

March 10

1932 LIQUOR FIGURES REFUSED M'QUIBBAN IN FINANCIAL ATTACK

Claims Government Took More From Board Than Profit

OFFICIALS TO BE CALLED

A major engagement of the Provincial Legislature's session got under way in the Parliament Buildings yesterday, when Liberal and Progressive Leaders revealed to the Public Accounts Committee some indication of their offensive on Government transactions last year.

Dr. George A. McQuibban, House Leader of the Liberals, will attempt to prove that Liquor Board money was transferred to the Government to bolster up revenues and help make a surplus. Hon. Harry Nixon, the Progressive chieftain, wants a full explanation of the cross-entry system of bookkeeping, by which, he claims, the Government has concealed millions in expenditure. N. O. Hipel, Waterloo County Liberal, seeks to show that something was wrong in connection with highway contracts in his riding.

Holds First Meeting.

The Public Accounts Committee held its initial meeting yesterday, with Hon. W. D. Black re-elected as Chairman; Hon. William Finlayson leading the Government's defense; and Dr. McQuibban, Mr. Nixon, Mr. Hipel and D. Paul Munro, Liberal lawyer-M.P.P., ranged along the opposite side of the table—the "Four Horsemen," remarked Fred Reid, Windsor Conservative.

In support of his contentions regarding Liquor Board money, Dr. McQuibban asked that the committee call as witnesses J. T. White, K.C., Deputy Provincial Treasurer; William A. Orr, Controller of Revenue, and Stewart McClenaghan, Chairman of the Liquor Control Board. His motion disclosed an intention to question them in connection with Liquor Board financing as shown in 1932 and 1933 accounts, but inclusion of the former year brought vigorous objection from Mr. Finlayson. The committee was so constituted, said the Minister of Forests, that it had power only to examine the 1933 accounts. Such a request he styled as "absurd," and so precipitated a fifteen-minute wrangle on precedent and technicality. Finally Mr. Black ruled out Dr. McQuibban's 1932 request, over the House Leader's protest that "this eliminates the beginning of the story I have to tell."

To Call Accountant.

Dr. McQuibban called also for the board's bankers, who would shed additional light on the financing in question. Mr. Finlayson objected that the committee could not subpoena a bank. Finally it was agreed that the account of the bank branch of the board's head office should be called.

J. A. Baird, Toronto Conservative, wanted to know if Dr. McQuibban had the idea that the Province should have got a bigger profit on liquor sales.

"No," replied the doctor, "I'm out to show that in 1932 the Government took more from the Liquor Board than the actual profit. I don't see why I can't start at that year, and build up my story."

"It was robbing the till of money that wasn't there," commented Mr. Nixon. Conservatives protested that this was a contradiction in terms.

"Should Have Privilege."

The final incident in Dr. McQuibban's submission came at the end of the meeting, when he again appealed to the Chairman for the opportunity to examine the witnesses on the 1932 accounts. "In view of the astounding fact that this is the first occasion I've had of directing my party in the House, I think I should have the privilege I ask," he said.

"No, that would be reflecting on your predecessor," said Mr. Finlayson. He referred to W. E. N. Sinclair, K.C., whom Dr. McQuibban succeeded as House Leader.

Mr. Nixon was accorded the right to examine Audit Department officials on the "new bookkeeping system" of the Government, whereby credit items can be deducted from expenditure to reduce the latter.

Mr. Hipel sought information on Waterloo County road work contained in four years' public accounts, which Mr. Finlayson regarded as "particularly absurd." Mr. Hipel argued that such information had not been available to him last year, but, on the chair's ruling, his motion was limited to the 1933 accounts. On this matter he will quiz R. N. Smith, Deputy Minister of Highways.

Examination of witnesses will begin next Wednesday morning.