

HOUSE OF ASSEMBLY Synopsis of Debates.

"For the next fiscal year I look for a Revenue from ordinary sources of at least \$5,700,000 which is the amount we expect to receive for the current fiscal year, and I think I would be justified in claiming that this amount will be substantially increased for the following reasons.

"First, because the cost of all articles imported into the country is steadily growing, and therefore the duties paid on these will increase proportionately.

"Second, because owing to the prosperity of the people, imports of every class will be larger and the revenues will be swollen thereby.

"Third, because owing to the high prices paid for fish, seals, etc., every class of our people will be enjoying a greater degree of prosperity and consequently business in every line will be brisk."

"In deed, I might go further and say that I should not be surprised if our Revenue from all sources for the coming fiscal year would reach a round figure of six million dollars, whereas we will have about \$500,000 additional when the current fiscal accounts are closed, and with prosperity as widespread and assured as it apparently is at present, and with the new income tax, there ought to be a goodly addition.

"However, as in these days one never knows what conditions may develop from month to month, we feel that it is well to be on the safe side, and we are proposing some new taxes, the nature of which I will indicate later.

"The enormous increase in the value of our fishery products is likely to continue all this year. The iron mines at Bell Island are being worked extensively, and the value of the material is increasing rapidly. The lumbering industry in its various aspects is proving highly remunerative, and the working of the limestone quarries on the West Coast furnishes a new employment for our people, and I understand that arrangements are now being made through the Ministry of Shipping for the conveyance of large quantities of our pulp and paper to the United States, which will ensure that the mills in the Exploits Valley will be maintained on a full capacity basis for an indefinite period. It is rather remarkable that there should be such a marked advance in these departments of our local endeavor since the war began, a circumstance best proved, perhaps by exhibiting the imports and exports for these years and comparing them with 1913-14, a few weeks after the end of which period hostilities broke out.

"Further proof of the same kind is afforded by the outcome of the operations of her various banks. The four Canadian Banks, doing business in Newfoundland thru their savings branches and interest bearing deposits, had on December 31st, 1917, on the books \$13,536,607.37, representing, in the main, the savings of our people.

"This is an increase of \$2,406,718 over the amount shown the previous year, namely, \$11,129,889, or in other words, that our people deposited in these Banks last year nearly 2 1/2 million dollars, or twice what they did the previous year, a sum, by far, and away, the largest in our history, and representing, as a matter of fact, an addition of one twelve months to the savings of our people, almost equal to the entire amount in the Colonial Savings Bank, which on the same date was nearly \$2,500,000, a total of savings of about sixteen million dollars. It is scarcely necessary to dwell on these figures. They tell their own story.

"It is gratifying to observe that the Annual Report of the Board of Trade presented in January, in reviewing the events for the calendar year 1917, congratulates the members upon the satisfactory condition the colony occupies today, and then goes on to say:

"The year that has just closed has been one of the most momentous in the history of the Trade of the Colony. The difficulties created by war conditions during the year 1916 were very much increased last year, and in addition thereto we have been faced with the trouble of handling and marketing one of the largest catches of fish the country has experienced for some years. It is with satisfaction that the Council is able to report that, in spite of the immense difficulties under which the busi-

ness of the colony has been operating during the past year, the trade of the country, with but few exceptions, is in a prosperous condition, and although there are many serious obstacles in the way of a satisfactory conclusion of the year's work, the situation is such that most classes of the community have reason to be thankful."

"In fact of all these facts, it is evident that the conditions which prevail throughout Newfoundland are of a highly encouraging character, and we are, therefore, emboldened to undertake the imposition of an income tax following the precedent already created in Great Britain, Canada and the United States. The details of this matter I will deal with more fully on the introduction of that Bill itself, but I may say here that it imposes an obligation on every person in the colony with an annual income, if unmarried, of over \$1,000.00 per year, and if married, of over \$2,000.00 to pay a tax on the excess income graded according to the amount. In these days, when we are asking our people to sacrifice their lives in the cause of freedom, it is a very small demand to make upon those who remain at home enjoying the comfort and security purchased by the blood being spilt for us on the battlefields of Europe, to contribute a moderate share out of the riches they enjoy, towards the upkeep of the State, and the payment of the obligations the war has imposed upon us, and which the pensions for our brave soldiers and sailors, and dependents, will require in the future. I am confident that this measure will meet the unanimous acceptance of the Legislature.

