. Only a short while ago a case came up before Judge Morris. The man who owned such a script gave his friend permission to get a bottle on it. The man while returning home by train had the stuff taken by Const. Shep-

pard. It cost \$9.00 to have the man brought before Judge Morris, who could not condemn, as he had obtained the liquor on this twelve-months' script. The whole thing seems a farce. I have altered my mind since yesterday and am inclined to vote for the Bill.

On motion of Hon. Mr. Bishop a vote was taken on this Bill, which showed Hons. Messrs. Bishop and Ellis alone in opposing the measure.

The Bill was then read a second time and referred to committee of the whole house.

(Hon. Mr. Ryan in the chair)

The Committee rose and reported that it had passed the Bill without an amendment.

It was then read a third time and passed, and ordered that a message be sent to the House of Assembly informing that body that this House had passed the same without an amendment.

The House then went into Committee of the Whole on Bill entitled 'An Act for the confirmation of an agreement between the Government and Malcolm Joseph Mooney, lumberman.

HON. SIR M. G. WINTER.—In order to meet the objection made, the Government framed a note on section marked No. 2, which I move be adopted.

The Committee rose and reported having passed the Bill with an amendment.

It was ordered that the Bill be read a third time, passed, and that a message be sent to the House of Assembly informing that body that this House had passed the same with an amendment.

HON. M. P. GIBBS.—The Agreement may for the purpose of elucidation be divided into two parts:—

1st.—The right sought to be conferred gives Mr. Crowe the privilege to export Pulp Wood for a period of

ten years. In connection with this work he may establish as many rossing plants and saw mills as he wishes. Further, the wood exported the first year is not subject to any tax or royalty, but the two years following there is an export duty of 2 per cent per cord, and for the remainder of the term an export duty of 50c. per cord.

2nd.—A pulp mill capable of manufacturing 100 tons of mechanical pulp per day must be erected within a period of ten years. Should he fail to do so, the right to export pulp wood would cease. As we do not possess any evidence showing the size of the area or areas controlled by Mr. Crowe, we are not therefore, in a position to determine how far the privileges given him in connection with the erection of a saw mill or a pulp and paper mill are in conflict with provisions of the Crown Lands Act.

The Crown Lands Act in the case of areas for the manufacture of lumber requires that a mill be established capable of cutting at the rate of one thousand feet board measure for every ten square miles given by the license. Without specific knowledge of the size of these areas in question no estimate whatever can be formed of the manner in which these concessions will affect kindred operations of those who have complied with the Act.

The Bill, if enacted, will enable Mr. Crowe to export pulp wood for a period of ten years. The only obligation he has to discharge is to erect a saw-mill having a capacity to saw seventy-five thousand feet board measure in twenty-four hours, and if at the expiration of ten years he fails to erect pulp-mill he forfeits nothing except the right to export pulp-wood. He can, therefore, for ten years denude the forest lands of its timber, and thereby help to continue the operation of paper mills in the

United States. This pill, so to speak, is admirably prepared by Mr. Crowe. He cheerfully assumes the task of cutting at least twenty-five thousand cords annually, but does not give any assurance that he will continuously operate this saw-mill.

The principle underlying this legislation is a vicious one, and contrary to all rules governing the use of the natural products of a country.

I do not find myself in a position to support this bill according to its provisions. We are asked to depart from a wise and judicious principle which determines industrial activity in the utilization of the raw products of a country, in fact, I am amazed at the audacity of the proposal.

It is the duty of legislators when handing over a portion of the natural wealth of the country to individuals or corporation, to insure as far as possible the greatest returns to the country. In other words, assurance must be given that its natural wealth will be utilized in such a manner that labour and skill should be employed in the country for its manufacturing and that it will be exported as a finished article of trade or commerce.

In this country, within recent years we have some millions of dollars invested for the manufacture in our own land of paper from our forest. Many more millions will be invested, and from those investments greater development of trade and industry will follow, but, this process of development will only increase so long as we continue the policy of manufacturing our forest wealth within our own borders.

It was only recently that we pledged the earnings and resources of the people by way of guarantee for a proportion of the cost of the pulp mills now being erected on the Humber.

It was only recently that the A. N. D. Co. invested hundreds of thousands

of pounds in the erection of plants for the manufacture of our timber into pulp and paper. This undertaking is in addition to the one at present operated by the company, and it affords us the evidence that industries of this kind can be profitably and successfully carried on here.

The proposed legislation, however, is diametrically opposed to this. It is an admission that the Pulp and paper industry can not be successfully worked. By this legislation we establish the unwise precedent of exporting our raw products for the purpose of having them manufactured. If this legislation be proper, then should we ask the people of this colony to give their earnings and resources as a guarantee and pledge to aid the establishment and manufacturing of pulp and paper on the Humber? Is not the present legislation a confession that we are wrong in so doing? If it be not, then I am at a loss to understand the nature and object of this legislation.

