

**Able Criticism of the New Reid Deal--(cont. from p. 5)**

person to lay before the legislature information showing that section One only gives what already is in the hands of someone else. Personally, I do not believe that it is true. What about the people that had lands at the bottom of Deer Lake who were given powers under the Act of 1912, but which act has since ceased to go into effect, because the money that was to have been spent has not been put up? Under the resolutions now before us this company may create a power and erect dams at the foot of the lake. Then what about the powers of the streams that may or may not flow into Grand Lake. Who knows the Humber drainage area accurately? Can anyone in the Department of Crown Lands tell me what is the Humber Drainage area? Here we are thirty-six members of Parliament, asked to vote away great rights and powers over at least one-third of the Island, and I do not believe that there is a single member of the Legislature that knows any more than I know, what the Humber drainage area is, and what we are giving away, what the nature of it is and what prospects it has. I think I am right in saying that this is a serious matter, and that it is impossible for us to comprehend what we are doing without information as to just what we are giving away, and where the powers are extending to, and whom we are injuring. I say that it is discreditable to this Legislature.

There should be placed before us the most definite and accurate information as to whether we are not injuring others. There is no excuse for our blindly giving away anything without knowing exactly what it is we are giving. When the Premier says that section One gives nothing more than the water powers of the Humber, he errs inexcusably. He is giving, without the slightest justice to those that are there, the right of expropriation which goes with section One. He gives the power to dam the lake and streams, the right to divert them, and make them flow where they never flowed before. He gives them the absolute right over all the water powers of Corner Brook area, and the Humber area, and by another section over the Hamilton Inlet, and so far as the Humber area is concerned, the right to destroy the property of other people. In giving them the power of expropriation you are violating a

great principle of British Justice, the right of property. You are violating the sacredness of ownership. If there is one thing more than another upon which the prosperity of the Colonies has been based, it is upon that principle, that an investment once made is a sacred thing. Every British Colony follows the Mother Country in preserving the rights of the investor. They all go on the principle that every dollar spent in a British Colony is as safe as if it were in a British Bank. That is the reason why from all the world over investments flow into the British colonies.

From this Continent and from foreign countries money will go out more freely to a British Colony than to any other part of the world because they know the British Colonies follow the Mother Country in their regard of this first right. And yet what are we doing here. We step in and destroy every first right in the areas which we convey, and the mere fact that we provide for arbitration, is no justification whatever. You have no right to take my property that lies alongside of yours, merely because you pay me for it. I have a right to keep it. I have a right to do what I like with it. I have a right to lose it if I am foolish enough to do so. But the bottom of my right is that I can do as I like with what is my own. And when you step in and say to these people who were there before this Company, that they must be violently dispossessed, that their property may be confiscated, you are guilty of a crime. Because by the violence and force of this Legislature you are taking away the rights in property of others against their will. You have no right to say to a man 'I want your property for someone else.' You are using the power of the Legislature to steal, to steal away the right of a man to do as he likes with his own property, and let me tell you who you will rue the day that this bill becomes law, because once you pass this contract, you say to the outside world in no uncertain tone that it is unsafe to invest a dollar in Newfoundland.

Now I heard some language used in this matter that was inexcusable. The Premier referred to "land-grabbers," as if the people in possession of the lands justified that name. "Speculators, Land-grabbers," he called them.

The land-grabbers are in this country and they are the preps and supporters of the Government. The land-grabbers grabbed the land and sold it, and the Government stood by and allowed them to go on in face of the advancing value of lands in this country, they allowed these lands to be marketed in the wildest and most discreditable speculations, and the promoters in this country were men who went into the markets with their pockets full of recommendations from Government members. The grabbers are the men who sold the lands, not the men who put their solid cash into them. On a rough estimate there is in the neighborhood of \$3,000,000 invested in cold cash in the Humber area by men who are of high standing in the cities of the United States and Canada, men of substance, men of standing, men of influence. The Vendors realized \$300,000 from the Company that was to have operated at Deer Lake, and that Company has today spent nearly \$400,000 in cold cash in this country upon the strength of the laws of the colony. Are they land grabbers? The land grabbers are in this city, and the same land grabbers are supporting the Government in this iniquitous deal, and helping to take away the property that they sold. The Penn Company, which has a water power can be destroyed by this company, because this company can divert this stream, lower the water power and do as they like. This Penn Company is composed of reputable men in Philadelphia, men of responsibility, and all you give them is a one sided arbitration. And it is not at all clear even then that they can get more than the value of the water power which is being destroyed.

What about the timber lands which are of no use, only in so far as they can be used with a water power close by? These men are forced by this resolution to scuttle out of the country, and take my words for it, when they get out they will curse the name of this country, that allowed them to be trapped by land-grabbers into making investments that were afterwards stolen from them by the Legislature, supported by men who sold them the lands.

