

PROGRAM ADVANCED TO SAVE MILLIONS IN ONTARIO FUNDS

Bond Conversion and Direct Relief Purchases Urged in Legislature

AUSTRALIA PLAN CITED

Cochrane Tory Critical of Relief Methods in North

Advocating the conversion of high-interest-bearing Provincial bonds; the non-payment of exchange rates to Canadian holders of those bonds which require payment in New York funds; and the purchase of all relief supplies direct from the farmer, manufacturer and wholesaler, S. C. Tweed (Liberal, Waterloo North) in the Legislature yesterday made a series of constructive suggestions which, in his opinion, would save the Province millions of dollars. He also favored a "charity tax" on hard liquor and meals.

The Government came in for criticism from its own ranks during the address of A. V. Waters (Conservative, Cochrane North). He declared the direct relief policy was wrong and that people would rather work for their money. He then levelled criticism at the direct relief administration in the North, particularly referring to doctors' fees. Mr. Waters felt that Hydro in the North would bring about gold production in many mines that had been abandoned.

Extravagance Charged.

T. P. Murray (Liberal, South Renfrew) charged the Government with extravagance in the operation of road camps in Eastern Ontario, and J. F. Strickland (Conservative, Peterboro') declared that the Government in bringing down the moratorium amendments should not lose sight of the fact that many mortgagees were in a worse position than mortgagors.

Participating in the debate on the motion to adopt the Speech from the Throne, Mr. Tweed gave figures to show how the City of Los Angeles had cut relief expenditures by the method he advocated. He then declared Australia had reduced its expenditures by converting almost three billion dollars; and, finally, declaring that 75 per cent. of the bonds calling for New York payment were held in Canada, he asserted that the time had arrived when the Government should consider the discontinuing of New York payments to such holders.

Speaking on the latter proposal, Mr. Tweed said: "During the past two

years this Province, the Hydro Commission, and many of the municipalities have paid several million dollars for the purpose of providing for payment in New York of interest and maturing bonds. Today the premium on New York funds is approximately 20 per cent. This imposes an impossible burden in addition to the regular interest. Fortunately, at least 75 per cent. of the bonds calling for New York payment are owned in Canada, and I think the time has arrived when this Government should seriously consider discontinuing New York payment to Canadian holders of these bonds.

"However, where the bonds are held by non-residents of Canada, payment should continue to be made in New York funds. It is a fact that the holders of these bonds, calling for New York payment, who are resident in Canada paid for them in lawful money of the Dominion, and in these times they should be prepared to accept payment in the same lawful money of Canada. If they refuse, the Government can remedy the situation by legislation," he said.

Australia's Action.

Referring to the conversion loan, Mr. Tweed remarked: "A short time ago the Australian people found themselves with a national debt of \$5,000,000,000, bearing interest at an average rate of 5 3-4 per cent., an impossible burden under present conditions for 6,500,000 people."

He then told of the "All for Australia League," which was formed by two men, and which obtained all but nine seats in the sister-Dominion's Parliament. "The new Government, which was free from party politics, put into operation a program which has had far-reaching effects," said the speaker. He then told Hon. Harry Nixon not to be discouraged, even if he had only five members, and some Liberals applauded.

First of all, the speaker explained, the Australians who owned \$3,000,000,000 worth of national bonds, bearing 5 3-4 per cent. interest, were asked to turn their bonds back to the Government for new bonds of 4 1-2 per cent., the reduction in the total of moneys paid out in interest being 22 1-2 per cent. This appeal was so successful that all the \$3,000,000,000 bonds were converted, with the exception of \$90,000,000. The next step was a cut of 20 per cent. in the salaries of all civil servants, including railway employees. Every other employed person in the country took a cut of 15 per cent. in salary.

Reductions Effected.

This was followed by a reduction of 22 1-2 per cent. in interest totals outstanding charged by the banks on loans. The amount due in interest to depositors also was reduced 22 1-2 per cent., as was the interest on all mortgages. The reduction in interest on the national debt resulted in a saving of \$32,000,000 a year. Part of this money was used to give the farmer a bonus on wheat of 9 cents a bushel, which, when taken into consideration with the 25 per cent. discount on Australian money, gives the farmer 72 cents a bushel. The Government considered it better to meet its obligations in London by exporting wheat rather than to ship gold.