We have in this country forest wealth which offers many advantages to capitalists in comparison with other countries. The many streams and lakes that intersect our forest lands, and the proximity to tidal water, give us advantages not enjoyed by other countries.

The wood used in the manufacturing of pulp and paper is not found in every country. It is only to be found in countries with climates similar to our own, and the value of this kind of wood is increasing yearly.

Recently Canada found it desirable to compel the manufacture of wood suitable for paper to be carried on within its borders, by prohibiting the export of pulp wood. This legislation has the effect of inducing the exportation of the natural wealth not in its raw state, but manufactured. In pursuing such a policy, its public men are seeking to enlarge the industrial

activities of the people of the Dominion, and thereby, build up and develop its manufactories. In carrying out this policy, they are retaining within the hands of the people of the Dominion the skill and labour employed in producing paper and pulp attracting within its borders, millions of dollars of capital.

By the proposed legislation we are making our people the hewers of wood and drawers of water for the paper industries of the United States of America. American paper manufactories cannot obtain wood from Canada. In our short sightedness, we are about to pursue the shadow for the substance. Are we satisfied that our people should do the work of felling trees at so much per day or to build up paper and pulp industries elsewhere?

We deplore the lack of opportunities for the young men being educated in our schools and colleges. We say industry in this country does not afford them a field to apply their talents and energies, while we are expressing our regrets in this connection, legislation of this kind will force them if they remain in this country to be hewers of wood for industries in other lands.

It may be argued, that the areas controlled by Mr. Crowe do not afford the natural advantages necessary for the successful production of paper and pulp. What evidence have we before us of this fact. Where are the reports of engineers and of forest trees substantiate an argument of this kind? Our general knowledge of the country alone refutes the argument.

The Iron Ore on Bell Island is mined there and taken to Sydney, and there manufactured. Where is the greatest industry carried on in connection with Bell Island ore? Is it Bell Island or Sydney? It is scarcely necessary to answer these questions. It is where the ore is being manu-

factured, not where it is mined. Again, it has been said, that the timber has been rotting there for centuries, so has it been at Grand Lake, Exploits and the Humber, but, nevertheless millions are now being invested in the manufacture of forest wealth of these places, and if we pursue a policy of sending out the raw products in a manufactured state, there will be many more millions invested. Do we realize what this proposed legislation means to us? Have we considered its effect upon the economic life of the country, upon its earning and purchasing power? The establishment of a pulp and paper industry means the permanent investment of millions of dollars; the building of a town site; the permanent settlement of the people near the mill; steady and regular employment year by year of many hundreds, not of hewers of wood only but the employment and development of skilled labour; not men felling trees; not working for \$2 or \$3 per day, but men earning \$3, \$5, \$7 and \$10 per day. It means better homes, better educational effort on the part of all to meet the demands and requirements of advanced form of industry. All this it will shut out if we permit our forest wealth to be exported in its raw state.

I am not unmindful of the necessity of employment, but, I am at the same time, imbued with the necessity of pursuing a policy which will enable us to get all we can from the natural wealth of our forest growth.

HON. MR. MURPHY:—Mr. President, the speech of the Hon. Mr. Gibbs is along the same lines as I intended to make. I may say that I shall not be a party to this Bill going through the House. I do not think it should go in that form at all. I see in one of our papers that the Premier has said that it was understood that there were no waterpowers on the French Shore and that is one of the reasons

why we were to allow them to cut this timber. I daresay that Mr. Crowe would have told the Premier that. Some years ago I went around that coast, and we examined every waterpower from Bonne Bay right around to Hall's Bay. All my life I have been interested in waterpowers. I never like to see a waterpower going to waste, and I do not know any place in Newfoundland where there are more waterpowers than down in White Bay. There are some very splendid waterpowers there. The proof of that is that Mr. Mooney got one down in Orange Bay, but there is a very nice waterpower at Western Arm, just opposite the Arm, and one which would be exactly suitable for Mr. Crowe to manufacture every cord of pulp that he would cut on his lands. If one waterpower was not enough he could easily get two. It would pay Mr. Crowe very much better if he would develop the waterpowers there instead of going to the south coast to manufacture it. It looks to me that he will have no pulpwood on the south coast. I have the idea that Mr. Crowe has no intention whatever of taking that lumber down there and manufacturing it on the south coast. I do not like this Bill in any way Mr. President, and I will not vote for it. If we have got Mr. Crowe so that he has to do these things I am satisfied, and if Mr. Crowe gets ahead of us, then upon the heads of the members of the lower House be it, but I for one will not take responsibility for this Bill, nor Mr. Crowe's word for it.

