

Manifesto of Mr. John R. Bennett

In 1919, the Cashin Government was accused of intending to grant the Reids the power to transfer their properties in this island, other than the railroad, to subsidiary companies so as to secure these properties against seizure by the Colony as part of the damages to be paid by the Reids if they defaulted in the operation of their railway contract.

On October 24th, 1919, ten days before the last election, the Advocate, Mr. Coaker's paper, dealt with this matter in the following terms:

THE DANGEROUS CLAUSE.

"The Tory papers speak about the 'spoils of the extension of the Street Car Service, and say that it will come to the Cashin. It is returned. But they do not say that the bill has THE DANGEROUS CLAUSE IN IT THAT 'ALLOWS THE REIDS TO MORTGAGE OR SELL THE STREET CAR SERVICE AND ELECTRIC PLANT.' The Reids are under a contract which expires in 1951. Now if they default during that time, if they become insolvent and throw the railroad on our hands, we want to have some assets of the Reid Nfd. Co. to fall back on. The Electric Plant is a good asset, and it is essential for the Colony to hold on to it and not let Reids sell it out to another Company. This was behind Sir Robert Bond's motive in refusing to permit the Reids to form a limited liability company by which they could have transferred the whole contract to strangers who would be men of straw, with no means to carry out 'the terms of the contract.' There is no doubt about it, that a strong hand is needed to compel the Reids to live up to their contract, or else we shall find ourselves left."

HOLD.
In 1918, during Sir Wm. Lloyd's premiership, the Reids had made such an application; but it had been refused. The application was not renewed during Sir Michael Cashin's premiership, though his name was accused of favoring it. At the election in November, 1919, the Squires-Coaker party was successful. Three or four months later the Legislature met and an innocent-looking bill "to amend the companies' Act" was put through. It was represented as of no importance, but it was really in the interest of the Reids, to enable them to vest in other companies, their Dry Dock, their Electric Holdings in St. John's, and their lands, forests and mineral areas throughout the country.

After the Session had closed and the Bill had received the Governor's assent, the Reids proceeded to make the necessary arrangements to protect themselves against any possible action by the Colony in the future. They transformed their main corporation, the Reid Newfoundland Company, Limited, so as to avail of the provisions of the "Companies Act," although their corporation has been created by a special act. They converted their Dry Dock property into the "St. John's Dry Dock Company, Limited." Their street car, electric light, and power holdings, in St. John's became the "St. John's Light and Power Company, Limited," and their lands and other properties outside this city became the "Newfoundland Mines and Forests Limited." Through the convenient passage by the Squires-Coaker Party of the "Dangerous Clause" legislation for the Reids, three or four months after denouncing the Cashin party for intending to do so, the Reids were rendered able to snap their fingers at the Colony no matter what might arise. One direct result was that the Reids last year could sell their forest areas and water powers on the Humber to the Armstrong-Whitworth Company for a sum of \$1,000,000 to be one and a half million dollars.

THE SOUTH BRANCH COAL AREAS.
The Premier also said:
"I realize that a very large share of our best lands, water powers and mineral-bearing areas has been bestowed almost as gifts upon the Reid Newfoundland Company and a few private individuals, but this is a condition capable of being remedied to some extent at least." I propose to remedy this condition as far as legal-ly possible, by a bill for the forfeiture and reversion to the Crown of "water powers, timber areas and other public assets held for merely speculative purposes and with no attempt being made by their holders to utilize them or develop them in the country's interests."

I need not lay stress on the failure to carry out this promise. Instead of doing some \$150,000 of the Colony's money was taken, through the influence of the Reids with Mr. Coaker, to be spent on the coal areas at South Branch while Mr. Coaker was Chairman of the Railway Commission. The discovery of this deposit was duly heralded, but it came to nothing; it is remembered now by the scandal connected with it of the purchase of several motor trucks, to be used in carrying coal from the nearest point to the railway. Some of the circumstances surrounding the purchase of these motor-trucks have provoked the gravest opinion and after a brief and inglorious activity they were consigned to the scrap heap, having proved entirely unsuitable for the work and having cost the Colony an enormous sum of money. Our water powers, our oil areas, and our coal deposits remain just as they were three years ago; no effort has been made by the Squires-Coaker Government to even obtain any in-

formation regarding them, not to speak of developing them.

