

Prime Minister Suggests Public Ownership.

(Continued from page 5.)

Referring to the Government's reply to the second letter, Sir Richard said that this had been written only after an elaborate examination into the whole situation by the Government advisers. On receipt of the letter of May 3rd, copies had been sent to the Government Engineer and the Auditor General, and after conferences with them and Committee of Council, the reply was drafted. To be sure of the facts contained in it, it was submitted to the Auditor General and the Gov-

ernment Engineer, before it was sent to the Reids.

LOSSES ON OPERATIONS.

The Government estimated that the losses on operation of the railway for the present fiscal year ending in June next, would be \$1,123,957.56. Reids, said to this by saying that they had no money to pay their railway employees on April 15th. Further conferences were held by the Government and the whole situation again received a thorough examination. Reids were on the one hand, not prepared to go ahead, and on the other hand, did not wish to default. The reply to the Government's letter of May 11th, was a carefully worded legal document. After some further criticism of this, Sir Richard rapidly reviewed the crisis which had so suddenly arisen.

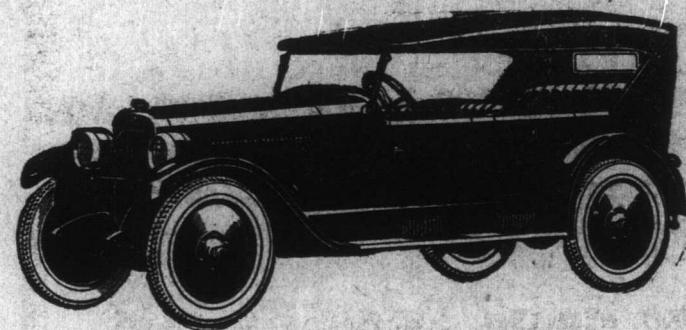
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Whether there would be trains running to-day or not, was unknown to him. It was essential that the Legislature should be prepared to deal with any contingency which may arise. He then asked the House to consider without notice a Resolution which had been prepared in the event of immediate action on the part of the Legislature becoming necessary. Under present circumstances, a cessation of the railway system would be most undesirable.

THE RESOLUTION.

With the concurrence of the House, he would now move the resolution and would then ask that it be considered in Committee of the Whole. It passed unanimously. It would enable the Government to cope satisfactorily with the question of the future operation of the railway. Sir Richard then surprised the House by reading a resolution which would have been considered amusing were it not that the matter was of so serious a nature. The resolution is:

Whereas, from correspondence tabled in this House it appears that a serious interruption in railroad transportation throughout the country is imminent;

And Whereas, it is in the public interests essential that at this season of the year there should be no interruption in railroad services, which are necessary to the general trade of the country;

Be it Resolved, that this House is of opinion that in the event of any immediate interruption in railroad services, His Excellency the Governor in Council should take over and operate the railway system of the country, with all its appurtenances, pending further proposals to this House; and should take such steps as it may consider necessary for the maintenance of railroad operations essential in the public interests.

If the Prime Minister hoped that he would rush this resolution through, and apparently, he did, his disappointment was a grievous one.

EXPECTING SOMETHING MORE.

Sir Michael Cashin said the Opposition had been expecting something more than had been contained in the Resolution. It was not altogether fair to expect the House to consider it that afternoon. It was only that day that the Prime Minister had brought down the correspondence in connection with recent railway matters. From a layman's standpoint, he did not think it was necessary to pass the Resolution at that early date. There was apparently a misunderstanding between the Government and the Company auditors. Last year the Government had agreed to pay the Reids losses on railway operations to the extent of one and one-half millions. He asked the Prime Minister if the large sum stated to be owed the Railway Commission by the Company was subtracted from the amount of the guarantee.

The Prime Minister—"No."

Sir Michael Cashin—"I fail to follow the correspondence. Where does the misunderstanding come in?"

The Prime Minister—"There was no shadow of a suggestion that the Newfoundland Government should make the 1921-22 account pay more than the losses."

Sir Michael Cashin did not think there would be much risk in advancing the whole amount of the guar-

antee to the Company, and of collecting it at the end of June.

SMALL HOPE OF REFUND.

The Prime Minister's answer to this was that there was small hope of ever recovering overpayments from the Reid Newfoundland Company.

Sir Michael Cashin said that if the Reids had a large stock of coal and other supplies on hand they would be able to reimburse the Government. In response to the Prime Minister's remark that there was trouble enough in collecting the amount owed to the Railway Commission, Sir Michael said it had nothing to do with the present point. On that occasion the Government had been badly stung. The matter was now a plain business proposition and there was no reason why the money should not be advanced. He then asked what amount had been spent upon Government authority on capital account. He was told that the amount had been tabled in reply to a question, and the Prime Minister could not recall it at the moment. He was further told that this amount was not deducted from the guarantee. Sir Michael then said that the position was that the Reids were unable to pay their employees and he could quite understand the Prime Minister's anxiety in pushing the Resolution. If such a stage had been reached there was no reason why a Commission should not be sent down to grapple with the situation immediately instead of holding up the employees of the Company.