HON. MR. ELLIS:—Mr. President I am sorry that I was not here when the leader of the Government explained this Bill. I always thought that the policy decided upon by the Government was to conserve the timber areas of the country by prohibiting the exportation of unmanufactured timber, and I was very much

struck by the argument put forward by my honourable friend on my right. I think the timber of this country would, if worked properly, be found to be a great asset and would give employment to the people of this country at a high class of labour. This Bill strikes me as very strange. I know that we have passed bills before allowing pulpwood to be exported. That was simply in order to give people some employment. What I cannot quite understand about this bill is that it gives the right to export pulpwood for ten years. Why would not one year be enough. This is a very different thing from a man starting a new industry. I do not regard the exportation of timber an industry. It requires no capital. I would say again that I was not here when the matter was explained, but if this were a matter that called for the expenditure of capital in the way of building places, wharves or mills, it would be quite a different thing, but I do not see where capital is required, and I do not think Mr. Crowe should be given the concession for ten years. If he were making an effort to get a mill established which may take him three or four years and during that time would like to do a little business, that might be reasonable, provided we had a guarantee that a mill would be built, and if it were not built within three years the exportation would be stopped. I should think that with the establishment of the great industry at the lumber, the pulp mill at Alexander Bay and the Grand Falls mill, all the timber should be manufactured in this country. I met a man last year who is largely interested in paper mills in Canada, and he tells me the distance they have to carry the timber in that country is sometimes as far as from the Labrador to here. The season may be short in White Bay, but during the three or four months of the summer the tim-

ber could be brought up to the mills, and I certainly think that the policy the country should adopt is the conservation of our timber for use by being manufactured in this country.

HON. SIR M. G. WINTER:—Mr. President, I would like to explain one or two points about this Bill which influenced the Government in making these concessions to Mr. Crowe. In the first place, it was looked upon as a necessity, particularly for that locality, that something be undertaken to give employment to the people. The Government is aware that a large number of people will be in distress and unless some employment is given to them there will be no alternative but to issue poor relief. In order to obviate this, this agreement was made with Mr. Crowe. The Concession made to Mr. Crowe is different from the Mooney agreement. Mooney is putting up pulp mills, and he has the power to run his mills. In the locality where Mr. Crowe is operating the remarks, I think, of my friend Mr. Murphy are not correct. I do not think he is correct in saying that there is a good waterpower there. I may say that when the Government was considering the granting of these concessions, that matter was brought up and we had certain evidence that satisfied us that there was not sufficient waterpower there to run a pulp mill. Another thing, the locality was inaccessible altogether for six months of the year. So under the condition it would have been practically impossible to run a pulp mill profitably.

HON. SIR PATRICK McGRATH:—There must be some mistake. If Mooney can run a pulp mill in Orange Bay, then Crowe could in his locality. But I understand that Crowe thinks he has not enough pulpwood to run a pulp mill or that he thinks it is unsuitable.

HON. SIR M. G. WINTER:—Crowe's contention was that there was no pos-

sible chance of manufacturing the pulpwood on the spot, and even if there were the place is so inaccessible and it would be questionable whether it would be profitable or not. But the information we got was that there was no power there.

HON. MR. MURPHY:—He has greater power there than the other marshes in Orange Bay.

HON. SIR M. G. WINTER:—Some of the members do not seem to have much confidence in Mr. Crowe. Mr. Crowe's intention is that he will put up a pulp mill on the South Coast and bring the pulpwood from White Bay up to the West Coast, and I may inform the House that the Premier had a telegram two or three days ago from Mr. Crowe in which he stated that he guaranteed that the pulp mill would be erected within five years. You can take that for what it is worth. That is what has happened. Anyway at the present time it is absolutely essential that something be done to give employment to the people; otherwise you will have to issue poor relief.

HON. MR. BISHOP:—Will not many of the men be unfit for this employment?

HON. SIR PATRICK McGRATH:—There is nothing in this Bill to compel Crowe to operate this year at all.

HON. SIR M. G. WINTER:—Nothing other than an undertaking, but of course these things cannot be got underway in a moment. He cannot do anything until he gets his Bill.

HON. SIR PATRICK McGRATH:—I certainly hope that the people will get the work, but I have my doubts.

HON. SIR M. G. WINTER:—The Government is quite satisfied that if this Bill does not go through there will be trouble, and the people will have to be supported.

HON. MR. MURPHY:—Let the Bill go through, but do not let us have it

said that we did not know what concessions he is getting.

HON. SIR PATRICK McGRATH:—Mr. President, I think the feeling of the House is so clear that it does not require that anything more be said. I endorse all that has been said. I would like to add on my own behalf that the more I see of this Bill the more incomprehensible it is to me how the original agreement was ever accepted. I can quite understand the pressure on the Government. I tried to see the point of view of men who have the responsibility of carrying on the country's affairs, but when you read the agreement without including the additions in the Act, (because remember that sections have been put in the Act on the first page as a result of discussions in the Lower House) but if you take the agreement there is no responsibility on Mr Crowe to put up the mill at any time. There is no undertaking for him to operate a saw mill. There is no undertaking whatever as to the quantity of wood he was to cut, not a line. That clause has been added in the Bill part Section two provided that he must cut not less than 25,000 cords, but in the original agreement there was no obligation on him to cut anything at all. Of course, we knew that he did not go there and buy this property with any other idea than operating it cutting the timber and using it to the best advantage for himself. But the proposition underlying this, and the proposition set forth on the face of it is that he was getting this concession

- (a) because he had purchased the property.
- (b) that he was unfavourably situated for getting a mill.
- (c) that he therefore proposed to operate a saw mill and rossing mill.

