

Says ex-Deputy Failed to Compel Legal Information

Holds Treasury Department Lacks Adequate Data Since 1932—Cites Difficulty in Delving Into Alleged Power Deal Connection

HE REITERATES KILLAM CHARGE

A BILL to require the Mail and Empire to produce information which, he is informed, has been lacking in its returns to the Provincial Treasurer since 1932 to be introduced in the Legislature, Premier Hepburn announced last night.

Accuses ex-Deputy.

The announcement followed the Premier's disclosure in yesterday's Legislature that a Deputy Treasurer had failed to compel the Toronto paper to file proper returns.

The Premier is charging that a power contract between the Henry Government and the Ottawa Valley Power Company, with which Isaac W. Killam was identified, would have never been entered into if Mr. Killam had not been owner of the Mail and Empire.

Announcement of his new move in his probe into the paper followed a Conservative attempt in yesterday's Legislature to get the Premier to withdraw the charges.

Encounters Difficulty.

A former Deputy Treasurer did not compel the Mail and Empire to file proper returns at Queen's Park, Premier Hepburn stated yesterday in the Ontario Legislature.

The Premier's new charge was made when he was admitting he had encountered difficulty in delving into the alleged tie-up between the Mail and the "improvident" Chats Falls power purchase, which a Conservative regime allegedly made from the company headed by the Mail's owner.

"The former Deputy Treasurer did not compel the Mail and Empire to file proper returns—took their word for taxation purposes," said the Premier.

He was considering, he told the House, a retroactive bill "which would compel the Mail and Empire to submit that information to us."

Leopold Macaulay had risen in defense of the Toronto paper, and had read its denial to the Premier's charge that the Province was the Mail and Empire's "sugar-daddy."

"I submit the Premier ought to withdraw that charge," Mr. Macaulay said, as he told the Legislature that it was a serious matter when such a charge was made against a newspaper.

"Continuing Investigation."

"I am continuing an investigation in regard to this matter," the Premier answered.

Conservative benchers laughed.

"I repeat," flared the Premier, "that Killam (Isaac W. Killam) is head of the Mail and Empire and of the power company with which was made the nefarious and improvident deal."

It was rather difficult, he said, to get actual information, and he cited the former Deputy Treasurer's failure to get proper Mail and Empire returns.

"The Prime Minister has retreated a long way from his previous stand," said Mr. Macaulay. "The Prime Minister made a charge that the financial structure of the Mail and Empire had been bolstered as a result of a

power contract made between the Ottawa Valley and the Hydro. Now he says he is investigating. That is not the same thing. He should withdraw his charge until he is in a position to give proof. He made this charge on his responsibility as Prime Minister. The charge should be withdrawn."

"That's my responsibility," Premier Hepburn countered. "I say the contract would never have been entered into if Killam had not been owner of the Mail and Empire, Tory organ of Ontario."

"My honorable friend always suspects wrong motives in everybody," declared Mr. Macaulay. "That is his big trouble."

6-MONTH RETURN SAID IMPOSSIBLE

Nixon Would Rescind Resolution

Provincial Secretary Harry Nixon had a notice of motion on the Ontario Legislature order paper yesterday asking the House to rescind a resolution passed last session ordering a return showing capital and ordinary expenditures for six-month periods each year from 1929 to 1935.

A minor storm arose in the Legislature last week when Opposition Leader George S. Henry declared the information had not been made available to him.

Mr. Nixon's motion asks the order for the return be rescinded and an entry in the journals of the House "which purported to show that the return had been made" be deleted. The Provincial Secretary contends it is impossible to assemble the information requested.

SANATORIA AID WILL CONTINUE

Premier Promises Grant Will Be Paid

Premier Hepburn yesterday assured a delegation representing all tuberculosis sanatoria in Ontario, the Government during the fiscal year starting April 1, would continue its grant of 72½ cents per day per patient. The amount involved is \$790,000.

Spokesmen for the sanatoria, pleading for continuation of the grant, emphasized their loss of revenue due to inability of patients to pay and failure of municipalities to keep up payments. They said also endowment funds were depleted due to the current condition of the investment market. There was a heavy falling off of voluntary contributions, while food and other staples increased in price.

Colonel Ibbetson Leonard of the Niagara Peninsula Sanatorium at St. Catharines, was one of the speakers for the delegation. R. L. Smith of the Mountain Sanatorium, expressed the thanks of the delegation for the consideration given their request.

Delegates also praised Dr. G. C. Brink, director of the Tuberculosis Division of the Health Department, for his clinics.

Institutions at the following centres were represented: Brantford, Windsor, Fort William, Gravenhurst, Halleybury, Hamilton, Kitchener, London, Ottawa, St. Catharines, Sandwich, Toronto and Weston.