There is no man to-day, so far as I am aware, connected with the holding of lands in the Humber area to whom it is fair to apply the stigma of 'land grabber.' I think the St. George's Company has \$350,000 invested in its lands in this area. They are responsible men, men who intended to carry on an industry. They are not land grabbers. The land grabbers were allowed to carry on the nefarious work under the very eye of a compliant government, and they have carried on that work in the name of Newfoundland all over the continent. And now when their work is done, when there are no more geese to be plucked, their victims are stigmatized and insulted. "They are land grabbers. Away with them! We are going to take away their rights and give them to a franchise grabber." That sort of argument ought not to be used.

I am not in a position at the present moment to say exactly how much money is invested in that area, but I know that it is at least \$2,000,000. And one of the indecencies of this whole transaction is that we do not know how much is invested there, who are the men that have invested it, and the fact that these men have not been notified of the bill. They ought to have been notified and they ought to have been permitted to come before this legislature and put up their argument, put forward any request, they may have for their own protection.

It is an inexcusable thing that we should go on with this Bill without giving proper notice to these people and an opportunity to come here and protect themselves, if they can. In all reason what can you expect if you do this? Wherever one of these men exists in the United States, and there are some of them in pretty nearly every big city in the United States and Canada, the name of this Island will stink, if you allow this Products Corporation contract to go through in its present form—dispossessing these people of their rights without their permission and without giving them an opportunity to defend themselves.

There has never been a contract of this kind brought before the Legislature that we have not heard some claptrap appeal to Demossome claptrap appeal to popular sentiment, some attempt to stampede the crowd through self-interest, and that manifested itself in the speech of the Premier when he talked about the number of men who would be employed—the great number upon the Labrador who would be able to maintain themselves, and then the hungry thousands who are coming back from Boston, Toronto, Montreal and Chicago, and everywhere else to which they have gone, in order that they might work at Bay of Islands. It is an argument that it is always easy to make, and I suppose it continues to be effective, although it has backed up every bad venture that was introduced into this country since our memory runs. It is an argument which you can make as easily as you can in support of a good one. All you have got to do is to talk in millions, employ men in thousands, and rush the thing through—to be regretted afterwards. The number of promising things that were going to be done in this country during the past few years is greater than the number of members in this House, and they have failed so badly that it would be offensive even to enumerate them. How many men are coming back here from the cities of Canada or the United States to work in any industry that may be started in this country? The most of our people who are away are employed as mechanics; I know a great many of them in the city of Toronto, where they are working as "handy men"—carpenters, or masons, or something of that sort; and every one of them gets more now that he would be liable to get in an industry of this sort. Probably the same is true of the people in Boston and Chicago and the other large American cities. The most of them, in any case, have been there long enough to get settled down, and they do not desire to return again.

They are not at all likely to come back here and go into the class of work which they could get from an industry of this kind, because this sort of industry will employ probably only two kinds of labor—the common laborer, and he will be the commonest of laborers, and then there will be a few specialists, trained men, who at the outset will be brought from abroad, and afterwards will probably be young men of our own who grow up with the Company, such as we have today in the Anglo Newfoundland Development Company. There will be no place for the most of our people who are abroad; and for those for whose there is a place there will be no better wages than they are now getting in the places where they are. At present there is no wage scale in the Bill, and it is not proposed, I understand, to put one in. The price of labor in Bay of Islands will be precisely the price of labor in Sydney at the most; and there will be no reason whatever why a man at Sydney

should come to Bay of Islands, much less why a man at Boston, or Toronto or Chicago should come back here.

The rate at Sydney is the rate at which they can hire foreign labor. A Newfoundlander going from here tomorrow to Sydney has to compete with the foreign element coming from the continent of Europe, and the average price is all that is paid. That same foreigner can come to Bay of Islands and work there, so that the average price at Bay of Islands will be based upon the average price at Sydney or any other mining locality. And I say here now to-day, that with fish at the price at which it now is, it is a mistake to the country at large, a mistake to the trade of the country, and a mistake to the fisherman, to take him out of the fisheries at the present time, where he is a specialist, and try to turn him into a day-laborer on an industry like this. The demand for fresh fish as a food will increase, and the price will increase, I am very glad to say, so that we can with confidence look into the future, and say that our fishermen will never be worse paid than they are at the present moment; and surely I am merely echoing the sentiment of this House when I repeat what I heard the Minister of Fisheries say across the floor of the House a few days ago, that the fisherman of this country is as well paid as any man of his kind in any part of the world. Therefore, I say that if you do create an industry at Bay of Islands, in the main it will employ foreign labor, and in so far as it takes our men away from the fisheries it will do them no good; and consequently the most of this talk about the men who are to be employed here is claptrap. So far as the talk about employing men on the Labrador is concerned, that is even worse. The Premier spoke of it as though there were going to be an industry created at Hamilton Inlet, or somewhere else where all the 'livers' along the Labrador could get employment when they liked. Now, that is a pretty extensive coast, and to travel to wherever this industry may be will be a pretty difficult undertaking for the people on the Coast. The idea that a very great number of fishermen who are now resident on Labrador are going to work in this industry on Hamilton Inlet is a very fantastic notion. We understand that if a water power is availed of at Hamilton Inlet, a wire is to bring the power to the Straits of Belle Isle, and that somewhere near the boundary line with Canada, one side or the other, the real industry is to be started. That is not likely to prove much of a boon to the people who live in Northern Labrador; and therefore the only object of talk of this kind can be to obscure our intellects to the real question which we have before us.