"We have also proposed, as you are already aware, to raise a loan for our war needs, of six million dollars, including therein, the amount of three million dollars for which provision was made by a Loan Bill last year, but which amount was not raised for reasons which I set out in my explanatory address on introducing the new loan resolutions. It is proposed to place part of this loan locally, and we hope to have a generous response to the appeal from the people of the country, more especially, when, as I have already pointed out, there are in the Banks about \$16,000,000 altogether, and that 2 1/2 million dollars of this total was in during the past 12 months. In other words, if the people of the country invested in this war loan their savings of the past year, we ought to obtain 2 1/2 million dollars from them, and they would have the advantage of doubling their income from this amount, because the rates paid in the banks is only three per cent., and the rate we propose will yield them fully twice that amount. Perhaps I had better, at this point, give you a brief explanation of our war costs. From the beginning of the war, up to the end of last month, our total war expenditures were roughly 5 1/2 million dollars, contributed as follows:

Table with columns for year and amount: 1914-15, \$435,000; 1915-16, 705,000; 1916-17, 1,648,000; 1917-18 to date, 1,627,000. Total: \$4,415,000.

"I have a more detailed statement which will be published later. This amount has been met so far in the following ways:

Table with columns for source and amount: War Loan of \$3,000,000; Votes from Surplus Trust, 1915-16, \$429,000; Vote from Surplus Trust, 1916-17, 470,000; Vote for Pensions, 1917-18, 60,000; Making a total of 3,860,000.

"The additional amounts being obtained by advances from the Imperial Treasury. In connection with this War Expenditure, I might go on to say that, as hon. members very well know, this burden, heavy as it is, is as nothing compared with that being borne by our neighbors in Canada. The cost of the Newfoundland Naval Reserve as to pay, separation allowances, clothing, food, etc., is borne entirely by the Imperial Government, except that now the Colony has undertaken to add thirty cents a day to the pay of each man in that branch of the service, for the time he served therein, in order to put the sailors on a parity with the soldiers of the Regiment; and, as for the Regiment itself, we merely provides the pay and separation

allowances for the men, the Imperial Government feeding, clothing, equipping, and otherwise caring for them from the time the men leave Newfoundland until they return again. It is safe to say that the burden we would otherwise have to bear is more than cut in half by this generosity on the part of the Mother Country, and in taking into account our contribution in this struggle, we ought not overlook this fact. Nevertheless, our burden is a sufficiently serious one to give us occasion to pause, and it is that in order to provide against unforeseen contingencies we are proposing the substantial additions to the tax burden of our people which I am suggesting. I will anticipate the argument that these taxes make an excessive burden on our people by pointing out that the people of the Mother Country, of the neighboring Dominion, and of the great Republic to the South of us, are all much more heavily burdened than we are in these respects, and that we have certain advantages here which ought not to be overlooked, advantages in the fact that our fishery products have increased in a greater ratio than any other food products known to the world to-day, that we have been able to reap our harvest of the sea and the icefloe, almost undisturbed by the suggestion of war or its consequences; that new projects for further enhancing the value of our staple industry are taking forever every day, and that the outlook generally is much more favorable than certain contingencies of this struggle might ensure for us. The North Sea has been almost deserted by the fishing crafts of the European nations, and those adventurous vessels which still ply their calling in that area do it subject to the danger of being shot by German airmen or sunk by German submarines as we read in the messages a few days ago of the Dutch fishing vessels and their crews, altho the Dutch are a neutral nation.

"As a result of this and other conditions, the Norwegian fishery is much below the average, and is unlikely to reach a total which will enable it to compete in any serious fashion with our products during the coming year, another circumstance which is certain to contribute to maintaining the price of our staple product and ensuring us of its profitable marketing.

"The new taxes which we propose are as follows: "One cent addition to the ordinary letter postage; in other words, a return to the three cent postage, general here in years past. "A 5-cent stamp tax on all local telegrams. "A ten-cent stamp tax on all Customs forms. "An increase of 2 cents a pound in the excise duty on tobacco. "An increase of 50 cents a pound in the excise duty on cigars. "An increase of \$1.25 a pound on cigarettes. "An export duty of two cents a gallon on fish oils of all kinds. "An export duty of fifty cents a case on salmon, and an export duty at the rate of 30 cents a tierce on salmon. "An export duty of 20 cents each on seal skins. "From these various duties we expect to obtain a revenue of about \$500,000 in round figures.

