

April 4

# TIMBER LIMITS REALLOCATION BILL ADVANCES

## Hepburn Would Free Timber Empire From Hands of Few

Legislature Tories fought Hon. Peter Heenan's "reallocation of timber limits" bill to a division in the House last night. The proposed measure which would give the Government power to revamp the Northern timber concessions was put through second reading by a 34-14 vote.

The Premier said that proper exploitation of natural resources was the one means of getting out of the depression. His Government believed in a greater freedom of trade, and was going to do what they could for it.

While Wilfrid Heighington, Toronto Tory, led a Conservative attack on the measure as typifying "the shackling of trade and the smothering of industry," the Minister of Lands and Forests defended his bill as one carefully and soundly designed to advance the interests of the North and its residents.

The object of the bill is "to restore to the Crown a measure of control over the areas, and the timber on such areas, which have been alienated by the Crown to various concessionaires, and to more readily control the supply of pulpwood to be used in the pulp and paper mills."

Bitterly opposing what he regarded as the "inroads of Governmental control over private industry," Mr. Heighington declared the House was being asked "to place authority and dictatorship in the hands, not of the people, nor even of this House, but in the hands of the Cabinet Minister. In other words," he said, "we are asked to place control over the lives and livelihood of the people of the North in the hands of one man—who may not always be the present genial occupant of the office of Minister of Lands and Forests."

A trenchant defense of his bill was offered by Mr. Heenan, who declared that it had been carefully considered from all aspects by the Government and that it promised to put to use vast timber areas now disused, thus stimulating employment and hastening full recovery in the North.

"It is the purpose of this act," he said, "to reallocate timber areas and see that not only established industry in the North is taken care of, but also to make provision for the fostering of other newer industries than those concerned with newsprint."

### Forecasts Confusion.

It had been bad enough, Mr. Heighington said, when the House was asked to approve the cancellation of the power contracts with the Quebec companies. "Now," he said, "you're going further in this cancellation and repudiation business. You're asking this House to approve a measure which, in substance, declares that no contract involving private property transfers in the lumber areas of the North is worth a scrap of paper. Such a policy can only lead to confusion and further difficulty."

The bill aimed, he said, not merely at giving a Minister administrative powers over his own department, but created him an absolute dictator, with powers exceeding that of many an absolute monarch, and complete control over an industry that was the lifeblood of the North. Thus, he said, did the Government seek to shackle industry and put fetters on trade.

"Not content," he said, "with dealing such a severe blow to the credit and good name of this Province as was done by the 1935 legislation on the Hydro contracts, the Government proceeds to make another major contribution, not only to its own destruction, but to the further destruction of the good standing and integrity of the Province."

payer for the construction of Hydro plant. They have been made chiefly as a measure of social betterment. It is doubtful if as much as half of the existing mileage, now almost 10,000 miles in extent, of rural distribution systems would have been constructed without these grants in aid. The amount so expended up to the present time totals \$9,489,670.

"The grants have carried with them a very general public approval. Their continuance will enable the Commission to construct in the future additional rural lines.

"The revenue of the Commission at interim rates from the municipal utilities operating under cost contracts, from customers in rural power districts and from other customers with whom—on behalf of the municipalities—the Commission has special contracts, all within the Niagara, Georgian Bay, Eastern Ontario and Thunder Bay Systems, Manitoulin Island and Nipissing rural power districts aggregates \$29,085,571.37. The revenue of the Commission from customers served by the Northern Ontario properties, which are held and operated in trust for the Province, is \$1,698,311.13, making a total of \$30,783,882.50.

### Quebec Contracts.

The Hydro Commissioner devoted some time in his report to the Quebec contracts which the Hepburn Government cancelled. He noted again that the contracts were causing a series of deficits in the earnings of the Commission, which made it necessary for withdrawals from the contingencies reserve of the Niagara System.

"At no time since the contracts of 1929-30 were made has there been need to call for more power from the Quebec contractors than could have been supplied by the Gattineau Power Company. For this unused and unusable power, the Commission has been paying an annual power bill which for the year 1929 totalled \$1,638,516, and which had increased, as at Oct. 31, 1935, to \$8,232,968. Had the contracts remained in force, the payment to the four Quebec contractors in the year beginning Nov. 1, 1936, would have totalled \$10,965,000 on a tendered contract supply of 731,000 horsepower," Mr. Lyon said.