

"A couple of years ago Mr. Meighen was given a post on the Hydro-Electric Power Commission as a Commissioner. I believe it was well received. The comment was favorable. No doubt the Government felt his powerful executive attainments, his wide experience and his general status as a leader in Canadian thought would restore renewed confidence of the public in the H.E.P.C.

"What has happened? Mr. Meighen has made many speeches. All's well, he has reiterated time and again. The so-called critics are political aspirants, he says. His powers of oratory were raised to hush the roar of the busy turbines in Quebec, and his soothing phrases to merge with the no less silent turbines at Niagara.

**Meighen Under Fire.**

"How does he weigh up in the Northern situation? There is activity on the home roost. No longer can Mr. Meighen anoint the grateful brows of both Government and Commission. It's too big a job now. It becomes a personal matter. Mr. Meighen must defend Mr. Meighen. From the same place in the Senate from which he uttered the cadaveric words which made a vacant seat in that Chamber and put him in the political morgue, he stands to defend himself, and again, Mr. Speaker, the irony of fate—the power barons are still on the stage and Mr. Meighen in the cast. He must defend himself.

"He would have the public believe that both he and the H.E.P.C. knew nothing of the pending storm in Abitibi circles. It was all the Government's business, and he and his fellow-Commissioners were merely chore boys, called in at a convenient time when all the chores were finished.

"Here are his statements from his Senate declaration: 'From the time that I became a member of the Commission in June, 1931, until now there never has been a single moment when any matter affecting the securities of that company, O.P.S.C., were in the slightest or remotest degree within the discretion or the disposition of the H.E.P.C.'

"Never at any time was he in a position to get inside or private information on the Abitibi deal. The Ontario Government negotiated the price for the O.P.S. bonds, and the H.E.P.C. was not active in the deal.

**Negotiated Without Advice.**

"Mr. Meighen says the Government did not consult the H.E.P.C. as to securities of O.P.S.C., although the Commission was presumed to be expert in this matter.

"The Government did all the negotiating, without advice from the Commission. Let us consider Mr. Henry's statements:

"June 25, 1932—The O.P.S.C. and Abitibi informed the Government of their financial difficulties and inability to go further.

"July 1, 1932—The O.P.S.C. default interest on bonds.

"July 25, 1932—Premier Henry issues statement.

"Aug. 5, 1932—Hydro advertises an offer to trade bonds on a certain basis. "This was fast working."

The speaker read, in part, from Premier Henry's statement: "Under these circumstances, the O.P.S.C. requested the Government to consider some plans for assisting the company or taking over and completing the work on behalf of the Government, and for some time the matter has been given serious thought by the Government and the Commission. The Government and the Commission consider it is most important that the development should be completed, and the Government, with the approval of the Commission, has finally decided to do so."

**"Public Treachery" Charged.**

"To save his own public inconvenience Mr. Meighen passes the buck to the Government. He says, we're just humble and docile servants carrying out your orders. We don't do any thinking. It is too dangerous. This is the basest type of public treachery.

"The Premier of this Province has given to the public a full statement of his connections with this matter. He wasn't afraid to do it. In my judgment he has incurred severe censure in having any personal connection with this corporation in view of his position as Premier, but he has faced the situation. He does not blame Mr. Meighen; he does not blame anybody.

"What of his henchman who no doubt considers himself greater than his master—he turns tail and shoves the Premier into the cannon's mouth. He washes his hands on the conscience of his Premier. He throws him to the wolves.

**Declares Legislature Flouted.**

"I have warned you, Mr. Premier, these men came here year after year, had their prepared statements to be delivered in this House, sit in the wings of this Chamber and chuckle in glee at the obedience of this Government. Yes, these men with princely salaries, the power-at-cost encumbrances, who dictate their own incomes, who write their own constitution, a holier-than-thou complex.

"There is not a member of this House who does not rebel at the autocracy of this ring. They are ashamed to let the people who pay the piper learn their salaries. They will continue to do so as long as they can find an ear in Queen's Park. My friend has stood between them and their critics far too long. They flout the whole Legislature. They turn on their benefactors. This thing will crack your Government wide open. The big boys will meet in the Royal York and Premiers will be made and unmade, but it's the folks back home who mark the ballots," concluded Dr. McQuibban.

**Mr. Finlayson Speaks.**

Hon. William Finlayson, Minister of Mines, accused Dr. McQuibban of evading discussion of the merits of a deal proposed by a bill and precipitating instead attacks upon Senator Meighen, Premier Henry, Hydro Chairman Cooke and Hydro engineers. Dr. McQuibban's attack upon Mr. Meighen, declared Hon. Mr. Finlayson, had been "conducted at a safe distance." "I wonder," he added, "what would have happened if Right Hon. Arthur Meighen were here and in position to defend himself—would my honorable friend be so bold?"