Now, as I have said before, you can get a rossing mill, put up a shed, put up one of these barkers in it, operated by a gasolene engine, and I sup-

pose the whole thing would not cost more than \$10,000. Now what would it cost to put up a saw mill, say another \$10,000, \$20,000 in all. He would need other capital, to fit out men get horses, and so forth. But if he is a practical business man he expects to get a return on that very quickly. It must have cost the A. E. Reed company millions to start their plant. Anyone who has been at Bishop's Falls knows that the machinery there to produce 100 tons of paper a day represents millions of dollars. The dam across the river, the mill buildings, the whole electric plant the building of a town and all that must have meant another two or three millions, and we are now to give this man the right to cut all the wood over 750 square miles of territory for a twenty five year term in return for putting up two sheds.

HON. SIR M. G. WINTER:—Ten years.

HON. SIR P. T. McGRATH:—I am speaking of the original agreement, and that agreement provides for a twenty-five year term. Ten years is still too long. However, we have the Premier's undertaking that at the next session he will introduce an Act to remedy this, and under the circumstances and because of the fact that it is certified as a Money Bill, there is nothing left for us to do, but I think that the sense of this House is that more consideration ought to be given to these bills in the future than they seem to have been given.

That a man can come in and put a proposition of this kind before the Government and get it signed, and then find that a clause in amendment is necessary is really a pitiful situation.

HON. SIR M. G. WINTER:—The Government has not had time. This measure could not receive the consideration it deserved.

HON. SIR P. T. McGRATH:—I am prepared to make allowance for that. I do not know whether this was put in before Mr. Crowe came here or subsequently. We ought to make things clear and set our face in future against continuing to give these people with propositions of this character any consideration whatever. What is there to justify a twenty-five or even a ten year agreement. As hon. members have said we are endeavouring to increase our industries through our forest resources. Every man is a potential enemy to those resources whose ideas are to cut the stuff and get it away as quickly as possible. Anybody will do it who gets concessions of this kind. In future concessions should be given only to men who will put up at least a pulp mill. I am afraid there is not going to be any advantage nor much to expect from this outlay. We are selling our birthright. The forest resources should be developed, as far as my limited ability went I advocated this. I protest against the cutting down of timber in his way. We get no return whatever, we are simply hewers of wood and drawers of water. It is the thin edge of the wedge. Every year we seem to be going a step further. We have adopted the reverse policy to that of Canada. We should return to the old conditions when no concessions were given to anybody unless they were prepared to manufacture the timber at least into pulp in the country.

HON. MR. McNAMARA:—I wish to register my disapproval of the indecency of sending up such an important Bill as this at the eleventh hour of the session. We are practically chloroformed. Our timber resources in Newfoundland are very valuable. I fear we do not realize this. Before giving any concession

there should be some guarantee that we are going to get some returns outside the actual labour of cutting the logs. Timber becomes scarcer and scarcer all the world over. In Canada there is an embargo put on it to the United States. Our timber resources are our greatest asset and are even more valuable than coal or water power, and we are giving them away without even a blush. Practically everything of importance is given away up to now. In future there will be little to legislate on. Our iron ore on Bell Island is going out of the country free, lands and water power are being given away and now our timber. There is indeed very little left. Only in view of the labour conditions here, do I give my support to this measure. Otherwise I am strongly opposed to it for even ten or for that matter five years. I consider three years sufficient.

HON. MR. TEMPLEMAN:—It is a well-known fact that all over the town there is a great deal of opposition to this Bill. I don't know that Mr. Crowe will be able to do much good with regard to labour this winter. The only reason for passing it seems to be that otherwise people will be hungry. That is no reason at all. They can take passage to the United States and live well there. I am not in accord with this Bill. I do not see any good in it. The hon. member opposite made a good speech against it. That ought to be sufficient to convince all of us. The Government tells us that we are passing this Bill because if not the people will be hungry in White Bay. Surely they could hold on another year instead of giving this away for nothing. The Premier said he received a telegram from Mr. Crowe a short while ago, but we have not seen it. I feel I cannot support this Bill.

HON. MR. RYAN:—I am adverse



to this Bill wholly and solely. I think Mr. Crowe wants a lot for nothing. With regard to what the hon. leader of the Government said about it being a case of necessity, that we had a bad winter before us, and that if this Bill did not pass the Government would have to support the people of White Bay. I say that there will no doubt be as much poverty in White Bay this winter, as there has been, even if these concessions be given, for there will be very few men employed by Mr. Crowe there this winter. I should like to see in this agreement a guarantee something like Mr. Mooney is putting up. Mr. Crowe is giving nothing for what he wants. I cannot support it in any way. With regard to the water-power, I have a little knowledge. There is great water-power at the bottom of White Bay, although Mr. Crowe may say not, it may not suit his purpose. Very well in any case I cannot support the Bill.

