

# Conversion Loan At Lower Rates Urged by Newman

## Liberal Seeks Way to Cut Costs—Budget De- bate Proceeds

### HYDRO DEALS ATTACKED

The wind-up of the Ontario Budget debate is due on Tuesday, with the two Opposition Leaders and Hon. William Finlayson speaking. The vote will follow.

The House was in session until 1.35 this (Friday) morning, the speakers including Thomas A. Blakelock (Liberal-Progressive, Halton), Hon. Dr. Paul Poisson, David J. Taylor (Progressive, Grey North), Hon. James Lyons (Conservative, Sault Ste. Marie), William Newman (Liberal, Victoria North), Thomas P. Murray (Liberal, Renfrew South), Dr. George V. Harcourt (Conservative, Parry Sound), and James A. Sangster (Liberal, Glengarry).

Declaring that the Province must call a halt on financing its operations on borrowed money, William Newman (Liberal, North Victoria) asserted that the Government should at once announce a conversion loan and reduce the rate of interest on bonds "to at least 2 per cent."

#### Halton Liberal Speaks.

Attacking the system of government by Commissions consisting of high-salaried members, T. A. Blakelock (Liberal, Halton) declared that the work of Commissions and boards should be directed by the Ministers of the departments. The Hydro Commission of late had been making many bad bargains on behalf of the people. "We have not forgotten, neither has the taxpayer, that payment of \$50,000 to John Aird Jr. The people have not forgotten the whitewash investigation that took place. Then, we also remember the purchasing of power from outside sources, while our own plants are partly closed down, and with no immediate need whatever.

"The people are wondering also why the bonds of the Ontario Power Service Corporation were purchased at \$90, when the same could be purchased at \$27. The people will not forget these things. The news shocked the Province the other day when it became known that Right Hon. Arthur Meighen, a member of our Hydro Commission, appointed by this Government, was the man who represented all the different companies holding this stock," said Mr. Blakelock.

"It is true that we believe in public ownership; but let me say that, unless we get this great enterprise back on to its feet for the benefit of our people, I fear that it will not be long before public ownership will be a thing of the past. Then, we have not forgotten the purchase of the assets of the Dominion Transmission Company, another junk outfit, at the alarming figure of \$22,000,000."

Mr. Blakelock demanded an investigation into the expenditures of the Department of Northern Development. "We hear from all parts of Northern Ontario complaints of padded pay-lists and public moneys thrown away in large sums to satisfy the thirst of the ward-heeler and the hanger-on. When we read in the public accounts, under the Northern Development, such items as: pay lists, wages of men, \$4,198,000; snowshoes amounting to several thousands of dollars; hardware, tools and roofing, \$176,000; oats and hay, \$60,000; lumber and sash, \$41,000; matches and supplies, \$19,000; and thousands of dollars' worth of radios, is it any wonder that the people want to know what is going on in Northern Ontario?"

#### Cannot Blame Opposition.

"I care not what my friends opposite say. We are in an awful mess, and they cannot put the blame on the Opposition. This Government has been in power since 1923. It turned out of power the Government known as the Drury Government. In the election of 1923 this Government charged that the Drury Administration spent money like drunken sailors. It said that the Province would go bankrupt unless this wild spending was put an end to.

"When this present Government came into power the Provincial debt was something like \$200,000,000. Going bankrupt, was its cry. Spending was to be cut. Yet today, after ten years of power, we have a Provincial debt of more than \$570,000,000 in face of all the new taxation, until today we have taxed almost anything and everything to satisfy this expensive Government."

"Let me suggest that the Government should bring back to the various departments of the Government the work now being administered by Commissions. These Commissions are operating outside the Government at great cost to the taxpayer, and surely our ten departments of government, each with a Cabinet Minister, and all kinds of deputies and assistants, can handle the work of these Commissions at a great saving to the taxpayers. Let the Ministers run their own departments without these boards or Commissions."

#### Administration Costs.

"We have in the Workmen's Compensation Board a Chairman receiving a salary of \$14,000, a defeated Conservative from Oxford South. He also carries on, I believe, a legal practice on the side, and I believe he also receives a retainer of \$1,600 a year besides. Other members of this board receive \$8,000 and \$9,000 a year. Why cannot this work be put under the Minister of Labor?"

The administration costs of the Mothers' Allowances Commission were \$48,000 a year; and the Pensions Board, in salaries, contingencies and travelling expenses, etc., a further \$100,000. The Apprenticeship Board cost another \$27,000, Mr. Blakelock said. "I say that this is a waste of public funds, and the Government should lose no time in scrapping this act," he said in respect to the latter.