"I therefore estimate a substantial surplus allowing for the inevitable Supplementary Estimates of next session and unforeseen contingencies which may arise meanwhile." The Committee rose until Monday.

MIN. OF MILITIA moved the second reading of the Bill to amend the War Pensions Act. He explained the difficulty of obtaining commissioners to deal with the pension question. Two of the Commissioners appointed had been unable to serve so far, on account of illness, and the other because he was on active service. The chairman, Sir Patrick McGrath, had been the only one able to act, and in view of the great amount of work involved, one man could not possibly deal with it. It was true that there had been some dissatisfaction with this work, but it was utterly impossible for busy men with large interests of their own to give the necessary amount of time for the matter. Arrangements would now be made to have the matter fully and properly dealt with. He referred also to the efforts made to get a draft away. The Bill was read a second time.

The Bill relating to Municipal Regulations (Control of traffic by the police, etc.) was read a second time.

The amendments made by the Legislative Council to the Military Service Bill were read a second time.

THE PREMIER said that suggestions had been made that the Government were not in earnest about enforcing the Military Service Bill. All he had to say to that was that he hoped before this day was out the Military Service Act (and the Parliament Extension Act) would have been passed by this House, assented to by the Governor, and that the Proclamation calling out Class 1, would be signed before the Governor left this House to-night, and published in the Gazette.

The amendments were then read, altering the age limits of the classes slightly, and providing for the immediate issue of the Proclamation for Class 1, age 19 to 25, to get with certain other alterations which will be published at length in the Proclamation.

THE PREMIER shortly explained the various amendments. The administration of the Act would be entrusted to a Board consisting of Mr. R. S. Rendell, the Deputy Minister of Justice, Major Cartwright and Major Montgomery. Arrangements would be made by which men who had just claims for exemption might have those claims passed upon immediately so that they might proceed to the fishery. HON. MR. COAKER said that while he was not wholly in agreement with all the amendments, he nevertheless supported them. He had been accused of having endeavored to discourage recruiting. He had contended from the first that this Colony should have supplied only Naval Reservists. However, the Regiment was formed, and Mr. Coaker, like all others in the country, fell in line and helped to address patriotic meetings in support of recruiting. He himself had since 1914, addressed 49 recruiting meetings, as well as asking the F.P.U. Convention to do all they could to encourage recruiting. As a result of his statement that if fifty men did not come forward he would go himself, a hundred and twenty Coaker recruits had come forward, and seventy had been accepted. The aspersions cast on him as to discouraging recruiting were absolutely unjustified. He had lost no opportunity in speaking in favor of recruiting. As to the circular sent by him to the F.P.U. Councils in relation to conscription, did not the politicians in the Upper House realize that unless he, Mr. Coaker, had supported conscription instead of a referendum, it could never have been carried? A referendum might have resulted in dishonour to Newfoundland thru the action of irresponsible and unthinking persons. He had done his duty; he had endeavored to do all he could to educate the people in the matter of conscription; he had faced political ruin to support this fair and proper system; and yet people accused him of failing to do his duty. He was ready to face his constituents tomorrow in support of conscription, and if he were defeated in that cause, he would esteem it an honor. The fishermen knew, and he thought they ought to know, that unless they duty on the same lines as Canada and America we could not expect them to help us out with food or tonnage. If we did not do our part, what help could we look for from the British, the Canadian or the American Governments. As far as he was concerned, his duty to the country came first, his duty to the Empire next, and his duty to the F.P.U. third; and if any member of the F.P.U. did not like that they could demand the President's resignation. By voting for this measure he ran the risk of smashing the great organization he had built up by hard labor and toil during the past ten years; and yet there were people found to say that he was a dishonorable man. As to the charge that Mr. Reid and Mr. Crawford had had anything to do with his trip to Canada it was absolutely groundless. They might have been spying on him, but he was innocent of it. He had never accepted the free pass sent him by the Reid Newfoundland Company. He had always paid his fare. He had never accepted a penny from them. He had sought a trial of the matter before the courts. He had refused the demand of Sir William Reid, the ultimatum that had been given him that he should support him as President of the Reid Nfld. Co., and had been threatened with being driven out of public life. He had tried to get the Reids to patch up their differences, but without success. When he went to Canada he went to purchase the machinery for Port Union, the vessels for the Trading

Company and other matters; and the Trading Company paid his way. Did anyone suppose the Trading Company was so poor that it could not send its officers away on business? Did not the Trading Company pay it? He had done his duty as a Minister, as a Newfoundlander, and as the President of the F.P.U.; and the Proclamation that was to issue to-night was proof enough. He asked the fishermen of the north to stand loyally behind the Empire to let the young men come forward and do their duty, and to defend the honor of Newfoundland.