PROPOSALS TO BUY THE RAILWAY.

To-day it is an open secret that the Squires-Coaker party proposes after the election, if maintained in power, to buy the railway from the Reids for two and a half million dollars, leaving their control of their profit-making properties untouched. Stated in terms of hard cash, the rule of the Squires-Coaker party the past three years has meant for the Reids:

Expenditures on the Railway which the Reids would have to make \$6,250,000
Alleged to be paid Reids' for Humber property \$1,500,000
Estimated to buy the railway from the Reids' \$2,500,000
Total \$10,250,000

Ten and a quarter million dollars put in the pockets of the Reids by the Squires-Coaker party within four years.

This is the record of the man who three and a half years ago wound up his pronouncement on the Railway Question with these words:

"I am prepared, and my candidates are prepared, and we pledge ourselves 'to deal with this Reid railroad menace in the interests of our country; 'not permitting ourselves to be bribed, bullied, or blackmailed, into departing from this pledge of loyalty to the interests of Newfoundland, 'and these interests, only, in dealing with this Reid octopus which would 'destroy our country, its commerce, 'and its political honor."

THE COAKER FISHERY POLICY.

Except Russia, probably no country has suffered such disaster as Newfoundland from ill-advised Governmental interference with the orderly processes of commerce and industry. When the present Government took office Newfoundland was enjoying such prosperity as she had never previously experienced. All classes were sharing in it, and it extended to every portion of our island home. But Mr. Coaker insisted on introducing his "Fish Regulations" and blasted us with a curse which prevails till this day. Stone-breaking, or snow-shoveling for the workmen of St. John's and "meal and molasses" for the fishermen of the outports are the fruits of this policy which bankrupt mercantile firms all over the island, so that the getting of supplies is impossible for most of our hardy toilers.

The fishermen were almost promised that their fish would be transformed into gold itself, so glowing were the hopes held out to them of what this policy would attain. But within twelve months it had brought such tremendous losses upon all that the Government was obliged to abandon it and withdraw the Regulations. But it was then too late to undo the mischief. Losses amounting to millions had been made. Prominent business houses in St. John's had been forced into bankruptcy and others into compromises with their creditors. The same conditions prevailed in the outports and scores of solvent, hard-working, enterprising firms were driven "on the rocks." For the mass of the people the wretchedness and misery of the "Bank Crash" days were revised, and everywhere to-day the ruinous consequences of this policy are visible.

HOW WEST COAST WAS SACRIFICED.

Its evils were aggravated by the deliberate sacrifice of the West Coast, where the Coaker organization was not strong, to the sections where Mr. Coaker demanded supremacy; and the prostitution of the machinery for the enforcement of the measure to the personal ends of the "Ring" who manipulated it. The story of the sacrifice of the West Coast requires no retelling; it will be grave forever in the minds of the victims. Cargoes of fish ready for shipment were refused export licenses for weeks and months while the produce rotted in the vessels' holds, bringing ruin alike to the shippers and the men they supplied; in order that friends of the Government, loading fish elsewhere, could get their cargoes into the foreign markets first. Equally scandalous was the manner in which, from the outset, interests friendly to the present Government were able to dispose of their fish at times when less fortunate people were denied any rights whatever. In a recent case in the Supreme Court, evidence was presented tending to show that when a culler was sent from here to an outpost to cull the fish being put aboard a vessel for export, tried to do his duty in accordance with his oath, he was recalled to St. John's and fish shipped as a first class article which did not warrant that description. In the final stages of the "control" policy, the spokesman of the Minister of Fisheries, was Mr. E. Colishaw, whose only qualification was that he had the ear of Mr. Coaker, and was understood to be his guide and adviser, and a large financial backer of some of the projects with which Mr. Coaker was associated.