The House rose until 8 p.m.

The House resumed at 8 p.m.

Second reading of Bill entitled "An Act for the Confirmation of an Agreement between the Government and Harry J. Crowe, timber merchant

HON. MR. GIBBS:—I would suggest to the hon. gentleman in charge of the Bill that in view of the opinions of the members of the Council that the Bill be withdrawn.

HON. MR. WINTER:—I hope that no attempt will be made to side-track this Bill. It is a money bill, and the consequences of rejecting it will be very serious, and cause considerable regret to those responsible. Under normal conditions the Government would not make the concessions which were made to Mr. Crowe. But we must take things as we find them. He endeavoured to make a much harder bargain than that which has been made. His claims have been

reduced, and as small as possible. Next winter and the winter after the Government will have to support the people in that locality unless something of this kind be done. This is a very serious matter I think. We all feel largely that we don't care about some things connected with the Bill but considering conditions existing, I do not think that this chamber is justified in not passing it.

HON. MR. GIBBS:—I make a suggestion that the time be limited to three years, for the purpose of providing employment. In three years we probably shall have rounded the corner of adversity.

HON. SIR M. G. WINTER:—The House of Assembly has finished with work and there is no chance of making alteration or amending the Bill. I thought during the interview with the Prime Minister that the feeling was, that we were satisfied to leave the matter in his hands, and that he would see that the interest of the Colony was protected as far as Mr. Crowe was concerned. There is nothing to that effect embodied in the Bill, but we have an assurance of it.

HON. SIR P. T. McGRATH:—I agree that the Premier gave us an assurance that next session a qualifying measure would be introduced to remedy the drawback of this Bill. As a result, I think, we are morally bound to pass the Bill through, altho we may be sorry to do so.

HON. MR. BISHOP:—I agree with the last speaker that a tentative assurance was given us that at next session of the Legislature a satisfactory amendment would be made, and we must let it go at that. I cannot accept the statement of the hon. leader of the Government that the Lower House has closed to work and cannot do any more legislation. The Lower House has to meet until our business is through.

HON. MR. ELLIS:—I agree with my hon. friend that three years would be quite sufficient to grant those concessions for. To my mind it would be much better to give the people in the section referred to something to do in a businesslike way, if necessary cut pulpwood under supervision. We should come out of it much better in the end, and have our timber conserved. If we adopt this measure we cannot refuse any man such concessions as we gave Mr. Crowe. I do not see why this Bill cannot be amended in the same way as this House amended the Mooney Bill. I therefore agree with my hon. friend on my right that three years should be the limit to the concessions.

HON. SIR M. G. WINTER:—I may say that I understood when we met the Prime Minister and received his assurance, that we gave the impression that we were satisfied and would put the Bill through alright. I also understood that the Lower House was closed to business.

HON. SIR P. T. McGRATH:—We have a number of Bills here to deal with. If any of them are amended and a message to that effect goes down to-morrow, the Lower House must deal with it. On all occasions when the House is to close the Lower House meets a half hour before in order to deal with the work left over. I have no special plea for the Bill, but referring to the three year period. I may say that two years ago we passed an act giving people permission to export pit props. We gave them a five year limit, as a result of discussion before a select committee. I was one of that committee and the late Mr. Browning another who were strong on cutting down the time to three years. It was pointed out on that occasion that it would not pay a man to put up the necessary appliances to go into it as

a business proposition unless five years were given, over which to spread out the cost and enable him to get his money back. I do not see how we can cut down this. Unless prepared to put up a pulp mill no longer concessions should be given. The Premier assures us that he will bring in an amendment. I will tell you how he is able to do it. He has received a telegram from Mr. Crowe which gave him the information that he would put a pulp mill up within five years. That agreement will be embodied in a new bill.

HON. MR. ELLIS:—I did not hear this explanation as I was absent the first hour the House was sitting. In view of what has been said in reference to the proposal of the Prime Minister, I have no objection.

The Bill was then read a second time.

The second reading of Bill entitled "An Act for the confirmation of an Agreement between the Government and Harry J. Crowe, timber merchant."

HON. MR. GIBBS:—I cannot permit this Bill to pass this House without making some comments upon it.

House went into Committee on the Bill. Hon. Mr. Milley in the chair.

The Committee rose and reported the bill without amendment. Said Bill was then read a third time and passed and it was ordered a message be sent the Assembly that this House had passed the same without amendment.

