

# Ontario Is Urged To Convert Loans At Lower Interest

## Letting of Breslau Bridge Contracts Is Criticized by Hipel—Government Loan Policy Attacked by Oliver

### FRED REID ADDS HUMOR TO DEBATE

Calling upon Premier Henry to have a special committee of the Legislature appointed to deal with the matter, N. O. Hipel (Liberal, Waterloo South) in the House yesterday advocated the calling in of all Provincial loans bearing an interest rate of more than 4 per cent. and converting them into loans bearing interest at 4 per cent.

In the course of his address the Liberal member suggested that there should be more rigid rules governing the granting of charters to incorporated companies so as to prevent "legalized daylight robbery"; scored the corporation tax; and criticized the letting of contracts for the Breslau bridge.

#### Suggests \$1,000 Indemnity.

He took Hon. Leopold Macaulay to task for having devoted 75 per cent. of his address to Mitchell F. Hepburn, Ontario Liberal Leader, instead of dealing with the problems affecting the Highways Department and the Government as a whole. He also suggested that the indemnity of the members be reduced to \$1,000, and that there be a mileage allowance, so that those coming from distant parts should be remunerated in keeping with their expenses.

Attacking the Government's policy of being ready with the "life-line" to rescue such companies as the Power Service Corporation when they got into financial difficulties, while hesitating to make a comparatively small loan to the Barrie Co-operative Packing Plant on the ground that it was insolvent, Farquhar Oliver (Grey South), the single U.F.O. member, pointedly asked if there was one policy for million-dollar corporations and another for the poor.

Fred Reid (Conservative, Windsor West) was the only member to take up the cudgels for the Conservatives. He referred to Ontario's good position in comparison with that of Detroit and the United States, and in a spirit of levity which marked his address throughout paid his compliments to the several leaders and members who had spoken.

#### Premier Replies to Hipel.

Mr. Hipel wanted to know why there was such a great difference between the actual cost of the Breslau bridge and the tender price.

Premier Henry interjected: "As the Minister of Highways is not in his seat, I might say I have some knowledge of the Breslau bridge contract, for I was Minister of Highways at that time. The bridge contract was let prior to the subway contract, and no doubt this had changed the price."

Mr. Hipel—Did this contractor know when he took the contract that he could get extras from the Province?

Mr. Henry—Now, that is a pretty direct question. There was nothing irregular in the whole thing, possibly outside of the fact of a cheque paid in connection with the services of an outside engineer who had submitted an alternative plan. If the member thinks that there is anything wrong with the transaction, I would suggest that he inquire into it at the Public Accounts Committee, when the Deputy Minister can be called.

Mr. Hipel—I did not say that there was anything irregular, but the people will want to know if the department

was so inefficient that it could not let contracts without costing twice as much when the work was completed.

#### Sees Big Yearly Saving.

Advocating a Prosperity Conversion Loan, Mr. Hipel said: "It would save the taxpayers of this Province a huge sum annually. It would have a tendency to generally lower prevailing interest rates. The Government would then be able to lower, through the Agricultural Development Board, interest on farm mortgages, which is so necessary to agriculture today, and the Government would be able to balance its Budget instead of having annual deficits."

Dealing with the question of the increased taxation on farms, in comparison with their decreased earnings, Mr. Hipel asked: "What has the Government done to relieve the excessive burden of taxation on the farmer? Two years ago I suggested that the Government could, at least in part, relieve the townships and counties of the burdens of the King's highways expenditures. Today I would go a step further, and say that the Government should reduce the charge for license plates for passenger cars, because during the past year many farmers could not afford them, plus the gasoline tax."

With regard to granting of charters to corporations, Mr. Hipel referred to W. S. Pratt and the company bearing his name, and suggested that another Dominion-Provincial Conference be held, and uniform anti-fraud legislation proposed, and that the Security Frauds Prevention Commission be granted the necessary power to examine all applications for incorporated bodies, or that this power be given to some other board. Colonel Price interjected here that Colonel Drew was co-operating with the other Provinces to get uniform legislation.

#### Of Pathetic Interest.

"There is nothing more interesting, and more pathetic, than to see a lawyer or doctor get up and give his opinions on the ills of agriculture and how he would remedy them," said Mr. Oliver. "The basic industry of agriculture is a very sick industry today. Unless there is some change, unless there is some betterment in the conditions of this industry, next year will see even foreclosures, if the temper of the rural Ontario would permit it."