GOVERNMENT'S PURCHASE OF FISH.
Not alone was the West Coast sacrificed to specially protected interests at one stage of the working of this policy; but the taxpayers, as a whole, were sacrificed at another. In the autumn of 1920, on the demand of Mr. Coaker, the Government undertook the purchase of 40,000 quintals of fish, on Government account, chiefly from supporters of his in the northern Bays. The figures of this transaction were pre-

sented to the Legislature in May of last year, and are as follows:

Fish purchased by Job Bros. & Co., on account of the Government \$108,419.80
This fish later was sold for . . . \$ 68,897.23

Loss on this fish \$ 49,522.07
Fish purchased by G. M. Barr on account of the Government \$136,162.12
This fish later was sold for . . . \$ 99,996.90

Loss on this fish \$ 96,165.22
Fish purchased to load schooner Jean Wakely on account of the Government \$ 71,281.11
This fish later was sold for . . . \$ 49,244.49

Loss on this fish \$ 22,036.62
Fish purchased to load schooner President Coaker on account of the Government \$ 93,800.00
This fish later was sold for . . . \$ 25,949.43

Loss on this fish \$ 67,850.57
Total value of fish purchased on account of the Government \$409,162.53
Total amount received for the fish for the foreign markets \$174,088.05

Loss to the Colony on this transaction \$235,074.48
This "scandal" of the purchase of Labrador fish on Government account thus cost the Colony nearly two hundred and fifty thousand dollars.

GUARANTEEING OF FISHERY SUPPLIES.

The ruin brought upon merchants and men by the Coaker fishery policy rendered the former unable to "supply" for the fishery in the Spring of 1921 on the usual scale. The Government was thus obliged to guarantee the issue of fishery supplies. This policy, if properly carried out, would have been productive of great benefit, but like everything else with which the Squires-Coaker Government was identified, became the vehicle for wholesale and barefaced frauds. Party supporters, men of the "huckster" class, got advances of the thousands, and men of larger scope fared proportionately better. In many cases no accounts were rendered. The figures tabled in the Assembly on March 25th, 1922, in relation to this matter were:

Total amount guaranteed \$462,411
Possible refunds \$7,726

Loss to the Colony \$404,685

The loss to the Colony through this "scandal" of guaranteeing further supplies was thus over four hundred thousand dollars.

GUARANTEEING OF "PIT PROP" CUTTING.

To provide employment for thousands ruined by the Coaker fishery policy the Government decided, in the winter of 1920-21 to guarantee the cutting of pit props and pulp wood. The last figures available, tabled in the Assembly in March of 1922, were as follows:

Total amount of guarantee \$192,000
Possible refunds 9,368

Loss to the Colony \$182,632

This policy was resumed in the winter of 1921-22 on a far larger scale; and the Government had, at one period, given guarantees for such work at a rate that would have meant more than a million dollars if all the wood had been cut. Doubtless much was not, but it is no exaggeration to claim that, taking the two years into account, the loss to the Colony on guarantees for cutting pitprops has not been less than another million dollars.

Proof of this is found in the voting of \$800,000 (eight hundred thousand dollars) in the last Loan Bill, on account of the Department of Agriculture and Mines, which Department is handling this pit-prop transaction.

Much of this wood was taken over by the Government at four dollars a cord. Quantities of it have since been sold, according to report, to friends of the Government, at two dollars a cord, who subsequently sold it to exporters at three dollars a cord, those "middle-men" thereby making a dollar a cord for themselves.

On June 1st, 1922, Hon. W. F. Coaker on his return from a trip abroad, informed the newspapers that while absent he had arranged for the sale of all the pulp wood and pit-props cut for the two seasons on Government account. Later it transpired that these logs had first to be "barked," and that this work was being done under the direction of Mr. Charles Bryant, a protégé of Mr. Coaker himself. Whether Mr. Bryant was acting as a contractor or a superintendent; whether for the Government, the purchasers, or on his own account; and the other details of this matter it has not been possible to ascertain owing to the dissolution of the Legislature.

THE BADGER AND DEER LAKE ROADS.