Now, Mr. Chairman, thus far with reference to the remarks made by the Premier. Now I want for a few moments to outline some of the reasons why I oppose this contract, even in its present form, and with this I shall be very brief indeed.

In the first place there are the provisions which I will gather together under the name of the Taxing Clauses, including Customs duties. My objection to them has already been outlined.

It is that they ought to be limited to twenty years in every case, for the reasons which I have already given; and by and by when we come to deal with this, I shall move amendments in that direction.

Then I object altogether to the clauses in connection with expropriation in its present form, because they do not appear to me to meet the needs of the case. I shall presently refer to that at length.

Then there are a number of the existing clauses which require verbal alterations and sharper definition. I will be prepared to deal with those as we take up the different clauses in committee.

There are a number of new things which I think ought to be included, and I would just refer to them to indicate my line of thought. In the first place I think that a provision ought to be put into this contract to the effect that within a limited time the Government must be satisfied as regards the capital subscribed and paid up in this Company. At the present moment it is what I might call a sign of the imagination. It is a paper company with, I presume, three shares, each of \$100, not paid up. It has no shareholders. It has no capital. I do not think it is right for the Government to be dealing with a company of that sort, and therefore we ought to provide that within a time to be fixed they shall have a certain subscribed and paid-up capital. That is necessary for this reason. You are providing here that within two years they shall "begin" work, and that they shall complete within five years, and during the whole of that time you are tying up these regions from everybody else; you are stopping development at once; not a dollar will be spent in the Humber region by anybody there after we pass this Act. The people who are there—The Penn Company at Junction Brook

for instance—and who have money with which to proceed, will stop immediately—they have probably stopped now, because as long as that blanket hangs over them for five years it will be perfectly useless for anybody to start anything at all. Therefore I think that not more than twelve or eighteen months should be given the Company in which to raise a certain amount of capital in cash, and prove that they have it to the Government, and unless they are able to do that within that time, this whole agreement should become null and void without its being necessary to take any further step, and thus remove a wet blanket from the industries of this country.

Then, Sir, I think that this company ought to be made do what you provided in this House three years ago should be done by the Deer Lake Company. You stipulated that the Deer Lake Co. should put up \$250,000 as security for the compensation of people whose property was injured. In view of the fact that this Company is going to be a very much bigger concern than the Deer Lake Co., and that many more people will be interfered with and injured, I think it would not be unfair that this Company should be asked to put up \$1,000,000, as a trust fund in the hands of the Government, as security for the claims of persons who may be injured by this Corporation. And I am presently going to move something to that effect.

Then, Sir, I do not think that the arbitration clause has been handled properly. You provide that one arbitrator should be named by each of the contesting parties, but you let the Department of Agriculture & Mines name the other. Now this Company is necessarily going to have a big influence, backed up as it is by the Reid Newfoundland Co., over any Government here, and to a large extent they will own the Department of Mines; and to allow that Department to name the umpire in these arbitrations is practically to confiscate the property of other people unfairly. I think, therefore, that the third arbitrator should be appointed by the Supreme Court Judges and not the Government—and not by one Judge of the Supreme Court, but by the three Judges,—so that there will be at least a fair deal between the people whose property is being taken and the people who are taking it.

There are a whole lot of amendments that require to be made along the lines of the Harmsworth contract concerning public rights, which are not protected at the present time by anything which I can find in these resolutions.

