

The matter of extreme importance is the upset price," the Minister emphasized, and declaring that Mr. Sinclair had not suggested that any one was shown favor or given advantage, and that prices in every instance were the most favorable that the Province could receive, urged the Liberal Leader to withdraw his motion.

"Confirmed Facts."

Mr. Sinclair finally acceded, but only after pointing out that "though the Minister tried to minimize the effect of my argument, he confirmed the facts that I gave the House."

"He tried," said he, "to interpret the facts in a different light from the way I interpret them. But that is a matter for the people to judge upon. Having had the satisfaction of bringing this before the House, having had the satisfaction of the Minister confirming my facts and figures, though he doesn't agree with my deductions, and knowing that if I did press this to a division the motion would be defeated, I gracefully withdraw the motion."

At the outset Mr. Sinclair read extracts from a speech of Mr. Finlayson in the House last year. The Minister said, sketching past Administration: "We have used the wealth of timber in a very extravagant way—we must set our house in order." Also: "The Government hesitates as to any further immediate extensions to the pulp and paper industry." He had also said that the department believed there was a 50 years' supply of red pine in

the Province without reforestation or growth, but this was only the residue of a former great wealth.

The Liberal Leader referred next to the timber inquiry, which, he said, the Government was anxious, and the people prone, to forget.

Hoped for New Day.

So, Mr. Sinclair continued, when Mr. Finlayson, the new Minister, made his speech last year, "we hoped that a new day had dawned." But since then, he continued, there had been much dealing in timber. The Opposition had received information as to this through questions on the order paper, and Mr. Sinclair referred to the Government's replies.

There was a sale of 22 1-2 square miles in the Quetico Park Reserve. Tenders had been called on April 9, 1927, and closed on May 12. There was only one tenderer, J. A. Mathieu, Limited, of Fort Frances, and this company got the concession.

"J. A. Mathieu," Mr. Sinclair went on, "is a member of this House. He was also the General Manager of the Shevlin-Clarke Company, which, the Timber Commission stated, in 1921 had defrauded the Province out of much money. Action was recommended, and \$1,000,000 was recovered."

Mr. Sinclair recalled how Premier Ferguson had "rebuked" Hon. James Lyons, previous to his retirement as Minister of Lands and Forests, for dealings between his own company and the Government, and also how he had censured some private members.

Only 32 Days' Notice.

"Now in this sale there was only 32 days' public notice," he went on, "and only one tender received. It is a wonder that any tender was received, for there was no chance in that time to make an estimate of the area."

Then he spoke of the sale of some 49 1-2 square miles of limits in the Mississauga Reserve. The Government had only allowed 30 days from the time of advertising for tenders until the tenders were called, he said, and only one tender had been received, that of Austin & Nicholson. Mr. Sinclair said that dealings with the company had caused considerable discussion in 1922, "and now Nicholson is back again dealing with the Government."

Another instance was the sale of 115 square miles, on which there was approximately 72,000,000 feet of pine timber, to Gillies Brothers, Limited, and only 40 days' notice had been given. Limits on Split Rock Island in Kenora district went to the Keewatin Lumber Company—the only tenderer—and in this case, he said, only 21 days elapsed between the time the Government advertised for tenders and the time the tenders were called.

Notice of 21 Days.

Four square miles in the Pickerel River district of Rainy River were sold to Shevlin-Clarke Company, the only tenderer, and the notice had been 21 days, Mr. Sinclair said. "I am complaining of the short length of time being allowed," he said. "There is not enough time for prospective tenderers to look over the limits and in this last case the only tenderer was a company which gave the Government considerable trouble a short time ago."

Mr. Sinclair next referred to a deal in the Sudbury district. One hundred and eighty square miles went to the Spanish River Lumber Company when tenders closed after 37 days' notice. He noted that while some one had told the press that there were seven tenders, the official statement showed that the company was the only tenderer.

The Opposition had thought it could get some more information along these lines from other questions. But there were still two unanswered on the order paper. One referred to Walter Township and the other to a reported Government deal with Alex. McDougall and Bernard Hepburn over lands east of Sioux Lookout.

Peculiar Circumstances.

Mr. Sinclair thought that when the Government answered the latter question some peculiar circumstances would be shown. McDougall and Hepburn, he said, had apparently got into some financial difficulties and then the Government sold them the pulp and timber limits in question without calling for a tender. Now, he declared, McDougall and Hepburn had sold out to the International Pulp and Paper Company and secured \$250,000. The International Company was interested in power matters, he observed.

Mr. Finlayson voiced surprise at this information regarding the sale to the International. "We know nothing of it," he said.

"I stand to be corrected," replied Mr. Sinclair, "but I believe my information is quite accurate."

