

## Feud Over Premier's Connection With Mortgage Firm Flares Anew in Legislature — Progressive Chief Sees Serious Reflection in Opponent's Words

### DECISION ON ISSUE RESTS WITH PUBLIC

Using emphatic language, Hon. Harry C. Nixon, Progressive Leader, yesterday in the Legislature censured Premier George S. Henry for having stated in his address on Tuesday that he, Mr. Nixon, had made statements concerning the earnings of the Toronto Mortgage Company, with which the Prime Minister is connected, which were untrue.

Rising to a question of personal privilege, Mr. Nixon strongly condemned the Premier for having given him the "lie direct." He had not interpreted the remarks at the time as such, or he would certainly have "raised a bear garden," said the Progressive Leader. Such terms were, to say the least, unparliamentary, he said, and he called upon the Prime Minister to retract.

#### Premier Defends Position.

Premier Henry, in a spirited reply, defended his position as a director of this company. He once more explained his association with it, and again took issue with Mr. Nixon's remarks. In conclusion, he flatly refused to retract the statement and indicated that he meant everything he said.

"You wish to leave it stand at that?" questioned Mr. Nixon.

"I certainly do," replied the Prime Minister.

"All right. That suits me," rejoined the Progressive Leader, meaningly, as if he were going to let the public decide upon the propriety of such language in the Legislature.

#### Quotes Press Report.

Mr. Nixon quoted an evening paper report of the speech and added that if in this speech the Premier "intended to give me the lie direct, as the paper says, which I still cannot believe, that is quite a different matter and a most serious reflection that I would not rest under for an instant. But when one sees the words of the Premier in cold type they are certainly pretty raw and ugly, and, undoubtedly unparliamentary. Never in my fourteen years in this House have I asked a Speaker to rule against an honorable member and I don't propose to do so now under any circumstance. I would infinitely prefer to rest my case in your fair judgment and in the fair judgment of the members of this House, rather than take satisfaction by the application of a formal rule. In the school I went to we did not take out our satisfaction in that way. Let me place this matter before you again.

"I read this clause from the minutes of the thirty-fourth meeting of the Toronto Mortgage Company.

"I read that, Mr. Speaker, without comment, other than to say that there was evidently no depression in this business of the Premier's, and I did not seek to leave any inference, nor was I deliberately trying to deceive the people, as the Premier charges.

"Let me respectfully submit that the

Premier himself is absolutely in error in his interpretation of this clause in the minutes of his company. He contends that, because he paid from \$200 to \$250 a share for his stock, the mortgage company is not paying dividends at 12 per cent.

"Supposing I were to buy a share of the Premier's stock, which is so attractive that I might have to pay \$200 for that share, then the 12 per cent. paid by the mortgage company would only net me 3 per cent., but does not in any way affect the statement that the mortgage company had paid the regular 12 per cent. dividend, which, as I understand it, is based on the par value of the stock. Now, if the Premier wants us to believe that actually \$200 or \$250 went to the treasury of this mortgage company for each share of stock issued at a par value of \$50, that is quite a different matter; but I do not think that is his intention.

#### Quotes Annual Review.

"I note in the annual financial review, 1932, that the par value of the shares was \$50 each, and, further, this interesting statement: 'On Feb. 5, 1930, directors authorized an increase in the paid-up capital stock by allotment on March 1, 1930, of 5,509 shares at \$100 per share, pro rata, to shareholders on record at close of business on Feb. 28, 1930; one new share was allotted in respect of every three shares held. Holders of less than three shares did not receive an allotment, as no fractional shares were issued. As at Dec. 31, 1930, over 90 per cent. of this issue was accepted by shareholders.' Another feature: On Page 1085 of this same review we have the highest and lowest prices of the stock in Toronto listed over a period of ten years, and I cannot find in this table any place a figure that anywhere near approaches that given by the Premier on the floor of the House on Tuesday. So I would think that, instead of giving the lie direct to the member for Brant (Mr. Nixon himself), the Premier would hang his head in shame over the whole affair.

"In any case, if there is any ambiguity in connection with this minute or the one relating to the remuneration of directors, it is the fault of some official of his company, and not the fault of the member for Brant. If there were any misstatements made on the floor of this House on Tuesday last they were not made by the member for Brant, as I carefully considered every word I said and stand by it. Therefore, Mr. Speaker, I have not the slightest doubt but the Premier's gentlemanly instincts will suggest to him what his course of action should be under the circumstances toward the member for Brant.

"Rather than have my veracity questioned again, I am placing the annual financial review and records of the mortgage company on the table of the House," he said, taking his seat.

Immediately the Prime Minister took the floor. In making the statement he had merely been placing Mr. Nixon "in his true light," he said. "I distinctly said that the 12 per cent. dividends statement was not the whole truth, and that it was made to de-

ceive the public. And I repeat that now.

"It is the common practice of people on the hustings to talk about bank stock paying dividends from 12 per cent. to 15 per cent. They do not say that this stock is often purchased at \$400. You are misleading unless you state what the stock is yielding every time it is bought or sold. Its yield basis when the stock is bought is what is estimated.

"The Toronto Mortgage Company stock is in \$50 denomination. My honorable friend has read about some extra stock sold to the stockholders at \$100 a share. If that is not \$200 a share, I do not know what arithmetic is."

He then quoted from the financial review, which stated that the stock had gone as high as \$133 for a \$50 share, yielding at this 4.1 per cent.

"That is the truth and I am standing by it," the Prime Minister said.

"Then you wish to let it go at that?" said Mr. Nixon.

"I certainly do," he replied.

"Then that suits me," rejoined the Progressive Leader.