#### Salaries Increased.

The Government has been preaching economy, he said. The poor taxpayers were not considered two years ago when up went the Cabinet Ministers' salaries \$2,000 each. Then, again, the poor taxpayer was not considered when the bonds of the Ontario Power Service Corporation were purchased at the high figure of \$90, when the same could have been purchased in the open market at \$27.

"Then I ask if the taxpayer was considered a few days ago, when out went the old and in came the new, all the fine chesterfields and easy chairs for the Conservative committee rooms. I say that the taxpayers were not considered at all, and I have no fear in saying that the Government does not want an election for one reason only, and that is, defeat is waiting just around the corner."

#### Hon. Paul Poisson Speaks.

That there had been errors in judgment in the administration of the Hydro was admitted in the Legislature yesterday by Hon. Paul Poisson (Conservative, Essex North) in his address on the Budget debate. "I am not going to say that there have been no errors of judgment. There have been, perhaps," he said. But he then asked the Opposition to compare the errors there had been in the Hydro with those of the Canadian National Railways administration in past years.

"There had been a concerted attack on the Hydro by the Opposition. This attack is not from the users of the Hydro, from the municipalities or from the people, but it is from the Liberal and Progressive Parties," he said, declaring that the future of the Hydro depended on the Conservative Party. Dr. Poisson estimated that the Hydro was now of a value of \$1,000,000,000 to the Province, in comparison with the \$350,000,000 which had been invested in it.

Dr. Poisson dwelt at some length on the health problems of the Province, and congratulated Hon. Dr. Robb on having instituted the cancer clinics. Deaths from cancer had increased from 1,035 in 1900 to 3,635 in 1932, he pointed out. He also thought that those who were able to pay for radium treatment should be called upon to

pay only a fair and reasonable charge. The health of the Province at present was never better, and it was a good thing, as far as health was concerned, that people did not have too much to eat, he said.

#### Back-to-the-Land Problem.

The Conservative member took issue with Hon. William Finlayson in restricting the back-to-the-land movement, saying that instead of placing only 200 on farms during the year there should be 300 or 400. He agreed that proper selection was necessary, as was proper supervision. But the placing of 210 families on the land last year had cost only \$75,000. It cost \$500 to keep some families on relief, whereas the cost of putting them on the land was about \$300, he said.

Speaking immediately after Dr. Poisson, D. J. Taylor (Progressive, Grey North) said that during his fourteen years in the House he had never heard any Opposition member say he was opposed to Hydro. What they were opposed to was maladministration of this public utility. And during the fourteen-year period the only man he had heard get up in the House and say he was opposed to public ownership was A. H. Acres (Conservative, Carleton), who spoke Wednesday.

#### Profit-Taking Condemned.

D. J. Taylor (Progressive, Grey North) scored the Government for allowing what, he alleged, was excessive profit-taking by investment houses on a \$20,000,000 loan issued in July, 1932; roundly attacked expenditures on furniture installed in the Speaker's chambers and the Conservative members' lounging-room, which he termed luxuries; declared that the Administration had "robbed" the existing Sinking Fund by selling certain British securities held therein; charged the Government with responsibility for high taxation in municipalities, and asserted that Premier Henry was not within his rights in refusing to give information on Hydro officials' salaries.

"The July, 1932, loan," he said, "was a 14-year flotation, bearing interest at 5½ per cent., and was offered to the public at 97 cents on the dollar. The advertisement appeared on Monday, and by Thursday, some three or four days later, the entire amount had been purchased through banks, brokers and insurance companies. On Friday the price was up to 98½ cents, giving the holders an immediate profit of some \$300,000. Five days later they were priced at par, adding another \$300,000 profit to the holders, and within three weeks were offered at 105 retail and, I think, reached a peak of 106. At 105 that meant for every \$97 paid by the purchaser, they (the companies) had a clear \$8 profit in the course of three weeks, or on the total sum a profit of \$1,600,000, including 5½ per cent. on the original purchase price."

#### Declares Saving Possible.

Mr. Taylor declared that a longer period of advertising would have given the public an opportunity to buy these bonds at par, "and the Government would have been able to save the taxpayer considerable sums that were handed out to a preferred financial class."

Continuing his financial criticism, the North Grey Progressive said, subject to correction, which was not forthcoming from the Government benches, that the Administration had robbed the Provincial sinking fund by selling British bonds.

He stated: "It would appear to me, and I am subject to correction if I am wrong in this, that the present Government, notwithstanding their borrowings during the year of well up to \$185,000,000, have found themselves short of sufficient funds to carry on and have sold what appear to be British loans, purchased possibly at