MR. CURRIE said he supported the amendments; they ignored the Bill. He was glad the Government had made their intentions so plain, and that the Proclamation was to issue to-night. If Mr. Coaker had been misjudged, he was himself entirely to blame, for his utterances had been very ambiguous on several occasions. Mr. Coaker had been making defamatory statements about all his opponents for ten years, and now he could not complain. But if Mr. Coaker had decided to come out straight for conscription, then he was glad to hear it and would give him every credit.

MR. MORINE said that he would be brief. He thought the references made to Mr. Coaker in the celebrated letter of Sir Wm. Reid had been taken very much too seriously by Mr. Coaker and his friends. The circumstances under which it was written were such and the actual contents of the letter, when coolly considered, were such that they did not convey any real imputation on Mr. Coaker. Just as that letter lied about himself, Mr. Morine, so, he had no doubt, that letter lied about Mr. Coaker. He did not doubt that spies followed Mr. Coaker; but that he knew that it was not to be believed. Mr. Coaker had had a pleasant trip, had fisherman, and the person of means and leisure. The normal tax would be 5 per cent. on all incomes over \$1,000 of unmarried persons without dependents, and 5 per cent. on all incomes over \$2,000 of other persons, with an increasing series of super-taxes on incomes from \$6,000 per annum upwards. The Act was copied almost entirely from the Canadian Act. The Resolutions were read and passed.

The Income Tax Bill went thru all stages under suspended rules, and was sent to the Upper House. The Shipbuilding Act amendment came before Committee.

MIN. OF MARINE & FISHERIES explained that this was to limit the bonus of \$20 per ton on local built ships of 120 tons. At present large ships might be built which would call for very large subsidies. The resolutions were passed; the Bill was then introduced and sent to the Legislative Council.

The Resolutions to tax Telegraph and Cable Companies came before Committee.

THE PREMIER explained that it had been held by the Privy Council that under the Act of some years ago the Government had not the right to tax the Commercial Cable Company, and this applied also to the Direct United States Cable Co., and the Western Union Telegraph Company; but the Anglo-American Telegraph Company had to pay the tax. This Bill was to set right this position, and to tax all companies alike, as was the original intention. It would operate retrospectively to 1910.

The resolutions were passed; the Bill was passed through all stages and sent to the Council. The Revenue Resolutions passed Committee. The principal items were increased duties on tobacco, an additional one cent on every post letter, and an export tax on fishery products, as follows: Cod and other fish 20 cents per quintal, fish oils 2 cents per gallon, seal skins 20 cents each. The resolutions were passed; a Bill was introduced, passed through all stages and sent to the Council. The House rose at 6.30, and resumed at 8 p.m.

The Revenue Bill was passed through all stages and sent to the Council.

The War Pensions Bill (empowering the Government to appoint a substitute in the place of any of the members of the Pension and Disability Board, who might be temporarily absent or unable to act) passed Committee and third reading and was sent to the Council. The Municipal Regulations Bill (control of traffic in streets) passed Committee and was read a third time and sent to the Council. A Retiring Allowances Bill (various retired civil servants) was passed through all stages and sent to the Council.

THE PREMIER said that the Conscription Proclamation for Class 1 had already been issued. The Minister of Militia had been appointed Registrar, Mr. R. G. Rendell and the others previously mentioned, a Military Service Board, and Mr. R. Alsop, a returned soldier, Clerk to the Exemption Tribunal.

MR. MORINE said that as the Government had said that the case of the Bonavista light keepers would be taken up, and any injustice righted, he desired to say that he had, both from the men themselves and from Father Dwyer, P.P., at Bonavista, direct denials of the charge that they had failed to report ment drifting off to sea.

THE PREMIER said he would have the matter inquired into at once.

The House then adjourned till Monday at 3 p.m.

MONDAY, MAY 13.

The House met at 3 p.m. pursuant to adjournment.