"But that temper will not permit it. There was a forced sale at Belleville the other day, and horses sold at 25c each. That is the temper of the rural people. They will not allow some one to be sold out when he has done his best to make it go," declared Mr. Oliver.

"I want to say that the trouble with the activities of the department is that they are telling the farmer to grow more and better produce, but don't tell him how to produce it at cost, plus a reasonable wage. If the Minister of Agriculture would cut his estimates in two, I would not object. I would cut them in half and spend what was saved in bettering the methods of distribution and marketing."

He quoted Hon. Charles McCrea as saying that thrift, patience, courage, industry and faith in God were necessary to pull the country through. "Surely the people have amply proved that they have patience and courage. And so far as the individual is concerned, thrift is a necessity rather than a virtue in these times," he said. "Thrift may be a good thing in itself, but if carried to its ultimate end it would be the worst thing possible during such times. As far as industry is concerned, we do not want to produce more, but rather to sell what we have produced."

#### Claims Packing Combine.

"I wonder if the packers have been using the Tories well lately," the U.F.O. member remarked. "Recently there has been a regular parade of Tory members in condemnation of them. We had the member from Northumberland in this House (Mr.

McArthur), and at Ottawa George Spotton of South Huron, and Colonel Mullins of Marquette. Both used strong language in condemning the packers, and asked for an investigation.

"I agree with the member from Northumberland. I believe that there is something to investigate. I agree that there is a packing combine in Ontario, and I believe that two or three men hold the strings and dictate what I and other farmers get for our produce."

Mr. Oliver then recounted the history of the Barrie packing plant, a co-operative endeavor into which some 1,400 farmers had put their money. "The idea behind this was to break down the unjust toll being collected from the farmers by the packing plants. This plant was determined to produce bacon second to none, and I think all will agree that it did it," he said.

"They were seeking to decentralize the packing industry, and to break down the packing combine. And in a measure it succeeded. If the Government will make it a loan it will go ahead, and more of these plants will follow."

#### Noted Life-Line Thrower.

"When the member from North Oxford was speaking (Mr. Ross), the Attorney-General said that the Barrie packing plant was insolvent. Well, if it is insolvent, then almost every business in Canada is insolvent. I admit that it started with insufficient capital. But for the Attorney-General to stand up here and in a horrified tone say that the loan should not be made, it is setting a precedent for this Government."

Colonel Price—I did not say that a loan should not be made. That is a matter for consideration. The Government does not want to discourage these plants. But it must be considered on its merits.

Mr. Oliver—This Government has rather become noted for throwing out the life-line to companies which have got into difficulties. Last fall we read in the press that the Government had thrown \$18,000,000 down the Abitibi Canyon. It seems to be the policy to go to the aid of such companies in difficulty. It rather seems that there might be one law for those who have millions and another for those who are poor.

#### Knows About Overhead.

"Colonel Price said that the packing plant had a big overhead. Well, he should know all about overheads, as no one has a bigger overhead than this Government—a useless overhead built up by the political patronage system," Mr. Oliver continued.

He then went after Mr. McArthur for his objections to trading with Russia. Some people were of the idea that if Russian coal were imported, that Russian morals would come with it, he said. "When we sell to China or India, we don't send a forerunner

to see what their religions or morals are," he said. "We trade with them on a business basis. I am absolutely in favor of the principle of trade with Russia, and I think all this talk about atheism is bunk."

With respect to the Moratorium Act, Mr. Oliver said that he believed an effort was made to take care of both the mortgagor and mortgagee. But in one sense it did not go far enough, he said, reading a resolution passed by the U.F.O. convention regarding debtor's equity. He gave the instance of a man who bought a farm at \$10,000, and paid \$5,000 down. If foreclosure took place, the man would lose his farm and the \$5,000 paid on it. He believed that he should be able to retain his equity in it.

"And before the session is over, I, with the member from Brant (Mr. Nixon) will have a bill drafted to provide for this, and then there will be the opportunity to discuss it in full," he said.

Mr. Reid, in complimenting the Lieutenant-Governor on his appointment, said he had won the hearts of all with his "vacuum-cleaner smile." The Speaker deserved credit for his patience "for sitting there day in and day out and taking it on the chin, better than Tunney." The Windsor member was glad that Mr. Henry had recovered from his illness. He was a man, Mr. Reid asserted, who was a farmer's son, the father of a farmer and a farmer himself. He was no evangelist, as Mr. Nixon had said, but was