"We have come to the point," said Mr. Tweed, "where members of Governments like the sound of the phrase, 'The depression is due to world conditions beyond our control, and we should not be held responsible.' This is true to a certain extent, but members of any Government in office today will not be held blameless for their failure to do something to start their country on the way to normal conditions. What is needed is Government leaders with courage to formulate a program and carry it out. Members of the House will be interested to know what has been done in Australia this last eighteen months, and it is the first country to get its head out of the fog of depression."

Purchase of Supplies.

Regarding the policy of buying relief supplies direct from the farmer, manufacturer and wholesaler, Mr. Tweed estimated that this plan would save approximately 35 per cent. of relief costs. While municipalities were striving to meet their obligations, and reduce costs, retail merchants were demanding a greater distribution of orders among various stores, he said.

Cochrane Member Speaks.

A. V. Waters (Conservative, Cochrane North), in turn, replied to the Progressive Opposition attacks and criticized the work of the Government in relief problems of the North.

He referred to the Nixon demand for reduction of Cabinet Ministers' salaries and members' indemnities, and said: "He (Mr. Nixon) must have known that there would be another reduction this year, but did not give the Government a chance to speak."

Mr. Waters termed Liberal Leader Hepburn "the extramural Leader," and chastised him for his criticism of a recent appointment of a Supreme Court Judge to the Tariff Board.

"If there is one thing in our country which is above reproach, it is our judiciary," declared Mr. Waters. "And it was left to the most ignorant and bitter partisan, and the only Leader of a political party that I know of to get up and besmirch the Bench."

He declared that "Hepburn would wreck the whole Hydro organization in order to obtain his own political ends."

Gold Mining and Hydro.

Mr. Waters then reviewed the gold mining and Hydro relationship in the North. He declared that the previous high price of power had been responsible for shutting down many of the low-grade ore mines, but with Hydro coming in many would be reopened and the gold production increased. He asserted that the entire cost of Abitibi might be paid in one year by the renewed operation of these low-grade ore mines.

The member then told of the great relief problem in the Northland, and criticized the Government's policy in paying out direct relief instead of providing work for the unemployed. He chided the officials who had cut down the fees of the doctors on relief cases, and cynically referred to

the regulation which will not allow a fee for an operation. "There is no moratorium in the North in so far as the stork is concerned," he said.

Says Whole System Is Wrong.

There were some merchants in the North who had not been paid by the Government since last October, Mr. Waters stated, in criticizing the rule which forbids the assignment of relief vouchers to banks.

"The whole system of direct relief is wrong; people prefer to work," he declared, stating that it was costing more under the direct relief plan in his country than under the indirect relief system.

In conclusion Mr. Waters told the Government pointedly that it should consider holding a complete investigation into the colonization work, "to bring it back to the healthy position of a few years ago."

Mr. Murray Speaks.

"There have been some things said about co-operating with the Government," remarked T. P. Murray (Liberal, South Renfrew). "I would like to co-operate, but owing to the ways and habits of the present Government I find it is impossible for me to do so."

The speaker then took up the question of the expenditures on the trans-Canada highway last winter, and spoke of the extravagance. "I am a lumberman by profession, and have put in some camps. I constructed one with six stoves for sixty-five men, and later took two out. I went up to see one camp on the trans-Canada highway, and found twenty-one stoves for sixty-five men, and it took 80 cents a day to board the men.

"The Prime Minister said that the contractors for the food and equipment bought the stoves. No matter who bought them, the people of Ontario had to pay for them," he said, declaring that had a "shantyman" taken charge of the work he could have saved \$2,500,000. He estimated that the contracting firm made a profit of 30 cents a day for every man they fed.

Interchanges With Minister.

Hon. William Finlayson—We didn't pay that for the whole job.

Mr. Murray—They got 80 cents.

Mr. Finlayson—They are getting 50 cents now.

Mr. Murray—You are beginning to economize.