

Premier's Speech

There was a dead silence in Conservative ranks in the Ontario Legislature yesterday when Premier Mitchell F. Hepburn singled out three members of the Opposition and asked them point-blank if they would give their support to the selection of Hon. George S. Henry, former Premier, as permanent Leader of Tory forces in Ontario.

Only one member of the Opposition stirred, Hon. William H. Price, the first member named by the Premier in his biting onslaught.

"Would the Prime Minister poll his own crowd first?" was the remark of the former Attorney-General.

"I'm polling yours," the Premier shot back.

The onslaught to which the Tories remained silent came shortly after the Premier commenced his speech on the Address reply.

"I wonder," he said, "if the honorable member from Parkdale would give his support to the honorable member for East York as permanent Leader of the Conservative Party in Ontario." Just before this Mr. Hepburn declared he was confident he could go before a Liberal convention and be assured of a victory. He very much doubted if Mr. Henry could now carry a Conservative convention.

The same question as was directed to Colonel Price was hurled at Wilfrid Heighington, St. David, and then at A. H. Acres, Carleton.

Allegedly Not Talled.

The Premier touched briefly on the reasons for changing the date of the fiscal year and stated that he had learned that payments of the Henry Administration and receipts of such payments had not tallied and that the Conservative Government was credited with approximately \$1,000,000 which should have been on the debit side.

Touching on the reference made by Mr. Henry to Hon. Vincent Massey, the Premier declared that Mr. Massey had been removed from Washington by Premier Bennett for the purpose of making room for his (Bennett's) brother-in-law.

"Prime Minister Bennett said at the time that he must have some one in sympathy with his own views," he said.

"What has happened to some of the stalwart Conservatives?" the Premier asked, commenting on Mr. Henry's reference to Liberal action in appointments. He named the present Parole Officer, Municipal Board head, Mothers' Allowances head, former Surrogate Court Registrar and the former King's Printer—all staunch Tories—who had been given good positions.

The Premier admitted outright that the King's Printer had been relieved of his duties because he was incapable of handling them, and the Printer's assistant was in the same class, the latter also having been dismissed.

"We have already," the Premier explained, "effected a saving of \$42,000 in that department."

Mention was then made of Right Hon. Arthur Meighen's appointment to the Ontario Hydro as another Conservative who had been looked after.

"Never," continued Premier Hepburn, "has there been a Government which squandered money as did the last Conservative Administration."

The Premier dealt briefly with several investigations ordered by the Liberal Government shortly after it assumed power, and said marked savings were effected by reason of such probes.

He named the T. & N. O. Railway probe first, concluding his remarks on this inquiry by claiming that, as a result of changes effected, the net earnings of the line for November and December of last year totalled \$56,000, a sharp gain.

Tenders let by the former railway officials were roundly scored by the Premier, who named instances where, he said, the price paid was about \$300,000 over and above the price set in the original tender. In a second instance, the final price exceeded the original tender by \$550,000.

Turning to the inquiry into the operation of the Niagara Falls Parks Commission, the Premier stated that marked savings had been made with the elimination of the use of costly cars and the like.

Air service costs, the Premier said, had been reduced by about \$34,000 as a result of a searching probe into the operations of this branch of Government activity.

Hydro, Mr. Hepburn declared, had been under scrutiny. Operating costs had been reduced by \$600,000, and carrying charges by \$400,000, or a total of about \$1,000,000.

Costs of Loans.

Speaking of loans floated by the former and present Administrations, Premier Hepburn pointed out that the Henry Government floated bonds to the extent of about \$65,000,000 at a cost of \$128,000. The present Administration, he said, had floated issues amounting to \$67,500,000 at no cost to the Province. He was applauded from the galleries.

He scored the action of the former Government in paying sums of \$25,000 and \$40,000 to outside advisers for advice of interest rates.

"Even with this costly advice," he said, "the interest rates were too high."

The average rate on the total of \$76,000,000 floated by the present Administration was 2.7, and as a result of securing such an advantageous rate the Province had been saved approximately \$1,250,000.

The Premier, in rising for the night session's debate, back-tracked in a review of Commission results. T. & N.O. inquiry had brought about reorganization resulting in a net revenue increase of \$28,000 a month. Air-service economies totalled \$64,000 per year. In Niagara parks, the post-Commission savings had been an annual \$12,000.

Big Hydro Saving.

The Premier's Hydro economy figures ran into the hundreds of thousands. There, he said, \$600,000 had been saved in administration costs and \$400,000 in interest and carrying charges.

