OF MR. JOHN R. BENNETT

LEADER OF THE LIBERAL-LABOR-PROGRESSIVE PARTY.

To the Electors of Newfoundland:

Gentlemen,—The Legislature having House and order a new Election. The only een dissolved last month, a general electron offered the public for this, is that been dissolved last month, a general election becomes necessary at an early date. You will then be called upon to choose men · to conduct your affairs for the next four years; men by whose honesty and sound judgment, or otherwise, the country's future will be made or marred.

Having been selected as the Leader of a Party opposed to the present Government it becomes my duty to lay before you a plain statement of the condition of the country, the issues of the hour, and the policy we propose to put into effect if entrusted by you with the reins of power.

Stated very simply, the real question before you is whether or not you will re-elect the present Government, headed by Sir Richard Squires and Mr. W. F. Coaker, and submit to a continuance of the misrule that in the past three years has dragged down this country from the heights of prosperity to the depths of adversity and reduced our people from a state of comfort and contentment to one of abject misery and utter

Three years ago a majority of the voters were so far attracted by the glittering prospects of a "Policy of Liberal Reform" so-called, as to commit the destinies of the Colony into the hands of the exponents of that "Policy." The deliberate falseness and extravagance of the promises by which the people were beguiled into supporting that Policy have now been fully proved by bitter experience. Instead of the promised "development of resources," "new industries," employment for the working man, "higher wages," "cheap living," "reduced taxation," and prosperity and happiness generally, the fact is that a Colony which four years ago was comparatively independent, is now on the verge of insolvency, and a people then reasonably prosperous and happy are now looking wide-spread destitution in the face.

The public debt has been so increased that, when existing obligations are provided for, it will approximate to sixty millions of dollars, or two hundred and forty dollars per head of our population. The interest upon this debt will amount to more than three million dollars per year, or nearly fifteen dollars per head of the whole population. About one-third of the whole earnings of the people must be sent out of the Colony every year to pay interest upon the public debt alone. This enormous debt and the intolerable burden of taxation it has created now represents the "Policy of Liberal Reform" and its results. The money has been applied either to works of no general public benefit or reproductive value, or else to paying off large annual deficits on the railway and on the current accounts. It has been expended upon a scale of unbridled extravagance, the main object being political corruption, which there has been no attempt to conceal.

BROKEN PROMISES OF PRESENT GOVERNMENT.

In the opening lines of his Manifesto of 1919 the present Premier proclaimed that "the election of my party means the "dawn of a new political day, the en-"try upon an era of cleaning of the "public affairs, an era of reconstruc-"tion and progress."

Every elector knows, to his bitter cost, how this promise has been violated and how instead of retrenchment, reform, or progress, there has been corruption, mal-adminstration, and ecomonic paralysis. The conditions in the country to-day are, unfortunately, well known to everybody. It is unnecessary for me to enlarge on these broken promises and disregarded pledges, or to illustrate with examples the state of wrack and ruin brought upon the whole fabric of society. Merchant and fisherman, professional man and toiler, are suffering alike from the effects of misrule and corruption, without a parallel in our history. Lavish promises were made to every class amongst us, but they were never intended to be carried out. They were merely made to get votes and then to be discarded. Their re-pudiation has been most barefaced and unblushing. Instead of any attempt to conduct the business of the country on proper lines, an almost cynical perversion of everything decent and proper has been practised.

A dissolution of the Legislature in the ordinary course was not due until next autumn, and this Spring should have seen the regular session This course has been followed by every Premier since Responsible Government, except when grave emergencies required a contrary one. But, instead, the present Prime Minister advised His Excellency the Governor to dissolve the | The business people who protested were

the Government wants a mandate for what is known as the "Humber Deal." But no information has been given about this project except that it proposes the erection of a large paper mill on the Humber River, with the necessary capital furnished on a joint guaranteee by the British and Newfoundland Government. I have no hesitation in asserting that, anywhere else in the British Empire, such a proposal would first be submitted to the country through the Legislature. Then, if serious hostility was shown to the measure, the Government introducing it would ask for a dissolution and appeal to the country for an endorsement of its policy, or otherwise. If this step had been taken here no one would have ground for objection. But an attempt is now being made by a discredited Government to escape the punishment of its evil deeds by appealing to the country on this measure and misrepresenting the attitude of the Opposition Party towards it. I shall deal with the subject more fully later, but take occasion to say here, that, if elected, we are prepared to endorse this project and give it effect, with such safeguards as we may find, on examination of the details, necessary in the public interest

