

# Hepburn Claims Contract Made To 'Bolster' Mail

Premier, Back in Legislature, Defends Cancellations and Denounces Particularly Ottawa Valley Power Company Bargain

## ACCUSES MACAULAY FIRM

**T**HE British Government, the Bank of England and the Canadian Government—all three—have repudiated contractual obligations in the course of very recent history, Premier Mitchell Hepburn told a crowded Provincial Legislature last night, in defense of his Hydro policy.

Back in the Assembly for the first time this session, the young Premier levelled a half-dozen startling charges which alternately held the crowded House and galleries utterly silent or pounding their desks in cheers.

### HIGHLIGHTS OF SPEECH.

Highlights of the Premier's hour-and-a-half speech, in reply to Hon. George S. Henry's lengthy address in the afternoon, were:

The former Government Leader, through his "inefficiency and inability," had added to a situation which led to a clerk's death, after the clerk had stolen funds from the Government and then committed suicide.

At least a half-dozen men were guilty of theft from the Government, and some were reinstated, and one was given a recommendation from the Government after retiring "because of ill health."

The Hon. G. Howard Ferguson, former British High Commissioner, and one-time Premier of Ontario, was the scapegoat of the whole Hydro contract deals.

### OTTAWA VALLEY DEAL.

Discussing cancellation of the Quebec power contracts, he criticized particularly the deal with the Ottawa Valley Power Company, with which, he said, I. W. Killam, owner of the Toronto Mail and Empire, was identified.

"That nefarious deal," he declared, "was entered into at a time when we didn't need the power, and for no other reason than to bolster up the financial position of the Mail and Empire."

The whole Treasury Department reeked with graft and corruption when his Government took over office.

### Macaulay's Denial.

The Premier brought up the matter of the Harold F. Ritchie Estate, from which his Government had recently collected \$350,000, although Hon. Leopold Macaulay had warned him last session that he would never collect from this estate, and might even have to pay back a part already collected by the previous Government.

"All the facts were not disclosed (in connection with this estate) by the firm in which my honorable friend was a member," the Premier said. The firm of Moorehead & Macaulay handled the estate at one time.

That was not right, heatedly declared Mr. Macaulay. Many such large estates were handled by a trustee and in this case the National Trust Company had handled the settlement.

The Premier insisted the facts were not disclosed to the trustee. He had a letter to that effect signed by Mr. Rowell of the National Trust, he said.

His partner, said Mr. Macaulay, had acted as the late Mr. Ritchie's solicitor long before this ever came up, and had handled it in connection with the National Trust.

The Premier, he said, only wanted to make another "low-down insinuation," and he was ready to answer him.

### Hydro Discussed.

The Premier turned to Hydro matters.

"Mr. Ferguson is the scapegoat of this whole business, and let by honorable friend"—his words were drowned out in noise—"at times I could extend my heartfelt sympathy."

Mr. Henry rose angrily—No sympathy has been asked, and none is wanted.

Mr. Hepburn—You could use some.

Mr. Henry—Is there anything cheaper you could say? Mr. Speaker, I have never seen such a disgraceful exhibition as is being put on here tonight.

Mr. Hepburn—It's a long road that has no turn. When you had this side of the House and were numerically strong you were the most egotistical person in the House. You said once I was not a fit nor proper person.

Mr. Henry—Get on with the problem—stop throwing mud.

Mr. Hepburn—You are my biggest problem.

The Bank of England, said Mr. Hepburn, had gone off the gold standard; it was unable at one time to pay its debt in the legal tender it had contracted for. Was that not repudiation? he asked.

"I hope the English press, which has been so critical of this Government, will bear this in mind."

### Repudiation?

The British Government has defaulted on payment of its war debts to the United States. Was not that repudiation? The Government had issued bonds, had received real goods in return, but when the time came to pay, the Government could not, simply because it did not have the money.

He did not want to make a special reference of British repudiation, but it was a point of fact, he maintained.

Turning to the Government of Canada, he declared that the Farmers' Creditors Arrangement Act involved repudiation. Under that piece of legislation farmers and other debtors whose contractual obligations were too great for them were aided in writing down not only interest, but the principal as well, was not that repudiation?

His Government did not create the Hydro situation. It was handed down to them by the previous Governments.

Mr. Roebuck was no "evil genius," as Mr. Henry would have the country believe. "I thank God we had a man of his calibre to deal with this situation."

Concluding, the Premier referred to the Ottawa Conference, and his proposals there for conversion of public debt.

He knew before going to Ottawa, he said, the whole financial structure of the Dominion; he knew the Federal Treasury was pouring millions into the Western Provinces "so that they might keep up their interest rates."

But Ontario, he said, was burdened with 47 per cent. of the Dominion's load, and was paying that amount.

### West Insolvent.

The West, he continued, was hopelessly insolvent, and under Prime Minister Bennett \$900,000,000 had been added to the national debt.

The Province of Ontario, he said, would be known as the Province which struck the blow toward reducing this debt through conversion and other means.

Ontario had municipal debts totaling \$90,000,000, which were in default. "Yet when we bring in concrete, constructive proposals before this house we are met with solid opposition." He mentioned one bill brought in last session and said, after a moment:

"Do you wonder why I condemn you as I do sometimes?"

### Would Like Opportunity.

He wished, said Mr. Hepburn, that he had had the opportunity of repudiating the Dominion power deals. The Henry Government had stepped in and paid \$22,000,000 of the Province's money for the company, buying at \$75 per share.

"Then we have the Killam deal," he said, referring to the Ottawa Valley Power contract. "As you all know Mr. Killam is the owner of the Mail and Empire."

"That nefarious deal was entered into at a time when we didn't need the power, for no other reason than to bolster up the financial position of the Mail and Empire, which is the official organ of the Tory Party."

Mr. Price—Why don't you have an investigation?