Hon. President read message from the House of Assembly that they had passed the accompanying bills entitled as under in which they requested the concurrence of the Council, namely:—

Public Services Bill; Act for raising sum of money for certain public improvements; An Act respecting certain retiring allowances; An Act respecting a preferential tariff with Ja

maica; An Act respecting a preferential tariff with Spain; An Act to amend the Revenue Act 1905; An Act to amend the Business Profits Tax Act 1919, 1920 and 1922, and also that they had passed the Council's amendment to the Mooney Agreement Bill

Retiring Allowances Bill was read a first and second time and went into Committee, Hon. Mr. Milley in the chair.

The Committee reported the bill without amendment and it was read a third time and passed, and it was ordered a message be sent the Assembly to that effect.

Bill respecting Preferential Tariff with Jamaica was then read a first and second time and committed, Hon. Mr. Steer in the chair.

Committee reported the Bill without amendment, and it was then read a third time and passed, and a message sent the Assembly to that effect.

On motion of Hon. Mr. Winter the Bill respecting Preferential Tariff with Spain was read a first and second time.

House went into Committee on the said Bill, Hon. Mr. Steer in the chair.

HON. MR. WINTER:—This bill is of similar nature to the preceding bill. Spain agrees to reduce the duties on our fish, and in return we allow importation of their products duty free.

HON. MR. BISHOP:—I would like to ask with the passing of this Bill who will be allowed to import Spanish wines? Who permitted and who prevented?

HON. MR. GIBBS:—Under the Prohibition Act nobody but the Controller is permitted.

HON. MR. BISHOP:—That being so, it is simply blindfolding the devil in the dark; blindfolding our Spanish friends. I hope those of them residing in St. John's understand they

will not be permitted to import Spanish wines.

HON. SIR PATRICK McGRATH:—As I understand it this bill is not to make the Prohibition Bill any easier but simply for the purpose of effecting an arrangement such as our friends in Norway have with Spain. It does not mean that these things can be brought in by any private individual, but simply that our requirements under existing laws will come in duty free. All our demands at present are met by the Controller as he requires them. Our Spanish friends he refers to must understand that no one but the Controller can import.

HON. MR. BISHOP:—Why did Norway import in excess of their requirements?

HON. SIR PATRICK McGRATH:—Norway imported after that time because Spain enacted a prohibitory act against Norwegian codfish and the Norwegians had to make a new contract under which they took a quantity of wine in return for a quantity of fish. I do not know how much, but it was an enormous quantity and they had to sell in all parts of the world.

HON. MR. BISHOP:—Now I have got the information I pretended to seek. Spain insisted on a large quantity of its wines being taken by Norway. What is to prevent their amending their tariff because our requirements are not sufficient?

HON. SIR PATRICK McGRATH:—The arrangement as I understand it was because the quantities were fixed. In this contract there is no stipulation as regards any quantity.

HON. MR. BISHOP:—Are you positive there is not?

HON. SIR PATRICK:—No I cannot be positive on anything in these matters. Spain cannot come to us and say you must take so much wine and brandy. We could say you should have put it in this bill. But I think

the hon. gentleman is wrong and on reflection he will see that after we make this contract the Spaniards cannot say you are not taking enough wines; you must take more.

Committee rose and reported that the Bill had passed without amendment.

On motion the report was received and the Bill thereupon on motion read a third time, passed, and it was ordered that a message be sent to the House of Assembly informing that body that the Council had passed the Bill without amendment.

A Bill "An Act to Amend the Business Profits Tax Acts (1917-1922)"

Hon. the President read a message from the House of Assembly informing the Council that they had passed a Bill "An Act to Amend the Business Profits Tax Acts (1917-1922)" in which they requested the concurrence of the Council.

HON. SIR M. G. WINTER:—Mr. President, when the Business Profits Tax Act was passed in 1917, it provided for the payment of a certain tax for a period of three years, and they found that after the three years there were certain sums which they had not collected in and such they intended to collect, and the Bill was changed to read six years instead of three. Apparently some persons thought that if they did not pay within three years they need not pay at all. This amendment is made for the purpose of giving the Government power to collect it now.

The Bill was thereupon read a first time, passed, and on motion that the Bill be read a second time, Hon. Mr. Bishop spoke as follows:

HON. MR. BISHOP:—Mr. President, the honourable gentleman in charge of this Bill is incorrect in supposing that this was simply to collect unpaid balances for the years 1917 and 1918. That is not so. The 1917 Act

expired in 1920, and was not re-enacted and people refused to pay in 1921 and 1922 under this Act.

HON. SIR M. G. WINTER:—I may say that this is the first time I have seen the Bill. I know there was considerable trouble in collecting the taxes for the past three years. Some people refused to pay, and people refuse to pay now I believe. I thought that the section was put in for the purpose of giving authority to collect the payments.

The Bill was thereupon read a second time, and on motion the House resolved itself into a Committee of the whole on the said Bill. Hon. Mr. Steer in the chair. On motion the Committee rose and reported having passed the Bill without amendment. The report was received, and on motion the Bill was thereupon read a third time, passed, and it was ordered that a message be sent to the House of Assembly informing that body that the Council had passed the Bill without amendment.