But the real reason for the dissolution is not to secure such a mandate. It is to prevent an exposure of the condition of the Colony's affairs. That exposure, I feel confident, would be so startling as to ignominiously overthrow the present Government. The financial condition of the country today can only be truthfully described as desperate. When the Government of Sir Michael Cashin, of which I had the honor to be a Member, went out in November, 1919, it left in the Public Treasury a sum of three and a half million dollars in actual cash. This sum had been carefully built up, through the savings of years, as a protection against bad times, "a nest-egg against a rainy day," to use a familiar phrase. Within a few months after the present Government took office, all that money had been squandered, and in the ensuing two years two Loans of six million dollars each were raised and, in the main, spent in the same fashion. If the three and a half million dollars left by the late Government had been wisely husbanded and judiciously expended, it would have done much to ease the Colony's burdens in poor times; and these two Loans ought never have been necessary with any prudent administration of affairs. All that money is now gone. Most of it has been given to the Reids to relieve them for their obligations in operating the railway, although at the last election Sir Richard Squires selected the Reids for his most violent denuncia-

HOW TAXATION HAS BEEN IN-CREASED.

But that does not tell the whole story In addition to the monies raised by Loan, taxation was heavily increased, although Sir Richard Squires in his Manifesto declared that his policy would be to reduce taxation and lessen the people's burdens. He said:

"Newfoundlanders are groaning to-"day under the heavy burdens of "taxation. A revenue of nine million "dollars is being annually wrung out "of a quarter of a million people. In "other words, every man, woman and "child in the Island has imposed upon "him a per capita tax of thirty-six "dollars a year."

That was the promise of Sir Richard Squires in the autumn of 1919. How has he attempted to carry it out? Instead of reducing taxation he has almost doubled the taxes of the people. Since taking office he has imposed two new taxes—the 25 per cent. supertax and the 5 per cent. sales tax. Last year these two taxes extracted \$1,890,000—nearly two million dollars—from the pockets of the people, in addition to these they previously paid. Taxes in other forms were also increased; even the postal rates were doubled; and the grip of the tax collector was extended to everything. The result is that where every person in the Colony, according to him, "groaned under a burden of thirty-six dollars per head every year" in 1919, they are doubly groaning to-day under a burden of sixtyfive dollars a year.

The weight of this burden of additional taxation proved so crushing as to provoke protests from both merchants and fishermen, that it would be impossible to carry on the fishery profitably, and from other classes because it so increased the cost of living as to make existence unendurable.



MR. J. R. BENNETT Leader of the Liberal-Labor-Progressive Party.

newspapers, and the other classes were ignored until the fishermen of the Northern districts spontaneously organized to fight the policy and founded the United Fishermen's Movement. Delegates from this toured the country and visited St. John's, where demands were made which were at first refused. But the Delegates persisted in their agitation until the Government was compelled last fall to remove the export tax on fish, and a few weeks reneal the supertax of 25 per cent., a reduction in taxation of about a million dollars. If this reduction had been made a year ago the financial outcome of last season's fishery might have been very different, but this measure of relief was denied to the people until the eve of the election. Then the reduction of taxation was announced at the very time a new election was ordered. The object clearly was to seduce the electors into forgeting all the wrongs done them the past three years. because this partial measure of tariff relief

NO REVISION OF TARIFF AS PRO-MISED.

dates were going to the polls.

was given when the Government candi-

Having denounced the late Government for the offences he alleged against it in regard to taxation, the present Premier went on to promise

"Such a re-adjustment of the tariff "as will materially lighten the bur-"den of unjust and harsh taxation "now bearing upon the people and 'provide a sufficient revenue to meet "all obligations, develop an improved "nublic service, and provide a small "annual reserve to be kept for the "Colony's purposes."

a and unashamed disregard of honesty and consistency marked this promise. The Government has been in office three and a half years, and has held three sessions of the Legislature, but made no attempt to revise the tariff, readjust the basis of taxation, reduce the burdens on the poorer classes, or make the wealthier pay more. A few months ago, when those in office realized that public anger had reached the boiling point, a Commission to revise the tariff was appointed, but it has not yet made its re-port. Another reason, indeed, which innced the Government to an election this Spring was to avoid dealing with the question of Tariff Revision in the last ses-

sion before an appeal to the people. The present Government has so increased public expenditure that the Revenue obtained does not suffice to meet all obligations. Portions of the two Loans raised the past two years had to be applied to making up the deficits. Nothing has been provided to develop any public serrice, because no development of anything has been attempted. Nor has anything been put aside as a reserve for the Colony's purposes. Even the cable laid across

vilified and assailed by the Government | Cabot Strait a few years ago by Sir Robert Bond, to provide the Colony with an alternative service with the outside world, was sold last year and the money used for wasteful and unproductive purposes.

