

# Conservative Plans For Road Contracts Inquiry Are Halted

Outside Jurisdiction of Public Accounts Committee of Legislature, Mr. Macaulay Is Told

## LASH WITH ROEBUCK

Conservative plans for a full investigation of a highway contract let to the Hewitson Construction Company were abandoned yesterday when the Public Accounts Committee ruled there was no authority to produce all documents relevant to the contract and when Attorney-General Roebuck declined to ask the Legislature to enlarge the committee's authority. The contract concerned a thirty-mile stretch of road on the Schreiber-White River section of the Trans-Canada Highway. The contract was signed Sept. 12, 1935. Work was halted in May, 1936. At that time 80 per cent. of the job was completed and \$592,117 had been spent, according to evidence submitted to the committee yesterday morning by R. M. Smith, Deputy Minister of Highways.

The public accounts dealing with the expenditure have been completed only to the fiscal year ending March, 1936, and beyond that date Attorney-General Roebuck refused to permit inquiry. Hon. Leopold Macaulay demanded that departmental documents showing complete disposition of the contract be placed before the committee. J. H. Clark (Lib., Windsor-Sandwich), Chairman, ruled the committee had no authority to investigate more than the public accounts and refused Mr. Macaulay's motion that documents relating to the contract covering from March until the end of May, when work was halted, be produced.

### Unfairness Charged.

"Because the Attorney-General is unfairly hampering this inquiry, I don't see how I can proceed any further without the authority of the House," said Mr. Macaulay.

"It's perfectly fair—just what you would be doing in my place," retorted Mr. Roebuck. The Conservative member appealed the ruling of the chair, but was defeated by 11 votes to 2. Only other Conservative attending the committee meeting was T. A. Murphy (Cons., Toronto-Beaches), who seconded Mr. Macaulay's motion. Attendance of the committee was restricted because the House was sitting simultaneously.

Mr. Roebuck said he would not ask the Legislature to enlarge the authority of the committee.

### R. M. Smith Is Witness.

On the witness stand, R. M. Smith declared he had made no study of the contract under question, but that "certain prices might seem high." In the same contract he had found that 3-cents-per-mile overhaul charges had been granted and declared this practice had not been allowed in recent years.

When he had taken charge of the department all the Trans-Canada work in the Province was stopped, he said, except one stretch of highway between Fort William and Kenora, which had been continued because heavy traffic justified it. The contract was let to the Dufferin Construction Company, but there was no suggestion that the company had been "favored" in the securing of the contract, he said.

# CHANGE MADE IN SECURITIES ACT PROTESTED

Could Be Used for Political Reasons, Arthur Ellis Tells Legislature

## HEPBURN MAKES REPLY

The wide powers given the Ontario Securities Commission under the proposed amendment to the Securities Act could be used for political reasons to produce a "deliberate result," Arthur Ellis (Cons., Ottawa South) said yesterday as he warned the Ontario Legislature against this "most extreme type" of legislation.

The measure was argued in Committee of the Whole, but failed to advance.

The Commissioner appointed to investigate could make a report false, untrue and perhaps entirely against the evidence submitted, he said, but the injured person had no redress in law because the bill specifically forbade the right to sue for libel or compensation.

The legislation was introduced following a promise made by Premier Mitchell Hepburn that the company operations of Senator Arthur Meighen would be investigated. Mr. Ellis touched upon Senator Meighen in his argument today.

"If his record is clear he'll have nothing to worry about," observed Premier Hepburn.

"Will you," the Conservative demanded of the Attorney-General, "tell this House that it is not the purpose of this Government to investigate Mr. Meighen?"

"Of course I won't," replied Mr. Roebuck, "nor will I give such assurance regarding any one else."

### Powers Called Too Wide.

There was no necessity for the Government to give such wide powers to a Securities Commission, maintained Mr. Ellis. Had any wrong-doing been committed, had there been any violation of the Criminal Code, then it was a simple matter to start the machinery of law in operation. Such legislation robbed British subjects of rights given to them through centuries of the administration of British justice, he said.

Mr. Roebuck replied that the old Securities Act, adopted by a Conservative Administration, had given the Commission powers to investigate fraud in connection with the sale of securities. Now this bill proposed to investigate fraud in connection with companies.

# NIXON CLAIMS HENRY FORGOT HOUSE ETHICS

Opposition Leader's Failure to Stake Seat on Charges Roundly Scored

## COVERING RULE ASKED

Sole Motive to Besmirch Honor of Others, Says Cabinet Minister

Claiming that Opposition Leader George S. Henry, because of his failure to stake his seat on the correctness of the affidavit-charges thrown in the Legislature last Friday, had violated all the ethics and responsibilities of a member of the House, Provincial Secretary Harry C. Nixon suggested to the Legislature yesterday that the special committee now drifting a new set of rules of procedure should submit a new regulation to govern such cases.

"If a member has no sense of decency or propriety, or no realization of the gravity of the charge he is making, there should be some means of dealing with the situation," said Mr. Nixon.

### Bad Grace Charged.

Mr. Henry's attempt to read the Government a lecture on ethics had come with bad grace, asserted Mr. Nixon, especially when the charges on which he based his lecture had originated with "a dismissed beer slinger." The Opposition Leader's sole motive, he said, was to besmirch if possible the honor and integrity of the Prime Minister and the member for St. Andrew (J. J. Glass). It was in marked contrast, he said, to the stand taken by the late Paul Munro when that member had levelled the Gunning charges in the session of 1932, and had offered to resign if his accusations were not upheld by the inquiry committee subsequently appointed.

"And did he resign when he failed to prove his charges?" put in Mr. Henry.

"He didn't fail to prove his charges," Mr. Nixon shot back, "and the committee didn't say he failed, nor did the House. And the House passed no censure on him, as the records will show."

### Recalls Previous Cases.

Mr. Nixon also recalled that when he prepared the order paper questions, several years ago, about the O.P.S. bond holdings of Right Hon. Arthur Meighen and former Premier Henry, he had realized the seriousness of the step he was taking, and had informed the Legislature at the time that if his action was not justified, he would resign his seat and fight the question out in his constituency. The same stand had been taken by the former North Grey member, D. J. Taylor, now Deputy Minister of Game and Fisheries.

"That indicates full well," he said, "that we were prepared to accept our full responsibilities. It's a far different course than was taken by the Honorable the Leader of the Opposition last Friday. I submit that his position then brings no credit to him. He did not observe the decencies of debate or ethics which ordinarily should pertain to such matters as he brought up in the House."