

SPEECH of MR. KENT

On Newfoundland Products Contract.

WEDNESDAY, APRIL 28th.
(Concluded.)

The nature and extent of the rights and privileges ceded to the Company under this agreement are very amply expressed. In the contract, the right is so dovetailed into another, one privilege is so allied and mixed up with other privileges and application of them so confused and mixed up, that you require to pay very close attention to the wording to discover the meaning that should be properly given them. In an agreement of this kind every sentence and every right should be defined in clear cut language. If it took pages of printed matter to describe a single concession, it would not be much, provided the rights be expressed in clear propositions, in separate cut paragraphs, and each one separate and not be confused by references to rights here and to privileges in other places, to attach to concessions equally mixed up in its language. They may be curtailed in some places and extended in other places. I think the whole agreement shows that it is either carelessly drawn, or drawn with the intention to perplex those who approach it and to interpret it. I referred to the provisions that the rights and privileges granted by the agreement attached to the powers in the 40 miles and in the east coast area. It says: "Such water power or powers shall be taken to be held under this agreement." It is very difficult to see what that means. So far there is no demerit for 99 years of the water power of Humber River and Junction road, granted with rights annexed to them. I presume the intention is, whatever title a water power in these areas is acquired under, will be of the kind created by the agreement, or it may be that the rights and privileges attaching to this agreement will attach to these water powers, no matter what the title is, whether by demise, fee simple, freehold or any other title whatsoever. "The rights and privileges," that probably means the rights referred to in this paragraph such as the right of damming up and making and constructing of dams, water-courses, and other matters referred to in the early part of the agreement. It also refers to the right of the Company to the import of materials and freedom from taxation, and the appropriation of Government property, etc. But, the thing is not at all clear. It is not as clear as it should be in an agreement of this kind, dealing with so great and so far-reaching interests. The next concession given by the agreement is a right to have the water powers

ON THE HAMILTON RIVER
and on the Northwest River on the Labrador, held for the Company. They are bound to begin a survey within two years from the date hereof. They are bound to begin a survey, but they need not finish that survey for five years after they begin it, or they have seven years in all to complete it. Within ten years from the date of the agreement, they will have to

spend not less than \$5,000,000 on the extension of its business in Newfoundland or its dependencies. I should like to point out to the Committee here, that this expenditure may have nothing at all to do with the powers on Labrador, but it may be spent in a manner which I propose to deal with later on. The expenditure of this \$5,000,000 within ten years, and upon the expenditure of which the acquisition of the complete title to these water powers on Hamilton River depends, need not be made upon the development or at all the powers that are the subject of the concessions. It may be made in connection with the business and operations of the Company in Newfoundland. After ten years the Government, provided the Company has in the meantime made a survey and spent \$5,000,000 on its business and operations, either in Newfoundland or on the Labrador, the Company acquires a title to this property. It is then that the grants will issue to it. After the grants have been issued there is an obligation placed upon it after it has acquired the property, to spend \$10,000,000 to develop the property itself, subject to forfeiture. In connection with these powers, it will be noted that the Government undertakes not to grant for a period of five years, to any person any water power or water powers on the Hamilton River or the Northwest River with the drainage area mentioned. In other words, no power will be granted on either river for 17 years from the date of this agreement. When the Company makes the selection of the river it desires to retain, whether it be the Northwest River or Hamilton River, no power can be granted to any other person upon that river for a period of five years from that date. In other words, as regards the river that is ultimately selected to develop

NO PERSON CAN ACQUIRE ANY RIGHTS

In that for 22 years after the date of this agreement. That is what it means, although it does not say so in straightforward language. The Company does not forfeit its right unless it fails to make the required expenditure within five years of the issue of the title to it. After it acquires and is entitled to retain the areas, it gets a fee simple indefeasible title thereto, and afterwards of course, no person can acquire any right, or interest, or property in it, except by purchase on such terms as the Company may demand beyond the limited concession that is in section 3 of the agreement in relation to the supplying of a certain quantity of horse power; that is a provision under which the Company agrees to furnish at any of its power houses on Labrador to any company engaged in any industry or employment, not concerned with the manufacture of phosphate of ammonia and other articles mentioned there in, and the bye products, and within one hundred miles of the power houses to the extent of fifty horse power, upon terms and conditions to be settled by agreement



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if possible, and if not by arbitration. What that means, none can say, except an expert who has studied it. These are matters that the Government should have taken means to obtain expert opinion upon, and to have supplied all this information to the Committee before proceeding with the consideration of the Resolutions. This information should cover all matters relating to development on these rivers, and as to what is really meant by concession of fifty thousand horse power to the person described in the section. The Government also grants to the Company a mining grant of an area of land of roughly five square miles, which is practically surrounded by land of the Reid Nfld. Company, and which is on the Humber just above Humbermouth, and which the Premier stated the other day, contains marble.