A Bill "An Act to Further Amend the Revenue Act, 1905."

Hon. the President read a message from the House of Assembly informing the Council that they had passed a Bill "An Act to Further Amend the Revenue Act, 1905." in which they requested the concurrence of the Council. The Bill was thereupon read a first time, and on motion the House resolved itself into a Committee of the whole on the said Bill. Hon. Mr. Milley in the chair.

HON. SIR PATRICK McGRATH:—Mr. Chairman, I suggest that the Preamble of this Bill is wrong. The Preamble merely refers to the first section of the Bill. A lot of other matters altogether alien to the fire insurance matter is included. I suggest that it is not good legislation to have half a dozen subjects included in one Bill and the Preamble refer

ring to only one. While I am on my feet I would like to ask if it is the intention to have the companies levy on citizens of St. John's to pay this amount or will the insurance companies pay the amount out of their own pockets.

HON. SIR M. G. WINTER:—I do not know what the action of the insurance companies may be after this legislation goes through.

HON. SIR P. T. McGRATH:—Is this Bill being passed with the cooperation of the insurance companies?

HON. SIR M. G. WINTER:—The insurance companies strongly object to the tax on principle. They say it is not their place to provide fire-fighting appliances for St. John's or any other city, and they strongly object to any taxation. On the face of it, it does not seem right. Speaking from an insurance man's point of view, it does not seem to me to be equitable to pass this law. It might be equitable if everybody insured their property. But why should the insurance companies be taxed to protect the property of people who will not insure. That on the face of it is unfair and unjust. You go people and ask them to insure their property. They say they do not want insurance; they have all these appliances, and there is no need to insure, now that the risk is so little. Why should the insurance companies have to pay for that?

HON. MR. McNAMARA:—I think this Bill is a little more than appears on the face of it. I heard from an insurance man that previous to these appliances being imported the Inspector General canvassed the insurance companies asking them to pay for it. Some of the representatives wrote their head offices, and I think it was suggested that if the insurance companies had to meet any such expense they would withdraw from

Newfoundland trade. What position will we find ourselves in if there are no insurance companies doing business in Newfoundland?

HON. MR. BISHOP:—A further objection is the fact that if the tax has to be imposed upon citizens of St. John's to pay for this apparatus it should not be sectional. The person who does not insure has a right to pay, or more right to pay, than the person who insures. But this Bill means that those who do insure will be taxed another one or one and a half or two per cent to pay to the insurance companies the amount that the companies have to pay under this Bill. The insurance companies are not going to stand the expense themselves. If it has to be paid at all it should be by the Municipal Council and then everybody would pay his share. Mr. McNamara is perfectly correct when he says that the insurance agents were canvassed by the Inspector General. They were not all canvassed, and in a good many cases he met with refusal.

HON. SIR M. G. WINTER:—The matter was not brought before the Board of Fire Underwriters, but it was brought before certain members, and they discussed it, and probably as my honourable friend opposite stated, they said that the companies would refuse. But I do not think there is any danger of the companies going out of business. What they will do will be what they did before. They say, you can go ahead and tax us as much as you like, and we will make the people who pay the premiums pay for it. So the whole thing will come out of the people who get the insurance.

HON. SIR PATRICK McGRATH:—It seems to me, Mr. Chairman, that there ought to be a halt called to this sort of thing. As far as we can make out, the apparatus was got by the Inspector General on his own author-

ity without advice or consultation with anyone. After all, the Government is not primarily responsible for St. John's. The Municipal Council should certainly have been consulted about it. Looking at the apparatus going about the streets it seems to me that it is too large for a town like this. It represents \$30,000. The value it is going to give is purely problematical. It will wear out quickly, and if this thing is got away with now we do not know what we will be asked to consider next year. I should have thought that the apparatus we had before this came here was quite sufficient to protect St. John's from fire.

HON. SIR M. G. WINTER:—So far as that is concerned, it is a great protection to have it, but I think we should be sure to make the right parties pay for it.

HON. SIR P. T. McGRATH:—This undertaking was embarked upon without anybody having any idea as to who was going to pay for it. It was embarked upon, if what we have heard is correct, in spite of the fact that a number of insurance companies declined to take the responsibility for payment. The members of both houses, or anybody connected with public life, knows that the insurance companies put the last thing of this kind over on the ratepayer.

HON. SIR M. G. WINTER:—I do not see how you can prevent it.

HON. SIR P. T. McGRATH:—I do not see how they can accept this, because if they do it may be something twice as large imposed next year, and they will be expected to do the same thing. I suppose there is nothing for us to do but say our say and pass the Bill, but it seems to me that there ought to be an end to this sort of legislation.

HON. MR. ELLIS:—Mr. Chairman, I should like to make a few remarks.