Dr. McQuibban—It wouldn't have made any difference.

Mr. Finlayson—It might not have made any difference to your speech, but it would make a difference in the result.

"He hasn't given us a word against power development," said Mr. Finlayson, "and not a word against the Government's attitude in this matter."

Dr. McQuibban—You couldn't have been listening.

Hon. Mr. Finlayson said he would "ignore" Dr. McQuibban's "attacks on Senator Meighen, the Prime Minister and others," and would discuss the history of the Abitibi and the present proposal.

**Mr. Tweed States Reasons.**

S. C. Tweed (Liberal, Waterloo North) declared that he was taking part in the discussion for three reasons.

"First," said he, "the names of several life insurance companies, who purchased O.P.S.C. bonds and individuals who acted for these companies on the bondholders' committee have been introduced into the discussions in this House and at political meetings held in several places during the last few months; secondly, I believe in the principle of public ownership of public utilities and I believe that the Government was morally bound to take over the undertaking; and, thirdly, there are always two sides to every question, and in the case of the position of the insurance company and others who invested trust funds in the project should be considered.

"The bondholders feel that they have suffered a serious loss in this investment. The bonds were issued originally to yield 6 per cent. They now have bonds representing 90 per cent. of the original investment on which the interest is 3 1-2 per cent. from this it is evident that the loss to the investors is approximately 25 per cent.

"It should also be kept in mind that the development of these water-powers in the past has been made possible because of the funds supplied by the insurance companies, and I do not think it would be in the best interests of the Province of Ontario that this source of investment money should be dried up." (Conservative applause.)

**Mr. Nixon Speaks.**

Progressive Leader Nixon said: "We are now debating the motion for the second reading of this act respecting the acquisition of the prop-

erties of the Ontario Power Service Corporation, which means if it carries that this House adopts the principle of the bill and places its stamp of approval upon this astounding transaction. I almost hesitate to use the word principle in reference to this nefarious deal which o almost 100 per cent. of the people of this Province has no principle in it, and to the remaining small fraction only approved because it saves them at the public's expense from the complete loss of the money with which they unfortunately and foolishly speculated in this scheme. The shocking disclosures already made have fairly rocked our Province, have reverberated throughout the length and breadth of the nation, have brought condemnation and censure upon the highest of our citizens, even to the Leader in the Senate and others.

"Many of us made unfortunate investments during the last few years, and I could mention many properties that could have been taken over by the Government the same as Abitibi.

**"Only Tail of Dog."**

"I would draw to your attention that this bill is in reality only the tail of the dog. The carcass and skin (it has been mostly a question of skin as far as the public's interest is concerned) have already been disposed of by the Government and its Hydro Commission, and we are simply asked to supinely attach our o.k. to this deal. Eighteen million dollars of the public's money, or their credit, has been pledged by the Government and the Hydro Commission in exchange for \$20,000,000 of the bonds of the Ontario Power Service Corporation. Some 97 per cent. of these bonds have already been deposited, and I presume to a large extent the bonds of the Hydro Commission guaranteed by the Province of Ontario have been exchanged for them, and so that part of the deal has been consummated. I would most seriously and emphatically protest against the unholy haste with which this Government has rushed to completion this phase of the transaction. Why could it not have waited until the Legislature at least went through the gesture of approving the deal rather than asking us to rubber-stamp what has already been done?

**Cooke Promises Data.**

At this point, Mr. Nixon declared that he would trade the list of bondholders as tabled in the House for that of the 3 per cent. of the holders who had not turned in their bonds. They represented \$60,000, the Progressive Leader said, declaring that the holders "had some reason for hiding the information."

"We don't know who they are," observed Hon. Charles McCrea.

"Oh yes, you do," retorted Mr. Nixon. Hon. J. R. Cooke, Hydro Chairman—I will give the honorable gentleman

the assurance that all information which the Montreal Trust Company has will be tabled in this House tomorrow.

Mr. Nixon continued: "I might say in all seriousness that, with respect to taking over of the bonds and exchanging Hydro bonds guaranteed by the Government, should have been only tentative and subject to confirmation by the Legislature. I recall last session, my friend from North Grey (Mr. Taylor) moved, seconded by the Liberal Whip (Dr. McQuibban), that, in the opinion of this House, henceforth (1) no contract for the purchase of power from a private development within or without the Province; (2) no agreement of purchase of any existing power development; (3) no grant of power right; (4) no contract to export power from the Province, should be completed legally or be binding unless confirmed by action of this Legislature. That was the last resolution discussed in this House on Good Friday morning, and my honorable friend chose to let it drop without a division, which I