Now, I want to sum up very briefly why I object to the resolutions in their present form. First, because there is not sufficient information before the Committee as to boundaries to justify it in adopting these resolutions. We don't know where the Corner Brook or Humber drainage area extend to, and we ought to know. Second, as to water power, we don't know. There is the widest possible scope and the greatest conceivable value at stake, and we know nothing. Third, as to the effect which these resolutions will have upon other people, with vested rights we know nothing, and we have not sought to know anything. We are carelessly and shamefully proceeding with a measure which may affect other people without even knowing the names of these people or whereabouts of their property. Fourth, as to the value of the franchises which we are giving away we have not even an opinion by a competent person. We have no report from any Government Department or from the Government Engineer. We are proceeding in the sheerest of ignorance. Then, as to the value of the industry which we are invited to assist, what do we know except what a promoter has told us—one of a race that has become a pest, one of a class, that as a rule is not believed. I repeat that all that we have before us to-day as to the value of this industry is upon the unsupported statement of a promoter, who has not a cent in this matter, and won't put a cent into it unless it pleases him; and upon that statement we are giving him franchises of great value in order that he may hawk them around to the investors of a continent. As to the Labrador scheme, why it is tacked on to this in the most casual manner, as though it were not worth ten cents. It is a mere attachment to the Humber area—a mere endeavor to get a Legislative franchise which can be held on to and made use of if it is of any value and dropped if it is not, and this Legislature, without consideration of any conceivable kind, is running pell-mell, tumbling over itself, as it were, to give a right over that great water power down on the Hamilton Inlet without even knowing whether those men are seriously going on or not. Why, it is only a few months ago since we had another gentleman here, a man of high standing, from Montreal, representing foreign capitalists, who had a proposition concerning that water power which might or might not have been of great advantage

to this country; and there is no doubt but that we could have many applications for this power in a very short time if we held it to ourselves instead of giving it away; and yet here we are, as I have said, tumbling over ourselves to give it away to a promoter who won't even tell us what he intends to do with it—who, in a manner which shames our common sense, tells us that he has not a cent in the proposition, that he does not know just what he is going to do, but asks us to give him this power in order that he may hawk it around to see what is in it. If it is worth anything to him it is worth something to the country. Why not keep it until we get something for it?

My next objection is that our manner of proceeding in connection with vested rights will destroy the credit of the country with investors abroad; that we are violating all British principles by not giving fair notice to investors who, whatever we may think and whatever their interests may be, have at least the right which we claim even a German submarine should give to one of our ships. We are proceeding with all the wanton carelessness of rights that the Germans are showing in sinking our vessels without notice, with no opportunity to defend themselves; and our proceeding cannot fail to bring discredit on the whole colony.

We are granting franchises that will crush out all projected industries, and we are handing over the west coast of this country and the Labrador, as far as Hamilton Inlet is concerned, to speculators, bound hand and foot for years to come. I object to the scheme of these resolutions—not to the industry but to the scheme, because it is badly conceived, badly framed and without safeguards. The resolutions in every line bear proof of the carelessness with which the scheme has been worked up. I object to it because it creates a monopoly of the whole manufacturing possibilities of one quarter of the country. The whole west coast is tied up and handed over to the fields and their associate industries by this Bill. All the industries over there will be handed over to one concern, which I am not now attacking, because it is the concern which it is, but because it is not desirable that its monopoly should be greater than it is. I object to the freedom from taxation which you are proposing to give, first, because it is unfair to the competitors who are not also made free; second, because it interferes with future local development; third because it unconsciously interferes with our successors; fourth, because it is unnecessary to any growing enterprise; fifth, because it is an unfair discrimination in favor of the enterprise if it is successful; and sixth, because it is a useless discrimination if it is not successful. The men who claim to be establishing a great industry are asking to be relieved from burdens which are common to all. The promoter says that this particular industry in the United States has had its capital increased by watering it twenty times. From one million it has grown to twenty millions, not by increase of cash paid by subscribers, but by accumulating the profits they have paid their shareholders 10 per cent and increased their capital twenty times over; until to-day the shareholders in the United States in this industry, he says, who put a million dollars into the concern, are drawing 10 per cent per year on twenty millions. He says that a similar industry in Canada is paying even better than is the one in the United States and that this industry is expected to pay better than either of them. They never expect to pay more than 10 per cent, because they will double and treble and quadruple their capital, and keep on paying 10 per cent on the watered stock. And the man who says that in public here in St. John's is the promoter of a company which is down upon its knees asking us to give them freedom for ever from every form of taxation. While they make millions out of the natural resources of this country, the people of the country will have to pay taxation which will be imposed upon them to keep up the public services consequent upon this very industry. A more fantastic, a more absurd, a more unbelievable proposition was never put before a sober minded Legislature. If they need this freedom from taxation they are paupers and ought not to be dealt with by the country at all; if they are going to make a great industry, the ought not need it.

We are rushing on like prodigals, giving away everything we have—taking the substance which the Creator has given us and throwing it at the feet of these men.

Sir, to content myself with merely criticizing has never been my attitude in this House. I have always desired to be constructive, and I can see the basis of an industry which we might help to create in this country, in the Humber area, to which I could give my support, I believe that there are great natural advantages there for an industry of this kind which are

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