

gauntlet at Grand Bend in October, 1922, when he declared that he believed group government was impracticable, and that "class consciousness as applied to legislative bodies is bound to be a failure."

"That was the sentence of death pronounced by the Prime Minister on the Government which he happened to head."

Position of Premier.

"Nothing today is of more momentous interest to the Province of Ontario than what position the Premier is going to take. Was the Premier sincere at Grand Bend? Does he stand today where he stood then?" That was a question which the Province wanted answered, a question to which the Province was entitled to an answer.

Proceeding after the dinner hour, Mr. Nickle held up what he deemed the inconsistencies in Premier Drury's public statements concerning the wisdom of carrying on a close corporation U.F.O. Government, and asked Farmer members if they believed, in the language of Provincial Treasurer Smith, "that the Prime Minister has respected that priceless jewel of their confidence."

Calls on Premier to Explain.

"I say," he declared, "that the time has come when the Prime Minister ought to rise in his place in this House and make clear to the Province where he stands today as leader of the occupational group—whether he is seeking wider allegiance or whether it is his intention to cross the floor of the House and undertake the leadership of the Liberal party."

Taking up the redistribution issue, Mr. Nickle declared that representation in Parliament was not a toy "to be played with as a child plays with tops." The sanction of parliamentary institutions rested on the right that units of representation should be fair and equitable between various classes.

He placed before the House the information that in the Province there were 23 seats with population less than 15,000; 27 seats with between 15,000 and 20,000; 30 seats with between 20,000 and 30,000; 14 which have between 30,000 and 40,000; two seats with between 40,000 and 50,000; six seats with between 50,000 and 75,000; six seats with between 75,000 and 100,000, and three seats with over 100,000 population, one of which was Southwest Toronto.

"In view of the disparity," he said, "how can any man with a sense of political honesty and fair play sit silent and say that the time has not come for this whole subject of redistribution to be honestly and fearlessly dealt with? I cannot see how any man who is honest between himself and the electorate can sit silent and allow such disparities to exist."

In reply to a direct question from Z. Mageau (Liberal, Sturgeon Falls), Mr. Nickle expressed his convictions on proportional representation. He would have to be shown, he said, that the new system held out certainty of some tangible improvement on a system that had served the people well in times gone by before he would approve a change.

Four Points of Criticism.

Mr. Nickle set out to deal with four points in relation to the financial position of the Province—the surplus, which he said was a fiction; mounting expenditures; the alarming growth of non-earning assets appearing in the balance sheets, and the sinking-fund scheme, which, he said, was not financially sound.

No matter upon what date the books of the Province were directed to be closed by Order-in-Council, Mr. Nickle held, they should be closed on the date set by statute, and in that respect he declared that the first item to come off the Treasurer's surplus was \$792,000 received by the Province after the close of the fiscal year.

Summing up at the close of his speech, Mr. Nickle declared that the Provincial Treasurer during the year 1922 had placed expenditures totalling \$2,957,000 in capital account when those expenditures should have been charged to ordinary account. Deducting the "fictitious" surplus of \$1,065,000 from this amount, he charged that the accounts in reality showed a deficit of \$1,892,000.

Details "Wrong" Entries.

The "wrong" entries he detailed as follows: Special warrants, \$281,000; statutory, \$536,000; loss on 1921 loans, \$45,000; loss on 1922

loans, \$35,000; loss on Treasury bills, \$42,250; unemployment relief, \$233,000; Provincial Secretary's account, \$102,000; Provincial Treasurer's account, \$112,000; Mines Department, \$35,000; Hydro, 1921, \$230,000; Hydro, 1922, \$331,000; education, \$305,000; hospitals and charities, \$118,000, and Lands and Forest Department, \$420,000.

Carrying his argument back to the previous years of the Drury Administration, Mr. Nickle claimed that the aggregate deficit for the four years had been \$6,400,000. According to the Treasurer's own figures the deficits for 1919 and 1920 were \$1,560,000 and \$802,000, respectively. In 1921 the Treasurer had claimed a surplus of \$600,000, but the 1921 accounts showed that \$2,834,000 which should have gone into the ordinary column had been placed under capital. That meant the deficit had really been \$2,154,000. That, with the "deficit" of \$1,892,000 for 1922 and the deficits of the other two years, made up the grand total of \$6,400,000.

Further, Mr. Nickle charged that succession duties of \$1,600,000 from the estate of the late Sir John Eaton had been collected before the end of October, 1922, some months before the amount was due.

