

Wednesday, March 25th

SAYS PETER SMITH PUT SUM OF \$15,000 INTO OSHAWA PAPER

**Sensation in Legislature
When Premier Ferguson
Declares That Former
Minister, Through Jarvis
Firm, Invested Large
Sum in Oshawa Re-
former, Under Editorship
of J. C. Ross**

**BRINGS IN RANEY
AS TO PAPER DEAL**

**House Defeats Progressive
Leader's Amendment on
Vote of 75 to 25, Then
Carries Budget on Same
Division — Hectic Con-
clusion of Debate**

A slashing offensive by Premier Ferguson closed Ontario's Budget debate. In it he linked up Peter Smith, former Provincial Treasurer, with the purchase, through Aemilius Jarvis Jr., of approximately a half-interest in The Oshawa Reformer in 1922, and cast the onus of further explanation upon the members of the late Drury Government. The Legislature then defeated the Budget amendment of Hon. W. E. Raney, Progressive Leader, by a vote of 75 to 25.

Premier Drops Bomb.

Taking the House completely by surprise, just prior to the divisions on the Budget resolution and amendment, Premier Ferguson held aloft a document which, he said, was an agreement entered into on Aug. 31, 1922, between J. C. Ross, former editor of The Farmers' Sun, and J. E. MacKay, and Aemilius Jarvis Jr., for the payment of \$15,000 cash for the purchase of \$15,000 of preferred and \$2,500 of common stock. The Premier had the stock certificates, and also \$4,800 of City of Saskatoon 5 per cent. bonds, which Mr. Jarvis Jr. "said he was holding for Peter Smith . . . and he has turned them over to the Crown because he has no interest in them."

Whose Money Was It?

Where did the money come from? demanded Mr. Ferguson. The Government proposed to know more about it. Prior to the time mentioned, the Morrison group had defeated the "Drury-Doherty-Raney" group in a contest for the control of The Farmers' Sun, and Mr. Ross had been superseded as editor. Mr. Raney had been the legal adviser in Treasury matters, and now he must take his responsibility for them.

Mr. Doherty's prompt denial of any knowledge of a contest for the control of The Sun was interrupted by the question of Leslie W. Oke, U.F.O. member for East Lambton, and former Drury Government supporter, as to whether he was not aware that there had been at one time negotiations in a Drury Government caucus toward getting control of The Sun. Later Mr. Oke, amid thunderous Conservative applause, interjected the remark that action had been taken at that caucus. Mr. Doherty said he had no knowledge of it.

Says They Deserted Smith.

In the most unrelenting fashion, the Premier went after the former Drury Government members, particularly Mr. Raney, and accused them of deserting Peter Smith in his

hour of need, although, said Mr. Ferguson, Smith was apparently prepared to go to the extent of committing crime to keep in power the Drury Government, tottering to a fall with "rotteness."

Subsequent to his address Mr. Ferguson explained that The Oshawa Reformer newspaper stock, documents and Saskatchewan bonds had come to him through counsel for Mr. Jarvis and Government counsel. The Government, he admitted, was now in the odd position of being part owner of the Oshawa newspaper.

No Surprises in Vote.

In the defeat of the Raney amendment—which criticized the failure of the Public Accounts Committee of last year to make reference in its report to the 1919 Home Bank loan, the dealings of the committee with that loan, and the \$42,000 of untraced commissions—the Government had the support of the Labor members, Messrs. K. K. Homuth, Peter Heenan, J. F. Callan, and also of L. W. Oke, U.F.O. member for Lambton. There were no surprise votes. The Progressives behind Mr. Raney, and the Liberals behind W. E. N. Sinclair, K.C., voted solidly for the Raney amendment, and every Conservative voted against it, along with Messrs. Homuth, Heenan, Callan and Oke. Messrs. Sweet and Carty, absentees, were paired. The Budget resolution was then carried on the same division.