Mr. Henry was quoted by Mr. Hepburn. "When I give a false statement," the Premier quoted, "I will be prepared to resign from public life." Likewise, the former Prime Minister was quoted as saying that expenditures had been reduced and no bills had been carried over the fiscal year.

"I claim that that statement is deliberately misleading," the Prime Minister charged.

In evidence he tendered figures for past fiscal years. In 1931 Mr. Henry, the Premier charged, had given expenditures as \$43,000,000. Total disbursements had been \$107,549,000, and there had been an increase in the public debt of \$47,295,000. In 1932, Mr. Henry's quoted expenditures were given as \$40,000,000. Total disbursements, the Premier charged, had been \$100,209,000, with a public debt increase of \$53,751,000.

For 1933 and 1934 similar figures were provided. In the first year total expenditures had been \$83,464,000, and the debt increase some \$19,000,000. In 1934, the public debt increase had been \$61,632,551. The average increase in gross debt, the Premier charged, had been \$45,000,000.

"He says," stated Premier Hepburn, "that no unpaid bills were carried over." The Audit Department, the Premier reported, had listed bills totalling \$1,948,000—"left over."

"So, in his efforts to build up a surplus that never existed," Mr. Hepburn commented, "the Prime Minister (Mr. Henry) left debts of \$1,948,000."

"Honest George, with his straight furrow," was destined, Premier Hepburn said, to be classed with figures of a paunchy John Bull and a goateed Uncle Sam. "My good friend the Leader of the Opposition tried to fool

the people by more ways than one," he said. "He also indulged in camouflage."

The Premier called to mind a picture of Mr. Henry in a Toronto paper. In overalls—"so new you could see the crease in them; in patent leather shoes and leaning on a fork. If he will supply us with these articles," Mr. Hepburn smiled, "we will put them in the museum."

Premier Answers Skeptics.

With cold figures—laid down on the floor of the Ontario House—Prime Minister Mitchell F. Hepburn gave answer to skeptics of his economies. Reviewing the Government departments, one by one, the Premier listed savings in salaries and reductions in personnel. The total of his net reduction was an annual figure of \$1,557,664—and this, the Prime Minister noted, was only on salaries.

"I hope the people of Ontario do not blame us," he commented, "if on our arrival we found the place cluttered with supernumerary Tories."

Treasury, \$67,213; Liquor Control Board, \$395,391; Lands and Forests, \$218,056—and down the line the Premier recounted the amounts saved annually in salaries. Staff reductions figured up to 247 in the Liquor Control Board; 83 in Game and Fisheries; 64 in the Attorney-General's offices, and a grand total of 1,149.

From these figures the Premier subtracted increases in the Northern Development Department and the newly created Department of Municipal Affairs to strike his net totals—staff reductions, 1,101—salary savings, per year, \$1,557,664.

Refers to Dismissals.

"It isn't the easiest thing in the world to dismiss employees," he said. Right Hon. R. B. Bennett had done it in Ottawa. It was the proud boast of some of his men that he dismissed 12,000 employees. A Conservative member said it was done without heartache.

"That can't be done," said Mr. Hepburn.

Ottawa, he pointed out, had dismissed senior officials and Deputy Ministers—to make way, in one instance, for a Conservative organizer.

"Many of the people," the Premier said as he swung back to Queen's Park, "were dismissed because they were appointed during the lame duck session. We gave them warning. We are keeping our word—something new in politics."

The Premier went into detail with his review of dismissals, repeatedly clashing with Hon. George S. Henry—sometimes in humor; sometimes when the floor of the House nearly witnessed bitterness.

A returned soldier, said Mr. Hepburn, had been short in his accounts. There was no wish to fire a returned soldier. "Are you short in any more accounts?" he was asked. He replied in the negative, and later a shortage was found in two other accounts. He was dismissed.

"We are not putting a premium on dishonesty," said the Premier, "regardless of political affiliation."

On the reverse of the picture, he charged, a former senior official of the Treasury had been some \$2,000 short in his accounts.

"He stole the money," said the Premier. "There was no question about that."

The money, Mr. Hepburn said, had been taken from his superannuation fund to make restitution. But a 1933 Order-in-Council was passed giving the man \$2,000 for special services. Another warrant was passed for \$500 payable to the same man.

Mr. Henry questioned the date and protested that it occurred during the interregnum before he took over the Treasury from the late Hon. E. A. Dunlop.

The Premier pointed out that Cabinet procedure required signatures on the Order.

"But he (Mr. Henry) signed an order that paid to John Aird \$50,000 and then took oath twelve months later that he never heard about it until he read it in the public press."

"The facts—" protested Mr. Henry. "I'll bring the facts before the House," the Premier said.