MR. HON. PRIME MINISTER—

MR. KENT.—This area consists of the block of land intervening between the Reid Nfld. Co.'s blocks on the north side of the railway at Humbermouth, and I presume the Company will acquire the rights of the Reid Nfld. Co. over the adjoining areas. There is no return whatever to the Colony for the grant of this valuable area of land. The next paragraph provides that all the land, waters, water powers, buildings, erections and all property whatsoever of the Company, shall be exempt from municipal taxation. The next provides that the stock dividends and other securities of the Company shall also be exempt from taxation; and the next that all construction material and machinery for the Company's mills, factories and works, and for the purposes mentioned in clause 1 hereof, both for the original installation and further extension of the same, but not in substitution for old, shall be admitted duty free. Now these rights are unlimited as regards time. They give the Company exemption from municipal taxation for all time, for all its property for whatsoever kind. Suppose the Company were to own property in St. John's. The taxes that citizens have to pay for the upkeep of the city, will never be payable by the Company. Now let us suppose that a town or city were to develop at Humbermouth. The Company's property there would be free from all municipal taxation and the citizens, probably the laboring men and the working men employed by the Company would have to pay for the maintenance and upkeep of the civil institutions and the streets and other works of such a town. The next proposition is that the stocks and debentures of the Company are free from taxation forever. We passed here the other day an Act which imposes a tax upon the debentures of every company doing business in the Colony. We compelled them to pay death duties on their debentures and shares and stocks, but this company can go into any business it may wish and it may alter from time to time in the manner I have described, and may carry on that business, and while other individuals or companies may be competing with it in business, its debentures and stocks and shares will always be free from taxation, although a heavy burden of taxation may have to be borne by others doing business along similar lines. For instance, supposing for a moment that this company in the next 10 or 20 or 50 years decided to go into the ordinary general business of the country and compete with such firms as Bowring's, Jobs, and Harveys and other firms of that kind, Bowring's, Jobs, Harveys and the others could be taxed upon their debentures and stock and shares, whereas this company could carry on the same business and not be taxed in this direction at all. Competition under these circumstances

IS NOT FAIR COMPETITION.

Another unfair advantage over its business rivals this Company will have is that if it were doing business in St. John's or elsewhere where the municipal taxation may be collected its property would be free from municipal taxation. The Company is also given for all purposes except in so far as any powers that it may acquire in connection with the east coast area the right to appropriate the lands of private individuals. Section 11 of this contract sets out that "If the company shall be at any time or times desirous of acquiring lands incident to flowage right, or rights of way for telegraphs, telephones, power transmission lines, railways, tramways or roads or sites for mill works, factories, warehouses or for wharves, pier docks, or other shipping facilities not belonging to or not in possession of the Crown and in connection with the Company's operations for the purposes aforesaid and within fifty miles thereof, and shall be unable to agree with the owners or occupiers of such lands as to the purchase money or compensation to be paid therefor, the Company with the consent of the Governor-in-Council may enter and take such lands and the purchase money or other compensation to be paid by the Company to the owners or occupiers of such lands shall be settled by arbitration in manner provided by Section 55 of the Crown Lands Act. And upon payment to the owners or occupiers aforesaid of the amount awarded in such arbitration, the said lands shall become and be the absolute property of the Company." That right, sir, is given within 50 miles, within an area of 50 miles of the Company's operations. What is meant by within 50 miles of the Company's operations is very difficult to say. Suppose the Company establishes a power house on the Exploits River. Does it mean that it will have a right to acquire property within 50 miles of these factories or if it has operations in any other part of the country within the areas covered by its concessions or outside these areas covered, because there is no limitation in it has it the right to acquire land within 50 miles of the factories or power houses. The contract is not at all clear. There is no limit to the lands that may be acquired if it is shown to be for any of the purposes specified. If the contract is accepted by the Committee this concession should be defined clearly and precisely, it should be limited and its nature and extent should be placed beyond peradventure. Under the agreement as it stands at the present time there is practically a

UNIVERSAL POWER TO APPROPRIATE.

lands of private individuals throughout the country required for any of these purposes. If the company spreads its operations may be expropriated. If they do acquire private property the Bill here is insufficient on the subject of compensating the owners. I think the remedy for private holders ought not to be the mere arbitration price of the property taken the purchase price of the property. Purchase money has been defined as the market value of property taken and does not include incidental injury. Different words are used in another part of this contract dealing with submerging property through the operations of the Company in which case, if any, such property is injuriously affected the injury is to be compensated and paid for; but where property is taken under Section 10 of the provision the Company simply takes it and pays the purchase money for it. If any other property of the individual or others in the same neighbourhood should be injuriously affected there is no compensation provided. The next section to which I will refer is section 14. If you notice it strengthens the position which I have made in the beginning of my remarks that this new Company is subsidiary to the Reid Nfld. Co. By this section the Company is to become a feeder for the services of the Reid Newfoundland Co. as against its competitors engaged in the business of carriers. For example take Bowring's Brothers Coastal Services. They do not enter on a fair competition on the carriage of any output from these works because section 14 provides that "The Company hereby undertakes that it will at all times sell at the Company's works at the wholesale export price and deliver at all railway stations in Newfoundland and will also deliver at all ports of call of the Reid Nfld. Company's steamers." The intention is to make this Corporation a subsidiary and feeding corporation for the Reid Nfld. Co. I object to the next section in relation to the rights of private individuals and the manner of assessing damage done to the property of private individuals. I think that if the company does damage to any individual in the exercise of its immense powers that such person whether great or small should not be compelled to establish a special tribunal to have his rights arbitrated upon. The right of action for damage done to a man's property ought to be safeguarded and he ought not to be compelled, unless he is willing, to submit to arbitration. I shall now briefly refer to Section 18. This clause provides that "The Company undertakes to begin actual construction work upon its undertaking within two years from the date of these presents and to expend the

(Continued on next page.)