I quite agree with the Inspector General in advocating such a measure of protection. I think any man placed in his position would have fire matters on his mind and would feel like taking some measure precaution. I remember that after the fire we had an insurance inspector here, a man named Jarvis. When the Municipal Council decided in 1903 upon extending the water and sewerage systems we had the opinion of this man expressed in a letter that the effect of the new water system should be a reduction in the premiums on insurance. Since that time this city has spent \$400,000 on a water system, and there has never been any reduction in premiums of insurance. I think I showed conclusively last session that insurance rates in other cities were far below the insurance rates here. I have a receipt from a New York company where for \$2.50 I had insurance for three years on a house in New York, that is, eighty-three cents a year. Compare that with the rates we have to pay here. Whatever the insurance companies may say, we pay a much higher rate here, and I think the Government was justified in levying this tax on the insurance companies, and I hope that the companies will not be able to put it over on the public as they have been able to do in the past.

HON. MR. ELLIS:—Many do not insure because the rates are too high. If premiums were within their reach they would do so.

HON. MR. GIBBS:—I am not here to defend the insurance companies; nor do I intend to do so, but until the putting of shingles on the roofs of houses is done away with I cannot see how the rates can be lowered. The danger of conflagration is just as great to-day as it was thirty years ago. If a fire broke out on the higher levels and there was a high

wind we should have a fire similar to that of '92. If uninflammable material were used there would be a reduction in twenty-four hours. The apparatus imported is justifiable, for in some parts of the city if a fire occurred the water pressure is no sufficient to cope with it. In sections where there is valuable property—worth a million dollars—this is so. In cases like this the only safeguard is to have apparatus suitable for coping with the difficulty.

HON. MR. BISHOP:—In New York as in St. John's the rates for insurance are not so profitable as perhaps thought. With regard to that three-year premium, it is not so cheap as appears on the face of it. For in case of fire a three-year premium is paid instead of one. One other bit of information to illustrate that the profits are not always great. The amount paid out for last year was more than the entire year's premiums. The first five months of 1923 were very little better as far as St. John's was concerned. It was better in the outports. Even though the rates appear high they are not very profitable. When fire claims are less frequent than they are at present we shall be prepared to give lower premiums.

The Committee rose and reported it had passed the Bill without an amendment.

The Bill was then read a third time and passed.

A message was ordered to be sent to the House of Assembly informing that body that this House had passed the same without an amendment.

The Bill entitled "An Act for the raising of a sum of money on the credit of the Colony for certain purpose" was read a first and a second time, and then referred to a committee of the whole house.

(Hon. Mr. Anderson in the chair.)

HON. MR. MILLEY:—I should like

to ask what interest is being charged by the Bank of Montreal on the temporary loan of \$855,126.00.

HON. SIR M. G. WINTER:—I cannot say exactly, but I expect it is 6 per cent., as that is the usual rate.

HON. MR. BISHOP:—Surely it is not in excess.

HON. MR. MILLEY:—I thought it should be much lower.

HON. SIR M. G. WINTER:—I take it for granted that it is 6 per cent. on a temporary loan.

HON. SIR P. T. McGRATH:—I have never known it to be less. Is \$400,000 sufficient to meet the deficit? I thought that the figures indicated three-quarters of a million dollars.

HON. SIR M. G. WINTER:—These were the figures given by the Auditor General.

HON. SIR P. T. McGRATH:—Sir Richard Squires said \$750,000, surely there must be something wrong. It must be either one set of figures or the other.

HON. SIR M. G. WINTER:—That was for the fiscal year 1924.

HON. SIR P. T. McGRATH:—Is this to be taken out of the balance loan of last year? Three-quarters of a million to pay! If a matter as important as that cannot have any light thrown on it, it is a very unsatisfactory way of having it. I want to call the attention of the House to the fact that this Bill does not provide for the income tax. Before the war it was possible to get the interest for the payment of loan raised in this way. It is now four or five years since the war has been over. When are we going to get back? Rich people should be made to contribute to the maintenance of the State.

The Committee rose and reported having passed the Bill without an amendment.

The Bill was then read a third time, passed, and ordered to be sent

to the House of Assembly with a message informing that body that this House had passed the same without an amendment.

A Bill entitled "An Act for granting to His Majesty certain sums of money for the defraying of certain expenses of the public service," was read a first and a second time, then referred to committee of the whole house.

(Hon. Mr. Anderson in the chair)

The committee rose and reported it had passed the Bill without an amendment.

The Bill was then read a third time and it was ordered that a message be sent to the House of Assembly informing that body that this House had passed the same without an amendment.

The House then adjourned accordingly.

SATURDAY, August 18th, 1923.

The House met pursuant to adjournment.

His Excellency the Governor having arrived, and being seated on the Throne, Hon. the President Commanded the Gentleman of the Black Rod to summon the members of the House of Assembly to the Bar of the House, and they being there assembled, His Excellency was then pleased to assent to the Bills passed during the season. His Excellency then read his Address from the Throne.

After which the Honourable the President of the Legislative Council, by command of His Excellency the Governor, declared the General Assembly prorogued.



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