To furnish employment for others said to be unable to get supplies for the fishery in 1921, the Government started the construction of the "Badger" and "Deer Lake" roads. I need offer no other comment on them than what the Auditor General makes in his Report for 1921-22. He said:

"Badger-Hall's Bay Road—Cost \$365,205.07.

"Deer Lake-Bonne Bay Road—Cost \$329,523.59.

"During my tenure of office as Auditor General I have never known of 'an expenditure so unproductive of even moderate results as that in connection with these two roads (Badger-Hall's Bay and Deer Lake-Bonne Bay). These roads may have been, and doubtless were, a necessity, but under existing financial circumstances they could not be afforded. The necessity which brought about their construction did not, in my opinion, exist to the extent represented. While there was undoubtedly much unemployment at the time they were started and considerable destitution, yet the cure for that should have been found in the fishing industry. At no time in the history of Newfoundland to my knowledge has it been necessary to find employment for some 5,000 men during the fishing season, even with fish at its lowest, and this season it would have been better for these men, and infinitely better for the Colony's finances, if they had continued at their proper vocation."

Ultimately the public condemnation of this waste became so insistent that the Government had to discharge those employed and finish the roads by contract. What this has cost has not yet been ascertainable, because of the dissolution, but it is safe to estimate that the "scandal" of these roads works has cost the Colony at least one million dollars.

THE BELL ISLAND ORE TAX.

Under the administration of Sir Edward Morris a tax of 7½ per cent. a ton on the export of iron ore from Bell Island was imposed. It was admittedly small, but it was a beginning, and the Colony actually got the money—\$50,000 to \$75,000 a year. Those now in power, and especially Mr. Coaker, denounced it as insufficient. Mr. Coaker, at his Annual Convention in 1919, declared that the tax should be a dollar a ton. After the present Government took office they negotiated a new and complicated arrangement, based on a tax of 25 cents a ton, but three years have now elapsed and the Treasury has not received a cent from it. Each year, as regularly as January comes round, the Company "shuts down" on the plea that it is losing money, or has no market; and then the Government purchases a resumption of operations by remitting the ore tax for the twelve months.

A few weeks ago this annual farce was repeated. The Company proclaimed that because of trouble between Germany and France it would have to cease mining. The Premier made a great parade of going to Montreal to negotiate with the Management; and at Sydney gave an interview to the press threatening that if the Company did not operate the mines the Government would do so. This is a favorite pose with Sir Richard Squires. Last summer when the Reids shut down the railroad and refused to pay their workmen, he loudly asserted that if the Reids would not operate the railway the Government would. Then, having hoodwinked the public, he furnished the money the Reids wanted; and continues to do so still. So with the British Empire Steel Corporation. Having made this violent threat at Sydney, Sir Richard proceeded to Montreal, and there gave the Company a remission of the ore tax this year; for the third time in succession, in return for re-opening the mines.

THE "COAKER NAVY."

Mr. Coaker as part of his fishery policy, acquired in the early days of the present Government's regime a number of steamers, on which the following sums were spent:

Lobelia (gift from H. M. Government) cost for repairs . . . \$25,820
"Watchful" (gift from H. M. Government)—Repairs paid Reid Nfd. Co. 23,392
"Daisy" (gift from H. M. Government)—Repairs paid Reid Nfd. Co. 23,816
"Sebastopol" cost 65,000
Repairs paid Reid Nfd. Co. 12,684
"Malakoff" cost 65,000
Repairs paid Reid Nfd. Co. 51,533
"Sener" cost 65,000
Repairs paid Reid Nfd. Co. 13,063

Total cost and repairs . . . \$345,308

Owing to the House not being open it is not possible to estimate what these steamers have cost the past twelve months, but I can say with certainty that the total loss on the operation during the past year of all steamers maintained by the Government was in the vicinity of seven hundred and fifty thousand dollars.

I might continue indefinitely describing the "scandals" connected with this Administration, but it would trespass unduly on your patience. Let me, however, enumerate a few.

The "scandal" of the American Auditors brought here at a cost of \$15,000 in the hope that they could unearth something to the discredit of Sir Michael Cashin and Sir John Crosbie, but whose failure was complete.

