

THE CARBONEAR HERALD

AND OUTPORT TELEPHONE

Vol 3

CARBONEAR, NEWFOUNDLAND, June 17th, 1881.

No 5

ADVERTISEMENTS.

THE CARBONEAR HERALD

OUTPORT TELEPHONE.

Is Printed and Published from the Office west of the Post and Telegraph Offices, Water Street, Carbonear, every FRIDAY MORNING.

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All communications for the "Herald" to be addressed to the Proprietor and publisher;

E. J. BRENNAN,
Herald Office, Water St.
Carbonear.

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May 27

3m

AGENTS FOR HERALD

The following gentlemen have kindly consented to act as our agents, all intending subscribers will therefore confer a favor by sending in their names and subscriptions that they may be forwarded to this office.

Brigus—Mr. P. J. Power, School Teacher

Bay Roberts—Mr. G. W. R. HERLEBY.

Heart's Content—Mr. M. MOORE.

Dell's Cove } Mr. Richard Walsh, Post Office Little Bay }

Twillingate—Mr. W. T. Roberts.

Fogo—M. Joseph Rendell

Tilton Harbor—Mr. J. Burke, Sr.

King's Cove and Keels—Mr. P. Murphy.

Donavista—Mr. P. Templeman

Catalna—Mr. A. Gardiner.

Bay de Verds—Mr. James Evans

Collier—Mr. Hearn

Conception Harbor—Mr. Kennedy

HARBOR MAIN—Mr. E. Murray.

SALMON COVE—Mr. Woodford

HOLYROOD—Mr. James Joy.

NOTICE.—This paper will not be delivered to any subscriber for a less term than six months—single copies fourpence.

All correspondence intended for publication must be sent in not later than Wednesday evening.

HOUSE OF ASSEMBLY.

Tuesday, April 26

SPEECH OF MR McNELLY.

Continued

This must have been Mr Blackman's suggestion as such ought to have been regarded with the very gravest suspicion. If we were not to have a first-class railway, what were we to have? All we know certainly is that we have solemnly by this contract excluded ourselves from having a first-class railway. In another clause the engineer of the company and not the Government was to be judge of what appliances would be necessary for keeping the track unobstructed. Section 11 was even less carefully framed, for a mere fall of snow would exempt them from the continuance of operating. We now come to Section 12, in which we are told that the company were to be paid for the transport of mails on such terms as shall be equitable and fair, and based upon the mail arrangements of Great Britain, the United States and the Dominion, under a similar condition of surrounding circumstances. Assuming that a dispute were to arise upon this point, how was such dispute to be decided? No tribunal was appointed to which he might appeal; and even though a tribunal could be had, how were they going to decide and find the existence of "similar circumstances" which do not, and never can exist? This portion of the contract was not to be entered into now, but in four or five more years from this time. Existing mail contracts had to be determined before any arrangements could be made, and by that time things might have assumed an entirely new aspect. The Government might say we are prepared to give you so much. The Company might refuse to take it. Then the difficulties which he had referred to above would have to be met. He felt bound to say that a more loose and slipshod arrangement it had rarely been his lot to witness. Section 17 made a concession involving a very gross wrong to our own people. By it, there might be shut up; as he had already suggested, for eight years from this time, 5,440 square miles of our most valuable land. Nay more, the Government would not themselves the right, for three years after the completion of the Railway to sell or otherwise dispose of even one mile of land along the line. But there was another point requiring notice in that section: "The Government undertake that the necessary statutes shall be enacted to encourage immigration." Were we hereafter to be the comma of this Company, under the clause of our agreement with them to be coerced into passing certain statutes? The Statutes of the United States and the Dominion of Canada for