To-day public money is being squandered wholesale for electioneering purposes. The last of the second loan of six million dollars is being rapidly dissipated in this way. Appropriations of staggering amounts are being given to various localities; in some cases to candidates, in others to private individuals. In one instance a sum of seventy-five thousand dollars has been given to a single candidate; or at the rate of two million seven hundred thousand dollars for the 36 candidates who will contest the constituencies on the Government's behalf; in another, fifteen thousand dollars has been granted to a single settlement.

WHERE HAS THE MONEY GONE?

I have shown that the present Government had the handling of nearly sixteen million dollars, through the Cashin surplus and the two loans of six millions each, besides what was collected in the form of annual revenues during the past three years. I have also shown that the annual revenues were greatly enlarged by increased taxation. Altogether, this Government will have spent by election day over fifty million dollars in about forty months, or at the rate of over a million and a quarter dollars for every month it has been in power. The people are entitled to know where the money has gone, and whether it has been properly expended or otherwise. I now propose to show by facts and figures which cannot be questioned, that the Government has expended most of this money for purposes that nobody can justify, and that the evils under which the Colony is now suffering, and the still greater disasters, governmental, commercial, material and social, which threaten us in the near future, are attributable to the incompetency, neglect and misconduct in the management of its public affairs of our present political rulers.

On this subject I assert that no honest or impartial observer can have any hesitation in giving a prompt and decided answer, to the effect that our present mis-fortunes and gloomy prospects are due in a large degree to the result of misrule, gross, palpable, and far-reaching in the management of public affairs, by those now in office. Besides millions given to the Reids to relieve them of the burden of operating the railroad, other millions have been spent in the trafficking in fish. in salt, in sugar, in pitprops and the like; and enormous amounts have been paid for steamers, even for balloons and airplanes from the Imperial Authorities without any benefit whatever to the country.

The proof of this is to be found in the Auditor General's Report for the fiscal year 1921-22, in which this experienced and impartial official gives his honest

opinion of some of these transactions in the following words:

"Large expenditures were incurred "on unnecessary services, services "which might have been enterprised "in prosperous times, but which, in "my opinion, should not have been "attempted under circumstances that "plainly pointed to a se 'sion in the/Colony's finances. Among "these expenditures on services, the "initiation of which might have been "postponed, the following may be in-"stanced: The erection of the new "wing to the Post Office, repairs to "public buildings, new steamers. "Trade Commissioners, Harbor im-"provements, additional expenditure "on roads. Surely all these could "have been held over until the Colony "could afford them. The purcahse of "Labrador fish helped, too, very large"ly in causing the deficit. Over "\$250,000 was lost to the Colony on "this transaction alone."

THE RAILWAY.

To-day, as for many years past, the outstanding question for this country is the Railway, and what is to be its part in our future. Four years ago the present Premier excelled himself in his denunciation of those in power, for being, as he described them, puppets in the hands of the Reids; on the other hand proclaiming his own independence, integrity, and his determination to enforce the rights of the country against them. In his Manifesto

"The Reid system consists of get-"ting out of the people of Newfound-"land the most money that can be se-"cured for the least service which can "possibly be rendered. For some "years past the management has been "so horribly inefficient that any per-"son who attempts to travel on the "Reid trains is taking his life in his "hands. * * * * The Reids have receiv-"ed from Newfoundland large conces-"sions, large lands, mining areas. "timber areas and water powers. "They feel themselves so entrenched "in political power that they claim to "be strong enough to hold all the property they got from the people of "this country and defy the people of "this country in the matter of their "Railway Contract. The Reids are so "arrogant in this position that they 'say no Government can be elected "in Newfoundland sufficiently strong "to compel them to carry out their "contractural obligations to the coun-

Translated into a short phrase, of which he made such use in the election campaign, the present Premier declared his policy was "to put the Reids in their place and compel them to carry out their contract". From every platform this declaration was enunciated. I ask now, has this promise been kept? How have the Reids been forced to live up to their contract? Is it not true that, instead, the Premier has surrendered to the Reids and has given them millions of dollars in the past three years. If his description of the Reids be correct, then it is equally correct that the Reids, after the election of 1919, allied themselves with Mr. Coaker in defiance of Mr. Squires and through Mr. Coaker compelled Sir Ric chard Squires to give them every concession they sought. There has never been such a monstrous political fraud perpetrated on any country as that of the present Government and the Reids.