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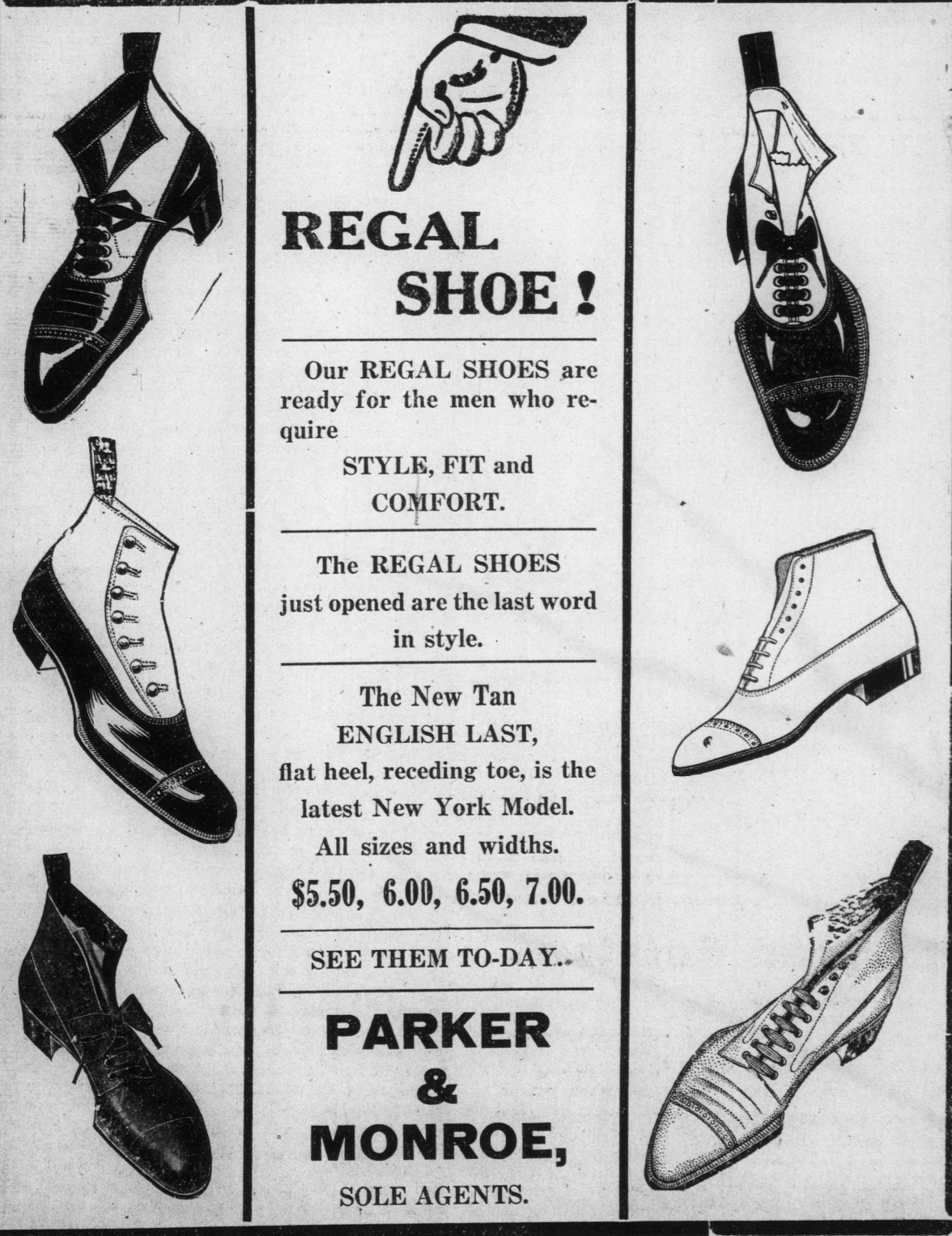
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Court Decides In Favor of C. P. R.

Stordstad Responsible for Sinking of Empress of Ireland—Damages to be Assessed.

Montreal, April 27.—The C. P. R. \$2,000,000 suit against the Actien-

kabte Maritime, a Norwegian Company owing the Stordstad which rammed the C. P. R. liner Empress of Ireland in the Gulf of St. Lawrence last May with the loss of 1,012 lives, has gone in favor of the C. P. R., but the damages are to be assessed by the registrar of the Admiralty Court, W. S. Walker.

ment concurred with the report of the Mersey Commission of enquiry held at Quebec in June last and placed the responsibility for the disaster upon Chief Officer Toffene of the Stordstad. An appeal will likely be taken, the case first going before the Supreme Court of Canada, and then, if further appeal is made to the Privy Council of England.