In an able address, which, however, became overshadowed by the later sensations of the day, W. E. N. Sinclair, Liberal Leader, expressed the Liberal party's convictions that the Government ought to go ahead with further investigations into the 1919 Home Bank loan transactions.

Questions Raney's Actions.

Mr. Sinclair, who was greeted with warm applause as he rose to speak, said that the first clause in the Raney amendment condemned the transactions which took place in 1919. But 1919 was a long time ago as years went, and since that time Mr. Raney had occupied the position of Attorney-General. It was a peculiar thing to him, proceeded the speaker, that Mr. Raney did not take up this matter during the first year he was in office. If the transaction had been an improvident transaction, the best time to have discussed it was when the transaction was new.

Then Mr. Raney took no part in the proceedings of the Public Accounts Committee, Mr. Sinclair said. The party to which he belonged was not overblessed with legal talent, and so the duty had been the more cast upon him to take part. Not having done so, it seemed a peculiar thing to come to the House now with the amendment.

Did Not Like "Look" of Things.

"The ex-Attorney-General made a statement startling to me the other day when he said that early in the regime of the previous Government the then Treasurer said to the then

Premier that he did not like the looks of that transaction, meaning the loan of 1919," said Mr. Sinclair. That was all the more reason why Mr. Raney should have made investigation at the time. Mr. Sinclair declared that had he known of this angle of the situation a year ago he certainly would have put a motion on the order paper to call ex-Premier Drury before the committee.

"The Liberal party has been a party endeavoring to investigate this matter and has had little or no assistance from the party from which the amendment comes," declared the Liberal Leader. After saying that several Conservative speakers on the amendment discussed matters not germane to the amendment at all, Mr. Sinclair added that after listening to these speeches it "occurred to me the Government was endeavoring to put up a big noise about a lot of other matters and tried to keep away from the issue in front of the House."

Queer Inconsistencies.

Continuing, Mr. Sinclair said he did not find a motion on the minutes of the Public Accounts moved by any member of the Government asking for the production of anybody in regard to this matter, nor did he find a similar motion moved by any member of the Progressives. That was rather a remarkable situation, in view of the way members across the aisle now spoke of this matter.

But he himself had filed motions calling for the appearance before the committee of Messrs. McGarry,

Smith, Matthews, L. C. Mason and others, said the Liberal Leader. Matthews and Mason took a trip about that time; Matthews went into a front door and the police forgot there was a back door, "and my witness was on the train for parts unknown. I don't know if Mason is available yet."

"Playing Politics."

Mr. Clarkson appeared before the committee, but the Provincial Treasurer coolly took charge and conducted the examination, proceeded Mr. Sinclair. The Liberal party in the House was the only one that made any effort to get testimony which would show to the people the evidence in relation to the 1919 loan.

"Had the Public Accounts Committee last year spent as much time in this transaction as it did in the transactions relating to Harris, Ridout and Curry the chances are the whole business would have come out, but the Government of the day was so anxious to make political capital and 'get' somebody that this other transaction was neglected.

"So I say we are justified in condemning the Government in that regard, and say to it that its opportunity was lost due to its zeal in following other trails which did not affect its political friends."

Negative Before Positive.

Coming to the Whittaker evidence before the Public Accounts Committee of last year and the declaration in rebuttal taken from M. J. Haney, Mr. Sinclair said that Mr. Whittaker had been his witness, but Mr. Clarkson was called before Mr. Whittaker was called. "I never knew of a case where you called the negative before you called the positive. That point alone would forever condemn the Conservative party for the manner in which it conducted the investigation." Added to Haney's declaration was a mention of McGarry's name. But McGarry's name had never been mentioned in the evidence of Whittaker, "and the marvel of marvels to this day is why McGarry's name should have been in Haney's declaration."

Mr. Sinclair said he felt he could vote for the amendment because it criticized the attitude of the majority of the committee on special items connected with the loan of 1919.

People Not Satisfied.

"The people are not satisfied with where this matter rests at the present time," he went on. "This is a matter which is left in a bad position, and the Liberal party at the close of last session had exhausted all the infor-