the purpose of encouraging immigration, offered free grants of land, free passages and frequently free means of support to the land. Was this what we were compelled to do, notwithstanding that for eight years the Crown lands upon each side of the proposed line of Railway, and the only land which would form an inducement for immigrants to settle upon, was beyond our power to offer? Is this what the language of the 29th section meant, it were far better left out. Section 24 provides: "That the Government should grant free of charge to the Syndicate company land for the road was to the extent of one hundred feet on each side from the centre of the track." This demand we had never heard of before the meeting of the Select Committee. But the most objectionable part of the section succeeded; after providing that the Government should secure all rights of way and pay for the same, the section goes on to say, "and towards recouping the Government. They (the Government) shall retain \$90,000 out of the last annual subsidy, if the land so purchased shall cost so much." We would know exactly the amount of our liability if the section stopped there, but it goes on, and as it proceeds the ambiguity of the verbiage becomes more marked. [Here the hon Speaker read the remainder of the section.] In other words no matter how much the purchase should cost the Government, whether one hundred or two hundred thousand dollars, if any alteration be made from Knipple and Morris's report, the Government have to pay the amount, and look to the last years subsidy for repayment and we could look for no more than \$180,000 payable 35 years hence. This may not be the intention of the section, but it certainly gives the company a well defined power that they will not be slow to take advantage of. Hon gentlemen would find that the present value of \$90,000 payable 35 years was about \$20,000. The value of \$90,000 paid now would be in 35 years about \$370,000. But it was not within the province arithmetic or mathematics to calculate the value of \$180,000 payable in 35 years by a Logis Company. Section 25 referred to a most important point, that of pre-emption. Mr Blackman's original proposition provided that after the expiration of fifteen years the colony might buy out the company's interest in the railway. This was, in his opinion, the only safeguard the country had against the undue extension of the lines, and consequently, complete monopoly of the railway system of this country for the next century, and though we may not have been able to exercise the right of pre-emption at the end of the period, the country might, with great advantage to itself, have compelled terms necessitated by our then altered circumstances, and might at least have held over the Company in terrore that right to purchase out. Of this useful and comprehensive right the Committee seems to have divested us, and voluntarily resigned this safeguard without any apparent reason; and with an excuse as flimsy as it was unworthy of those in whom the House reposed such confidence. He would ask any hon. member in this House if a man of Mr. Blackman's position is likely to make an offer which he knew would be unfavorable to himself, unless he knew it was such a right as they could easily concede, and have made the proposal, would he had the Committee to consider whether fifteen years was sufficient time or not to test the capabilities of the road? Then we have another concession, and the reason given for it seems even more flimsy than does the preceding one. Mr. Blackman in his proposal says, definitely "Should the main lines and branches between Spread Eagle Peak and Hall's Bay average less than 16,500 dollars per mile then the Company shall return to the Government of said subsidy, a sum, annually equal to the interest at four per cent upon the difference between the cost, and sixteen thousand five hundred dollars per mile." He must have meant this, or he must not. If he meant it, what excuse can the committee make for omitting that condition from the contract. If he did not mean it, then it was dishonestly made to trap us into the contract or to drive all competitors out of the market. When the reduction of \$207,000 to \$180,000 was made no mention was made of any alteration in the mode of selecting the land, and by implication, that matter stood as in the original proposal. He was sorry that the Committee should have placed such flimsy reasons for this concession upon record in their report. "The clause says the report, 'opening to prejudice the financial operations of the company.' What has the Committee to do with prejudicing the Company? They are either responsible capitalists or they are not. If they are, we should have no fast and loose bargains with them; and if they are not, their offer should not be entertained at all.

He would not detain the house upon this part of the report, but the character of incorporation is so fearful and wonderfully framed; that it requires a few observations in order to elucidate its meaning, and point out its objectionable and dangerous clauses. This Company is to be an Incorporated Company, and no notice has been taken of the provisions of our present Corporation Act, in wise restrictions of the powers of Directors, restrictions to which all other corporations have been subjected by us. The Directors may make their stock what they please, and so manage speculative purposes for it that though the original Directors may step out the owners of millions, future stockholders who hold stock up to five or six times the worth of the line may be paralyzed in their financial operation and meet the usual fate of those who purchase what is known among American stockholders as "Wild Cat." If this were not in connection with another important section it might be passed over without much comment. But we find that the seventh section makes it competent to organize this as a mere bubble company. With respect to this section the legal maxim that the intention of the one is the exclusion of all other, might be very properly applied. By this section we restrict ourselves to amendment and repeal when an application is made by the company. On our own mere motion we are unable to alter it; but only when the company, in its nightiness, demands can we stir one step to alter this charter. That is not the worst part of the section. (Here the hon the Speaker read the rest of the section.) This simply means that if the company demand some alteration in the charter, those who dissent from that opinion shall be "frozen out," and obliged to sell their shares at par value "if they be worth so much in the market." "By ways that are dark, and by tricks that are vain," and such as characterize Yankee brokers, some scheme might be organized that would meet with the disapproval of every honest stockholder, and the honest ones would then by the terms of this charter be compelled to sell out at a market value which the ring had made. There were other matters referring to this subject which he had wished to refer; but he would, for the present curtail his observations. He had taken this stand notwithstanding any attempts that might be made to misrepresent him as associated with the party opposed to the Railway measure. He however cared nothing for party in this, he felt a solemn duty imposed upon him and endeavored to discharge it to the best of his ability. Even though it were fraught with political death to himself it would be one of his pleasant recollections that he had, regardless of success or failure, opposed this Bill; and should he fail, and should this Bill be carried in spite of his cassandra warnings, it would be one of his most mournful recollections that in his failure the country had sacrificed its best interests.