SHOULD PAY EMPLOYEES.

Sir Michael took the attitude that the Government ought to assist the Company to pay their employees. Many of these men were in an unhappy condition and they should receive their pay. The Government should send down two or three of their best men to settle the difficulty. It would not do to place all the responsibility on the shoulders of the Government Engineer alone. There should have been legislation introduced earlier to deal with the railway. The House has had to wait two months before the railway legislation had been brought down. The House was now asked to pass the Resolution without having an opportunity to consider it. It was too important a matter to pass over lightly. The House was only within the rights of asking for time to consider. He thought it only a reasonable request to ask that the Committee should rise and the matter be allowed to stand over until the members of the Opposition were familiar with the correspondence. Sir Michael appealed to the Government on behalf of the employees who were suffering on account of Government neglect. They should never have arrived at such a point when the train workers should be the first to suffer. The railway policy should have been before the House months previously. It was the most important question to come before the House during the present session. He repeated his request for time for consideration of the vast issue involved.

LACK OF FORESIGHT.

Mr. Bennett endorsed the stand taken by the Leader of the Opposition. We wished to know if the Government proposed to take full control of the Railway at once. The position was most extraordinary. The Government should have been ready with their programme.

The Prime Minister—"This is our programme. If Reids default, we run the railway for them."

Mr. Bennett asked if Government control might not cost more. The experience of the Government Railway Commission had been a sad and costly one. It had resulted in the biggest deficit in the history of the railway. What would happen if they had full control? This matter and the manner in which it is dealt with might mean the real or woe of our country. Surely, he said, there must be some further correspondence. The Reids had made one statement, the Government auditors another. A deadlock had ensued. The employees of the Company had been thrown out without a dollar. This was due either to the incapacity or indifference of the Government. The Prime Minister had made a flippant reply when asked what he proposed to do. That the Government should take over and run the railway was not good enough. To vote on this resolution was impossible without full consideration and more information. The Opposition would not only be doing an injustice to the House, if they did not look before they leaped. The railway had to be operated and he believed it could be done economically. It is the most momentous problem the Legislature has ever had before it, and until assured that the Government policy was in the best interests of the country, it would not be passed with the consent of the members on the Speaker's right.

THE LEGAL VIEW.

Mr. Higgins approached the question from the point of view of a legal man. He was glad the Resolution had come down. He had tired of the task of keeping the Reids to their contract. It was full time for a show down. It was just as well to know exactly where we stood. But although he was glad the show down had come, he regretted the way in which it had arrived. It was a great pity that it had not come two and a half years ago. When the present Government came

in it was their policy to put the Reids in their place. He was not looking at the matter from a partisan standpoint. The Prime Minister, under compulsion from the Minister of Marine and Fisheries, put the Railway Commission Resolutions through. Five millions of dollars were expended without any returns. If the show down had taken place over two years ago, that amount would have been saved. The Government had bungled badly. In the meantime, the Reids were preparing for the ultimate show down and their position is that under the Contract they have not defaulted. The Government and Reids will go on scrapping and in the meantime, the unfortunate Railway employees have to go without their pay. It was the irony of fate. When scrapping occurred over the railway several years ago, the country was put back twenty years. Now, the men had to wait for their wages. It was the duty of the Government to see that these men were not deprived of the pay which they had earned by the sweat of their brows. He assured the Government that this was not a political question nor was there any desire on his part to impede them. He agreed with the previous speakers that the Resolution should be permitted to stand over so that the Opposition might have time to consider it. They wanted to vote in a way that would not be unfair to the people they represented. The Government had bungled so often that it was possible they were making another mistake.

AN IMPORTANT ASPECT.