During the intervals between his series of financial statements Mr. Nickle dealt in turn with the relation of the Government to the Hydro-electric Commission, the need for a stable system of grants to universities, the necessity for furthering scientific research, and the opportunities for carrying on more "enthusiastic" and more intensive social welfare work. He advised the Government to preface any extension of activities along social lines by the appointment of a large committee to make a survey of the whole social welfare field.

Criticizes Commissions.

The member for Kingston was caustic in his criticisms of the Government's reliance on commissions, particularly the Gregory Commission. "This commission business," he said, "can be overdone. A commission is a beautiful cushion for a Government to put between itself and a shock." He held no brief for Beck, "that great personality at whose heels they are everlastingly snapping," but felt that he could devise an investigation of Hydro affairs which would secure the required information "without jeopardizing a scheme in which we have millions invested, and which must be a success if the Province's financial prosperity is to be assured."

"If this great enterprise is jeopardized, then, I say, the Government will be held to blame."

Mageau Praises Government.

For the most part, Z. Mageau (Liberal, Sturgeon Falls) approved of the policies of the U.F.O. Government. He devoted a large proportion of his two hours to timber problems, commending the Government for putting through the Backus deal, and complimenting the Department of Forests on improvements that had been made in the administration of Ontario's timber lands. He also congratulated the Government on its aversion to "patronage," declaring that there had been a great improvement in the manner of spending Government money in Northern Ontario since the advent of the Drury regime.

Before proceeding with his speech proper the member for Sturgeon Falls explained his attitude toward the St. Lawrence deep waterways development. He was not opposed to the development, but felt that it should not be commenced until the French River had been made navigable and its water powers made available to Northern Ontario.

Mr. Mageau wound up his speech with a plea and a prophecy. "Leave the Liberal party alone," he said, referring to rumors of U.F.O.-Liberal alliance, "leave it alone; it is going to make a clean sweep at the next election."

MAY BE INADVISABLE TO RETAIN IN ONTARIO L. R. STEEL CO. ASSETS

Hon. Manning Doherty Tells House Situation Regarding Bankrupt Concern

SUB-COMMITTEE IS NAMED

Whereas the Drury Government had every intention of taking steps to have retained in Ontario for the benefit of Ontario shareholders surplus assets of the defunct L. R. Steel Company concern, announcement was made on the floor of the Legislature yesterday which would seem to make that course inadvisable. In discussion of Steel Company affairs, Hon. Manning Doherty stated that the assets of the company, in proportion to the stocks sold, were much larger in the United States than in Canada.

Sub-committee Investigates.

The discussion was precipitated by an inquiry from K. K. Homuth, Labor member for South Waterloo, who asked if there was any further information that could be given out to the public in regard to the intentions of the Government and the possibilities of safeguarding investors. Premier Drury announced that a sub-committee of the Cabinet, comprised of Provincial Secretary Nixon, Hon. Manning Doherty and Provincial Treasurer Smith, had been appointed to inquire into the matter, then he called upon Hon. Mr. Doherty to speak.

The Minister of Agriculture said that the Attorney-General's Department has been considering all possible action, keeping in mind the Government's instructions to take any possible legal step, and even stretch a point if necessary, in its effort to protect Ontario investors. He explained that there were three interlocking companies—the parent company in the United States, a holding company, and the stock-selling organization, incorporated in Ontario, with unlimited capital and no par value to their stock.

It was not true, he said, that there were considerable cash assets distributed among the banks, the money having largely been absorbed in the parent company. It would be very doubtful, he said, if any action to keep Ontario assets for Ontario investors would be advisable, in view of the situation of larger assets in proportion to liabilities in the United States than in Canada. The shareholders here might far better be permitted to participate in the distribution of assets on the other side.

Permission From Old Government.

H. H. Dewart, K.C. (Southwest Toronto), inquired as to the date of the permission to the Ontario company to sell stock, observing that there was a serious onus upon the Government which had granted such license to so apparently unstable a concern. Provincial Secretary Nixon gave the date as October 28, 1919, which was a date before the Drury Government came into office.

J. W. Curry, K.C., observed that there had been no selling of stock where "Blue Sky" laws were in operation, and Sam Clarke (Liberal, Northumberland) declared that the sooner Ontario got its "Blue Sky" law in operation the better. "The Province," Mr. Clarke said, "is full of fakers going out robbing the people. I hope there is not a man but will support the 'Blue Sky' law."

Hon. G. Howard Ferguson asked Provincial Secretary Nixon to present to the House at an early date a full statement of explanation as to the status of these different interlocking companies, so that the public and public men might be in a position to thoroughly understand the situation. Hon. Mr. Nixon said that the statement would be prepared.