

April 6

**Government Leader Asserts He Himself Is Only Member of Cabinet Involved, and Meighen Only Member of Hydro Commission—Companies With Meighen on Board Controlled Bonds to Value of \$213,000, While Conservative Senate Leader Personally Owned \$3,000 Worth—Meighen Not in Negotiations for Purchase, Legislature Is Told**

**PREMIER IS DIRECTOR OF COMPANY OWNING BONDS TO VALUE OF \$200,000**

Premier George S. Henry, Leader of the Ontario Conservative Government, which, with the approval of the Ontario Hydro-Electric Commission, decided to purchase \$20,000,000 worth of bonds of the Ontario Power Service Corporation, and Right Hon. Arthur Meighen, a member of the Hydro Commission, the debentures of which Commission being exchanged for the bonds, owned between them \$28,000 of the bonds, and are associated with companies which controlled an additional \$413,000 of the bonds. This, in brief, was the startling information given the Legislature yesterday in Premier Henry's statement, and in replies to questions put by Opposition members.

**TOTAL PERSONAL OWNERSHIP \$28,000.**

Premier Henry personally owned \$25,000 of the bonds, while Mr. Meighen owned \$3,000. Premier Henry is a director of the North American Life Assurance Company, which controlled \$200,000 worth of the bonds, and Mr. Meighen is either President or Chairman of the Board of Directors of six other companies which controlled, as far as can be ascertained at present, at least another \$213,000 of the bonds. The total of the above amounts comes to almost half a million dollars, or \$441,000, to be exact.

Right Hon. Arthur Meighen, speaking to The Globe from Ottawa over long-distance telephone this (Thursday) morning, stated that he would have nothing to say until he had opportunity to peruse the statement made to the Legislature by Premier Henry. Mr. Meighen, however, was emphatic in his declaration that his position was unassailable, and that he would court the fullest investigation, if such a course were necessary. The Senate Leader expects to reach Toronto tomorrow morning.

**PROGRESSIVES' QUERIES EFFECTIVE.**

It was the questions of Hon. Harry Nixon, Progressive Leader, and David J. Taylor (Grey North), the Progressive Whip, which drew the above information, with as yet undetermined effect on the fate of Premier Henry and the Ontario Conservative Party. The one bright Tory ray in the replies to the questions was that no other member of the Government or of the Hydro Commission held any of the bonds.

But upon perusal of the list of bondholders, subsequently tabled, it was learned that the Toronto General Trusts Corporation held \$104,000 worth, and the Royal Trust Company held \$18,500 worth. Financial lists reveal Hon. Charles McCrea, Minister of Mines, as a director of the Toronto General Trusts, and W. N. Tilley, K.C., as a director of the Royal Trust Company.

**Mr. Nixon's Question.**

Mr. Nixon's question, which brought forth the personal relations of the Prime Minister and Chairman of the Hydro Commission, was as follows: "Did the Premier, or any member of the Government, the Chairman of the Hydro-Electric Power Commission, or either of the Commissioners, hold or control any of the bonds of the Ontario Power Service Corporation prior to, at the time, or subsequent to, the making of the public offer by the Hydro-Electric Power Commission, at the request of the Government, to the holders of bonds of the Ontario Power Service Corporation to exchange such bonds for debentures guaranteed by the Province of Ontario? If so, what was the amount of the bonds in each instance so held or controlled, who by, and when purchased?"

The answer to this question, given by the Prime Minister late in the afternoon, was as follows: "The Premier held \$25,000 of the bonds of the Ontario Power Service Corporation, Limited, purchased in August, 1930.

"The Right Hon. Arthur Meighen held \$3,000 of the bonds, which were purchased in the open market on Nov. 30, 1931.

"The Government is informed on Jan. 3 these latter bonds, or the debentures of the Hydro-Electric Power Commission, for which they were exchanged, were sold, and as the bonds were pledged with American collateral as security for a loan, the loss on exchange was such as to leave the result of the transaction to Mr. Meighen as merely return of principal, plus a fair interest. Mr. Meighen never did at any time own, directly or indirectly, any further interest of any kind in the company, and took no part whatever in the negotiations between the Government and the bondholders.

"No other member of the Government or any of the other Commissioners held or controlled any of the bonds."

The next question to draw blood was that of Mr. Taylor, which was as follows: "Is Hydro Commissioner Right Hon. Arthur Meighen Chairman or President of Canadian General Investments Limited, or has he been within the last year? Did this company hold any of the bonds of the Ontario Power Service Corporation, Limited, prior to, at the time, or subsequent to negotiations for taking over by the Government and the Hydro-Electric Power Commission of the partially completed development on the Abitibi? If so, what was the amount of bonds so held? Did this company, or any of its predecessors, First, Second, Third or Fourth General Investment Trust Limited, hold bonds of the Ontario Power Service Corporation, Limited, while the Hydro had a contract to take power from the Power Service Corporation, Limited? If so, what was the amount of bonds so held?"

Premier Henry replied as follows: "The Government is informed that Right Hon. Arthur Meighen is Chairman of the board of the Canadian General Investments Limited. The Government is informed that certain of the bonds of the Ontario Power Service Corporation were purchased by the Canadian General Investments Limited; but, apart from the list of bonds exchanged for debentures of the Hydro-Electric Power Commission, the Government is not aware of the amount of bonds held by the Canadian General Investments Limited, or its predecessors."

"Mr. Meighen has informed the Government that the investment companies referred to in the questions are companies owned by some 4,000 shareholders throughout the Dominion, Great Britain and the United States, and the annual reports of these companies covering their operations since 1929 have shown them, or some of them, as holders of Ontario Power Service bonds along with several hundred other securities, and that Mr. Meighen is and has been associated with the company, which has a management contract with these investment companies, and has throughout this period been Chairman of the boards of the investment companies.

"Mr. Meighen also informs the Government that the directors of the investment companies have never deemed it in the interests of their shareholders to give to the public details of