Mr Mackay did not consider the action of the Committee in signing the document of much importance, as there is an express proviso contained in the contract that it should not be binding upon the country until it had received the sanction of the House. It was our duty to adhere as far as possible to the terms of Mr Blackman in his proposals to this House; and he may say with perfect assurance that we have endeavored to do so, and further, that we have not departed from that basis of contract except in the four following particulars: first, as regards the selection of lands; second as to right of way; third, touching pre-emption; and fourth the interest due the colony upon the line costing less than \$15,000 per mile from Spread Eagle Peak to Hall's Bay.

On motion of the hon Premier the Committee rose reported progress and asked leave to sit again.

The Report was then received, and the matter ordered to stand first on the order of the day.

The House then adjourned till half-past three o'clock to-morrow.

Wednesday, April 27

The house met pursuant to adjournment at half-past three o'clock.

PETITIONS.

Hon Receiver General presented a petition from the inhabitants of Little Bay, asking for assistance to build an important road in that locality, and also a grant to construct a bridge across a river there. He commended the petition to the favorable consideration of the consideration of the House.

A messenger from the Legislative Council acquainted the House that they had passed the Indemnity and Harbor Grace Water Company Bill.

A deputation consisting of the hon. Attorney General and Mr Greene was then sent to the Legislative Council with the Bill to alter the law relating to the Registration of Deeds.

Mr Greene asked the hon Receiver General questions, of which previous notice was given, bearing on the Railway contract and the functions of the Government engineer, Mr Murphy.

Hon Premier begged to inform the hon and learned member for Ferrysana that Mr Murphy was retained as consulting engineer. His functions were to advise gentlemen of the Committee. He did advise gentlemen of the Committee. He was paid five hundred dollars, besides ninety-seven dollars for expenses. He prepared two documents but gave no opinion as regards the projected railway. He prepared a general Railway act and another document. These will be duly furnished to hon gentlemen of the House.

On motion of the hon Attorney General the House resolved itself into Committee of the whole on the Railway Construction Bill.

On motion the first section was put and carried.

The Speaker moved the reconsideration of the first section.

Hon Premier did not apprehend there would be any objection to the reconsideration and fullest investigation of this subject.

Hon the Speaker—I am of opinion that it is within the province of the House to pass this measure in any manner they please, and to divide it into sections, and consider them separately if they deem it advisable.

Hon the Premier did not object to the reconsideration of the section.

The motion for the reconsideration of the section having been put by the chairman was carried without a division.

Hon the Speaker was sorry that the duty again devolved upon him to repeat his protest against the passage of the section before the chair.

Hon Financial Secretary listened with pleasure to the remarks of the hon Speaker upon the important subject now under discussion and although he agreed with him in many particulars as to the infirmities contained in the Bill, yet he did not regard them of such importance as would justify us in jeopardizing its passage through the House. He found many things in the Bill which he should wish to see excluded. It must however be remembered that our condition is such that we are not in a position to reject, what under other circumstances, we may be disposed to do. Its rejection now would simply mean the putting off perhaps for all time the building of a Railway in this country. The question, therefore, for us to consider is whether by the rejection of this measure we would be better conserving the interests of the colony than by accepting it. The objectionable matters in the Bill would not seem to counterbalance the almost certain advantages which must flow from the civilizing influence of the Railroad, it is understood and agreed upon that Mr Blackman is to build "a substantial reliable and efficient railroad, subject to approval by the Government engineer." It is also agreed upon that the railroad will not be what is considered in England and the United States a first class railway. Those two

See fourth page.