Mr. Higgins then introduced an important aspect in connection with the Government payments to the Reids. The Resolutions of last year provided for the payment of losses up to, but not exceeding the sum of one and one-half millions. A paragraph of the Resolutions stated that "the payments by the Government as aforesaid, shall be set up the parties thereto." The allegations of the Reids in their letters showed that they had got the Government where they wanted them. From the paragraph he had quoted, it would appear that the actual losses were to be ascertained only after the full amount had been paid, and that a refusal of excess payments should then be made to the Government. He had advanced the whole legal position. The Government could not set up the position that the payments were only to be made on account of the actual losses, because one million dollars had been passed to the Reids before the Government had any knowledge of the losses. In short, the losses were not met as they accumulated and one million had been paid before that amount had been lost. The Reids now claimed the final instalments and they would refund the amount over and above the losses at the end of June. It was a good thing that the country at last realized where it stood. The Government must stop carefully and understand that they are not dealing with fools but with men prepared for the emergency which has now arisen. The Prime Minister would appreciate the point he wishes to make when he suggested to the Government that they take time to see that the matter is properly cleared up. They should put on their brass knuckles when they were fighting with men who were ready for them. He agreed with the point of the Resolution if it were necessary, but as a matter of actual value, the Resolution was no good as the House, whether it wished to do so or not, had always to support the Executive Council. He wished to make clear that the aspect on which this matter was approached should be neither hazardous nor hurried. They should make up their minds that the trouble was now ripe which had been brewing for years. It must be cleared up. He advised the Government to give full attention to the legal aspects of the problem.

DRASTIC STEPS.

Mr. Walsh thought that the people should be consulted before such a drastic Resolution should be put through. The problem was too big to be dealt with without a mandate from the people. He favoured a temporary arrangement, whereby the employees of the railway would secure their wages for April.

Mr. MacDonnell laid the responsibility for the present situation on personal animosity between the Government and the Reids. This feud had cost the country millions of dollars and it was time that such conduct should cease. The welfare of the country should be uppermost in the minds of all.

Mr. Sullivan made his first speech for the session. He regretted that the employees of the Reids should be the scapegoats. He referred to the deplorable financial condition of the Reids as evidenced by the fact that they were unable to borrow even small amounts from the Bank of Montreal. He said that this Bank had more than ordinary interest in the present situation and had a representative present to listen to the debate. He was sick of this continuous voting of money to the Reids. They should have been kept to their contract in the first instance.

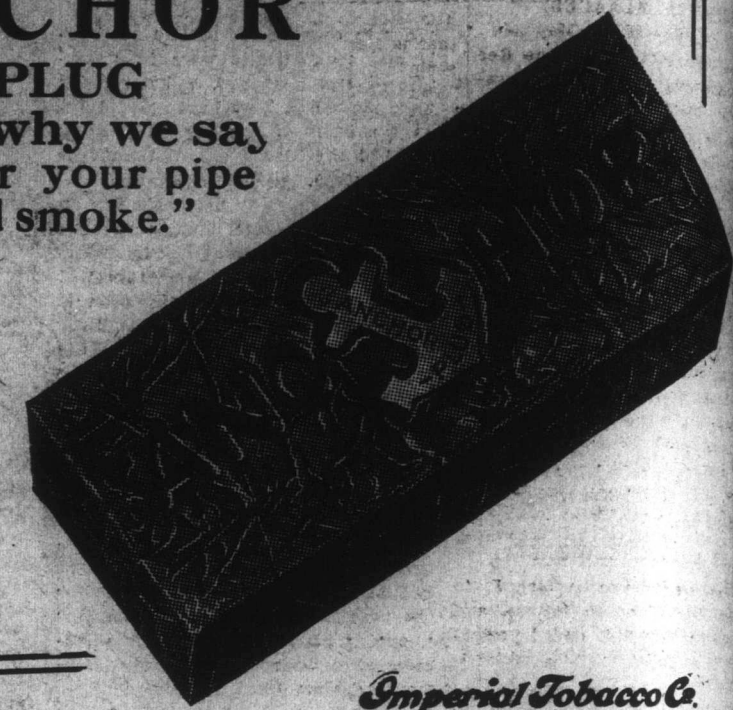
Mr. Moore pleaded for assistance for the men deprived of their earnings by the inability of the Reids to pay them. Some of the men and their families were in a distressful state.

The Committee rose and the House adjourned until Wednesday.

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DAYS LESS

HOUSTON, Texas, May 15.—More than 100,000 bushels of wheat have been destroyed from the Colorado, Mexico and Idaho. The wheat is in good condition, according to the Department of Agriculture.

DISTRICTS INACT

WINSTON-SALEM, N. C., May 15.—The Asafofo district in the Red River valley in the city of Winston-Salem are now in the hands of the government.

WAR ON CRIMES

WASHINGTON, May 15.—The House cleared the way for what some members are calling prosecution of the "when it is not there" case. The Senate is still investigating into the case of the "when it is not there" case. The House is now in the hands of the government.

RUSSIANS GO TO

GENOA, May 15.—The Russians will accept the Hague for a conference of the Russian government.

INTERNATIONAL NEGOTIATIONS

OTAWA, May 15.—The international negotiations are so far been continuing between the Chinese and the Chinese government.

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PERSISTING

GEORGIA, May 15.—The political situation in Georgia is the most important factor in the world.

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