The "scandal" of the "Tuckahoe's" salt cargo, brought to Port Union and paid for by a cheque from the Department of Finance, drawn without any Executive authority, the salt being sold and practically no returns made for months afterwards until the matter was ventilated in the Assembly, and a loss to the Colony of \$35,000 being ultimately made on the transactions.

The "scandal" of the Sugar purchased in the early months of 1920, on which the Government met a loss of \$184,000; and the imposition of a special tax of three cents a pound on sugar to pay this off, a tax continued until to-day, although it has taken out of the pockets of the people a sum of not less than \$600,000.

The "scandal" of the Labrador Boundary, which has become a "gold mine" for the Government lawyers who have used it as a convenient excuse the past three years for annual trips to England, with generous returns and travelling allowances. In addition to which Sir Patrick McGrath has also been engaged, at a heavy cost, with a roving commission to travel about the world on this business.

The "scandal" of the Road-de-Luxe in the West End of St. John's, where the sum of over \$80,000 was expended on building a quarter of a mile of road, the outlay on which should not have exceeded \$5,000.

The "scandal" of the Trade Commissioners, the appointing of defeated candidates and party workers to these needless posts, who cost the Colony \$150,000 in a few months, so that they had all to be dismissed again.

The "scandal" of the beaver skins collected by the Department of Marine and Fisheries and sold to Rev. F. H. Boone, now travelling organizer for the Coaker movement in the Northern Bays.

This is only a partial review of the record of the Squires-Coaker Government, but I submit that it shows such a waste of public money, such a carnival of corruption and such a defiance of public opinion as stands unrivalled in our political annals.

Policy of My Party.

I turn now to the policy which my associates and myself propose to put into effect if honored with your confidence on polling day.

THE "HUMBER DEAL."

The chief appeal of the Government in this contest is that directed to the working people of the country, assuring them of abundant work at good wages if the projected enterprise of the Armstrong-Whitworth Company on the West Coast, popularly known as the "Humber Deal," is adopted. It is asserted that the Opposition Party is opposed to this enterprise because of the wish to deprive the working classes of a chance to become independent, and that the only hope of seeing this venture take shape is to elect the candidates of the present Government. This is not the truth. The Opposition Party is prepared to accept this proposition and to pass the necessary legislation for it at the coming session, with such amendments, if any, as are needed to ensure to our people the fullest protection in a matter of such importance to the future of our homeland. I earnestly exhort the electors to bear in mind that two years ago, when this proposal was first launched it involved a guarantee by Newfoundland of the principal and interest for the whole scheme, the amount being then equal to twenty million dollars at the rate of exchange which prevailed, and the rate of interest seven per cent. Mr. Coaker was its principal champion and the promoters then were Messrs. Greenwood and Blackstad. Mr. Coaker introduced them as saviours of the country and the pages of his paper were filled with laudations of them. If he could have had his way then, the scheme would have been forced upon the Colony in that form. There was no talk then of requiring a mandate from the country, the sole idea was to force it through the Legislature as speedily as possible; and the Councils of his Union were manipulated to petition for its passage, "guarantee or no guarantee." But the public were averse to giving such a concession to unknown men, of no standing in the financial world; and Messrs. Greenwood and Blackstad soon departed, and were seen no more. A year later the plan was revived, this time with the Armstrong-Whitworth Company as its sponsor, but the magnitude of the obligation to be assumed in the form of a guarantee still dismayed the Community. There was again much criticism, not of the project, because everybody welcomed a new labor-giving industry—but of the guarantee, seeing that Lord Northcliffe when he projected the Grand Falls Mills, did not ask for any guarantee, even of interest, while this called for a guarantee of both principal and interest. Leading citizens took a firm stand against it; Sir Robert Bond, as a patriotic Newfoundland, though removed from politics, wrote a letter of warning against it, and hostility to it in the ranks of the Government Party was so pronounced that the idea of submitting it to the Legislature had to be abandoned.