The Liberal Leader went on to refer to notices in the Ontario Gazette of Jan. 14, 21 and 28, which showed that in various cases tenders had been closed after periods ranging from 28 to 13 days.

"Surely the Government has got to make some explanation," he said, "when it allows such a short period to elapse between the date of advertising and the closing of the tenders." The public, he said, was apt to infer that even before the date of advertising some man who knew pretty well that he was to get the limits knew enough to get his tenders in before the closing day.

"No Competition."

"There was no competition," he went on, "and it was absolutely impossible for any one to make a tender unless he had a pretty good idea in advance that a limit was going to be put up."

Then Mr. Sinclair turned to occurrences of past years. On one occasion large areas of spruce pulp had been sold to the Spruce Falls Lumber Company at \$2.05 a cord, while there was a bid of \$2.95 a cord from the Mattagami Pulp Company. The reason, he said, that the lower tender was accepted was that the latter company owed money, but in this case, he said, the Province lost approximately \$9,000,000. Then, he said, in 1926, J. H. Black of the Spruce Falls Company took the trouble to announce that E. W. Backus was not in that transaction. "There must have been some reason for him to have taken this trouble," he said.

In 1921, the Liberal Leader said, an agreement had been made between J. H. Black and the Government whereby Black was to have spent a large sum of money in the erection of a mill at Long Lake and the development of some 3,360 square miles of limits there. Since then, he said, there had been nothing done, the property was being held for future use and yet the Government did not cancel the contract or force operations.

Contract Not Cancelled.

A similar instance, he said, was the agreement of the Transcontinental Development Company in 1921, to spend some \$1,000,000 on mills and development in two or three years. Nothing, he said, seemed to have been spent, but yet their contract was not cancelled. Mr. Sinclair mentioned other instances of the same condition, among them several with which E. W. Backus was connected.

"Surely I have said enough," he said, "to cause this Legislature, if we are really the trustees and guardians of the Province's assets, to stop and think, and to ask a complete survey of the timber assets of the Province." The Government, in his opinion, was not carrying on the affairs of the Province in this regard as they should, but were "drifting back to the methods in force before the Timber Commission of 1920." He urged that the Government appoint a committee to make a survey.

Hon. William Finlayson, declaring that Mr. Sinclair had suggested that there had been irregularities or even perhaps "sharp practice," undertook to defend the action of the Government in the instances mentioned. When he took office, he said, the policy of the Government was that no timber berths or limits should be sold, since it would have been impossible to get a fair price. He had informed the lumbermen of that attitude at a meeting of their association, he said. However, it had been found that many old established lumber companies were being forced out of business, and he pointed out that closing down a sawmill meant blotting out a whole community, throwing hundreds of people out of employment and causing great hardship and distress. "The hard-headed, cruel, business way of looking at it was that it was an unfavorable time for the Government to sell its timber," he said, "but it meant putting many companies out of business because they could not get the material."

Only Where Necessary.

After consideration, he said, the Government had decided to sell timber only where it was necessary to keep the industry going. "If we had shut off the business as the Leader of the Opposition suggests the Province would have lost millions of dollars." Instead, he said, timber had been supplied to lumber companies only where it was absolutely necessary.

Informing the House that he would deal with the instances mentioned by Mr. Sinclair, he began with the Quetico Reserve where much of the white pine had been developed by the Shevlin-Clarke Company. Despite the trouble with that company a few years ago, he said, it was one of the best customers the Province had at the present time. "If the department has \$5,000,000 revenue this year, \$1,000,000 of it will come from that company. They have fulfilled every obligation placed upon them by the recent court decision without complaint," he said.

The community of Fort Frances depended entirely on that company and the E. W. Backus concern, he said, and "when they asked for more timber we either had to give it to them or have them shut down." The matter, he said, was not disposed of in any happy-go-lucky way. "The Leader of the Opposition asks us to shut them out of business," he said.

Mr. Sinclair protested that he had said no such thing, but had been referring to the length of time the tenders were advertised.

Already Cruised.

"His policy would have shut them down," said Mr. Finlayson. Then referring to the short notice given before the sale of limits, he said, that there was no necessity for any company making a survey since the Government already had the property cruised, and that therefore no long period of time was needed.

Regarding the fact that only one tender was received, Mr. Finlayson said that practically every lumberman knew who the limits were intended for when they were advertised. "The company which already had its camps and mills near the limits would be the only one interested generally," he said. The important thing to be considered was whether or not the upset price was fair, he said, and Mr. Sinclair had made no mention of that.

"The gentleman who has prepared the brief for my honorable friend is known to be a disgruntled lumberman. I recognize his hand," said Mr. Finlayson.

"No one prepared my brief for me. I prepared it myself and it was a lot of hard work," objected Mr. Sinclair.

Mr. Finlayson accepted the correction, but he "still thought he could recognize the hand" in Mr. Sinclair's address.