Petitions were presented by Min. of Marine and Fisheries, Mr. Abbott, Mr. Downey, Hon. Colonial Secretary and Minister of Militia (with reference to the holding of trap-berths in St. John's District; petition supported by several members).

On motion of the Prime Minister the rules of the House were suspended.

The House then went into Committee of the Whole on the Income Tax Resolutions.

HON. MIN. OF FINANCE referred to the successful result and the inexpensive operation of the Profits Tax Bill of last year. It was therefore felt that it was now right to introduce an income tax Bill to take a tax from persons with good incomes who did not pay through the business profits tax. This tax would reach the professional man, the well-to-do planter or trap fisherman, or schooner fisherman, and the person of means and leisure. The normal tax would be 5 per cent. on all incomes over \$1,000 of unmarried persons without dependents, and 5 per cent. on all incomes over \$2,000 of other persons, with an increasing series of super-taxes on incomes from \$6,000 per annum upwards. The Act was copied almost entirely from the Canadian Act. The Resolutions were read and passed.

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MR. MORINE made a strong plea for the doubling of the present miserable allowance to widows in indigent circumstances. MR. GRIMES supported this.

The St. John's Municipal Bill passed second reading. Committee and third reading and was sent to the Council.

MR. CURRIE said it was disgraceful that the new City Charter had been shelved for so many years. The Government were getting out of the difficulty by extending the present Council's term for another 18 months.

MR. HIGGINS said that the new Charter meant, broadly, increased taxation; and the present time was very inopportune for that. There were considerable differences of opinion on certain points. He approved the principle of extending the term of the present elected Board.

MIN. OF MILITIA expressed the same view.

Amendments by the Council to the Identification of Criminals Bill and the Inflammable Substances Bill were passed.

On motion to adjourn, the Minister of shipping said he hoped to secure within a short time enough salt to last to the end of June. To last the whole season we would require at least 20,000 tons more. The coal position had improved a little. Five cargoes of sealing steamers were on the way or arrived. This meant about 22,000 tons. One trip of a large steamer had been obtained from Canada, would mean about 1,500 tons for the city and 1,500 for the railway. He hoped to get a trip or two of certain late steamers which were coming this way. As to general freight, the Portia and Prospero had been running to New York. The Thomas Drummond and the San Matco had also brought large cargoes. If no more large steamers could be had we would have to give up the Portia and Prospero entirely to the New York service. The sealing steamers could not come within 25,000 tons of bringing in our coal supply between now and October. The railway was also increasing its rolling stock, and hoped to keep Sydney clear of freight. The situation, on the whole, was better, but the situation as to coal for the railway was still serious.

The House adjourned till tomorrow at 3 p.m.

TUESDAY, MAY 14.

The House met at 3 p.m. pursuant to adjournment.

Petitions were presented by Hon. Min. of Public Works, Hon. Acting Colonial Secretary, Mr. Kennedy and Acting Min. of Militia.

The Bill to amend the Sawmills Act (forbidding the cutting in any mill not licensed under the Sawmills Acts of timber cut on Crown lands) passed through all stages and was sent to the Council. A Bill to give a grant of land to a cattle raising enterprise on the West Coast, provided they maintained a certain stock of cattle, was passed through all stages and sent to the Council. Council's amendments to the Department of Shipping Bill were read a third time and referred to Committee. The Council proposed that the Department be conducted by a Board of three members, of whom the Minister would be one, instead of the Minister having complete control. The Premier proposed that there be instead an Advisory Board of three to consult with the Minister.

MR. MORINE agreed with this. Some amendments to the Crown Lands Act were passed through all stages and sent to the Council; and an amendment by the Council to the Military Forces Bill was passed.

The House adjourned to-morrow at 4 p.m.

WEDNESDAY, MAY 15.

The House met at 4 p.m. pursuant to adjournment. Mr. Parsons in the Chair in the absence of our Speaker.

The House sat intermittently from 4 p.m. until 5.15 and from 8 p.m. until midnight, dealing with various minor amendments sent down from time to time by the Legislative Council.

The House adjourned at 12.30 a.m. on the 16th, having finished its business for the session, until 2.45 p.m. the same day.

THURSDAY, MAY 16.

The House met at 2.45 p.m. pursuant to adjournment. MR. PARSONS presented two petitions.

The House passed the Legislative Council's amendment to the Sawmills Bill, and refused to pass the Council's amendment to the