It should not be overlooked that in a circular letter recently issued to his Councils and published in the press a few days ago, Mr. Coaker admitted that "only for Bond's letter a year ago this measure would have been put through then." On the other hand we have Hon. Dr. Campbell, reported by his own newspapers as confessing in his speech in the West End Committee Rooms on March 16th "that

the proposal last year involved too heavy a burden for a small country like this."

From these divergent opinions it is evident that Mr. Coaker would have forced this measure through only that he was afraid of the effect of Sir Robert Bond's pronouncement against it. Yet in 1914, when the Government of Sir Edward Morris introduced the measure for the establishment of a carbide industry on the West Coast which included the same properties now in the Humber Deal, Mr. Coaker was most hostile to it, although it involved just as big an outlay and proposed to employ just as many men as the present undertaking. Within the past few months the Humber Deal has been further amended; and Newfoundland is now only asked to guarantee half the cost, and at a lower rate of interest; the other half being guaranteed by the British Government.

While the principle of financial guarantees to private corporations is undesirable, in the present instance between 15 p.c. and 20 p.c. of the sum involved has already been spent without the authority of the Legislature, therefore the country, to prevent loss of this large amount is committed to carry on the work. Because of this, and because of the reduction in the amount of the guarantee, the lessened rate of interest; the high standing of the firm promoting it, and the endorsement of the scheme which the British Government's acceptance of half the burden implies, the risk to Newfoundland is reduced so considerably that my party will accept the scheme, and, if elected, carry it out with such protection for the taxpayers as may be required.

I make this reservation because no details of this enterprise have been given and the country has been invited to accept it on mere general statements. Such an enterprise is very desirable, and I have always favored new industries. I was one of those who voted for the measure that established the Grand Falls mills with all the advantages it has brought to the country. But in that case all the details of the project were submitted to the Legislature in full session, every feature was thoroughly discussed, and the measure was enacted only after the country had been fully informed of what the enterprise represented. In the present case the most absolute ignorance prevails, even amongst supporters of the Government, as to the details of this measure. Nothing is known of what concessions the promoters are getting, what obligations are to lie upon the country, or what side issues the project has. In the circumstances, I think it only an act of prudence to point out that my party, while ready to accept this measure and put it into effect, will feel itself bound to make provision that the public interest is not injured nor the future of the country jeopardized by the adoption of the scheme.

I submit that the aspect of mystery with which this matter is surrounded at present is a grave injustice to the electorate. I think all are entitled to full information on the following points:

- What is the total amount involved?
- What amount is this colony asked to guarantee in principal and in interest?
- What is the rate of interest and of sinking fund?
- What security is being given the Colony for this investment?
- What amount of money has been paid the Reid Company for the lands, etc. It has turned over to the Armstrong-Whitworth Company?
- Are the Reids or the Armstrong-Whitworth's in control and what is their relative standing therein?
- How do Newfoundland and the Mother Country rank as creditors?
- Is it a part of this arrangement that the Reids' interests in the railway are to be bought out, and if so what amount is to be given them and what provision is being made for the operation of the railroad in the future?

A BONUS ON FISH.

But while ready to support this Humber industry I and my Party are not unmindful that the fisheries are the mainstay of this island and its people, and that it will need more than a paper making enterprise to make up for the loss which any decline in our fishery will involve for the fifty or sixty thousand people shown by the last census to depend for their support on the pursuit practiced by their forebears for generations. During late years, though the mills at Grand Falls and the mines at Bell Island have helped somewhat to solve our industrial problem, they have been at best only auxiliaries to the fishery. Greater catches of fish were made, and higher prices realized, during the war years than ever before, and a return to those conditions, as far as that can be brought about, is what the country needs most to-day.

We propose, therefore, to give those directly engaged in the fishing industry a bonus on their products—not to exceed one dollar a quintal—under conditions to be worked out as soon as possible after taking office, if we are elected; and to which the widest publicity will be given as to be available in connection with this season's catch. Other countries have found it feasible to grant bounties or bonuses to their fishermen and I am satisfied that Newfoundland can do the same. I recognize that it will be contended by those against us that this is an impossible plan, but surely it would be better to spend public money in this way than

(Continued on 8th page.)