COMMISSION CONTROL.

In June, 1920, after the Reids had lost \$1,400,000 in operating e Railway for the year then ending. notified the Government that they have to abandon the service. Then Coaker forced on the Government a e for a Commission to operate the ad, with him s agreed, but indred thousself as Chairman. The would only contribute and dollars towards the s, so the Colony had to meet the r at the Colony months later it was for would have to pay mo a million and a half dollars. Mr. C when the Commission that he coul run the road much than the Reids. But ence proved that his operation was more exper sive; was, indeed, "me strous to the funds of the Colony words of no less a

comment on the Railway in his Report 1921-22. Mr. Berteau said::

"With regard to the whole question "of assumption of the Government "through its Commissioners, of the "management of the Rail and Steam "services, I am of opinion that such "assumption was not warranted by "the Railway Act of 1920 under "which, presumably, it was effected." At any rate, whether warranted or "not, the result has proved most dis-"astrous to the funds of the Colony."

MR. MORGAN TAKES HOLD.

Commission control of the railway fai ed so completely that after a year of the experiment the Government had to abardon it. Then a modified scheme wadopted in 1921-22, under which Mr. R. Morgan, an official of the C. P. R. at Wi nipeg, was brought here to take charge This plan is still in effect, and Mr. Morga still directs operations. It is true con tions have improved, that the roadbed firmer and the rolling stock in beth shape, but these improvements have be accomplished, not with the money of the Reids, but with the money of the taxpa

ers of the country.
In 1920-21, besides voting one and all million dollars to meet the estimated lo on the railway a similar sum was provid to build six engines and 100 freight of (50 box-cars and 50 flat cars); to provi fish plates for the main line; to erect new terminal at Port aux Basques and freight shed at St. John's, to make oth improvements, and to develop a coal posit at South Branch. The erection of new freight shed in St. John's at a cost \$200,000 was not proceeded with, money having to be taken to meet loss on operation, and the \$300,000 for me fish plates had also to be transferred to

erating account. Mr. Coaker also, on his own account, cided to transfer the railway terminal Placentia Bay from Placentia to Argen on which he spent three hundred thou dollars. He justified this by the asser that the Grand Falls Mills would use it their winter shipping port, but has take no steps to make good this promise or m der this outlay remunerative.

In 1921-22 more improvements were dertaken after a visit from Sir Bury, another Canadian railroad He received \$7,500 for his advice condition of the road, developed ou superficial study of the system and a single sheet of paper. These is changing the roadbed at Irvine, at sail, at Hodgewater and other places ther ballasting of the track, etc. How m has been spent on these works it has been possible to learn, owing to the Leg lature having no session this year, by safe to estimate another million dollar railroad outlays to date. Also a fun sum of a million and a half dollars had be found to meet the loss on operating railroad during 1921-22.

Of the present fiscal year, nine mont have gone. On June 30th next the taxm ers will have to meet the bill for loss on operation of the railroad for these two months, which, according to the Pri Minister in a recent speech will be about

The total amount of the public m therefore, paid by the Colony during past three years to relieve the Reids their obligation to operate the railroad as follows :--

1920-21, Actual loss on opera tion, as shown by Mr. Mor-

gan's Report \$1,681.9 Spent for engines, cars, terminminals, coal boaring, etc., say 1,500,0 1921-22. Loss on operation (Exact figure not obtainable

owing to Legislature not 1,500 having met), say Expended on betterments (Exact figures unknown for same reason), say 1,000 1922-23, Loss on operation, say

This makes up a total of \$6,431,261, say, six and a quarter million dollars money belonging to the taxpayers of country, handed to the Reids in the years to relieve them of their liability operate the railroad, by a Government which attained power on a promise to the Reids in their place and make the carry out their obligations."

THE "DANGEROUS CLAUSE." This makes a record of double-deal

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