

March 24

House Committee To Scan Reasons For Policy Change

Opposition Leader Extracts Promise of Inquiry From Premier After Demanding Exposure of 'Behind-the-Scenes' Manoeuvring Over Quebec Contracts—Draws Admission From Roebuck

IN PROSPECT LAST SPRING, SAYS LATTER

Early appointment of a special House committee to investigate when and under what circumstances the Government and Hydro reversed their "Back-to-Niagara" power policy and turned to Beauharnois and other Quebec companies has been promised by Premier Hepburn.

Consent to the inquiry was forced from the Prime Minister yesterday by Opposition Leader Leopold Macaulay. Raking the "deception and deceit" practiced with regard to the power situation by the Prime Minister and his cohorts during the October general election, Mr. Macaulay, in his most slashing effective speech of the Legislature session to date, charged that not until the air was cleared of suspicion and distrust, and the "behind-the-scenes" manoeuvring exposed, could it definitely be established whether the new contracts in the long run would save Ontario \$92,000,000 (as the Government claimed) or cost it just that much more.

JOCKEYS ROEBUCK INTO ADMISSION.

Forceful in his delivery, biting in his criticisms, deadly in what virtually amounted to persistent and plaguing cross-examination of sober-faced witnesses, the Opposition Leader gave the Treasury benches one of their most uncomfortable afternoons since Liberalism swept into power at Queen's Park. In addition, he enjoyed the extreme satisfaction of skilfully jockeying former Attorney-General and Hydro Commissioner Arthur Roebuck into his first public admission that one of the main motives for his resignation from the Hepburn Cabinet in the spring of 1937 was his refusal "to become involved in the reversal of power policy which was then in prospect."

Debate on second reading of the Government bill to ratify the new Quebec agreements provided all of yesterday's explosive scenes. It was adjourned by former Premier Henry (with Mr. Hepburn's approval) until such time as Hon. T. B. McQuesten can be present to participate.

Roebuck to Switch Vote.

Mr. McQuesten, said Mr. Henry, was in "an awkward position," due to the fact that he had been most enthusiastic for cancellation of the original power contracts and yet was now behind the Cabinet in its virtual restoration of them. When the vote on second reading is taken, Mr. Roebuck—and he announced his position—will oppose the Government. Beauharnois, Mr. Roebuck said, had got all the better of its bargain with Hydro.

Mr. Macaulay tried futilely to hold up passage of the bill until the promised committee of inquiry had deliberated. To put the bill through, before the investigation had decided what was what, was comparable to locking the stable after the horse was out. But Mr. Hepburn voiced a blunt and emphatic "No! No! You can have your committee. We'll select it tomorrow, if you want it, but we insist on passage of the bill."

Brings Premier to Feet.

In leading up to his final curtain demand for a probe, Mr. Macaulay rose to new heights in Hydro argument, cross-chamber exchange and general party leadership. Repeatedly he condemned Mr. Hepburn for his "fooling the electors" conduct of the election—and in terms, too, which brought the Premier to his feet, white-faced with anger, and bitterly protesting against "dirty, mean insinuations." He implied that Acting Chairman W. L. Houck of Hydro was little more than "a rubber stamp," subservient to Cabinet's bidding.

He claimed that, while Attorney-General Conant "honestly believed" that he and Hydro Chairman Hogg had "ganged up" on Mr. Hepburn and had persuaded him to settle with Beauharnois, the truth of the situation—if it ever were told—was that Mr. Hepburn's about-face was mere "window-dressing" and "sound

effects," and that the stage had been set long previously. And to George McCullagh, President and publisher of The Globe and Mail, he hurled the blunt challenge to now "unmask some of the politicians in the Liberal party."

Uses Newspaper's Editorials.

Using The Globe and Mail editorials condemning the Premier for his election campaign "deception," Mr. Macaulay observed that no one during that election was in a better position to know what was going on than Mr. McCullagh.

"There," said he, "is the soldier in arms who time and time again rescued my honorable friend (Mr. Hepburn) from difficult positions."

"I'm quite capable of getting out of my troubles without any help," said Mr. Hepburn.

"You have needed him often in the past," giped Mr. Macaulay, "and you may need him again."

There had been a lot of talk from the Premier during the election about "fight on—fight on for the common good," and "go forward with George and the Dragon," and on the very eve of the election, said Mr. Macaulay, The Globe and Mail's young publisher, had taken to the air with a very effective story of "Unmasking the Politicians."

"And he may have unmasked them, and, to the disadvantage of the Conservative Party, too," he admitted, "but right here and now I challenge him to get busy and unmask some of the politicians in the Liberal Party."

Scents Pre-election Dealings.

While no proof was available, said Mr. Macaulay, all the circumstances before and after the signing of the new contracts pointed to pre-election negotiations—in spite of what the Prime Minister and his Hydro henchmen might say. There was no doubt in his mind, he further charged, that the Premier's unwillingness to take the people into his confidence regarding the power policy reversal during the campaign was due to protests from Mr. McQuesten (then a Hydro Commissioner) and his alleged threats to resign from the Government if his protests were ignored.

Time and time again, Mr. Hepburn rose in his seat—as the Macaulay castigation rolled up and down the Government benches with devastating effect—and demanded that the Opposition Leader make specific charges or leave the question alone. Even after repeated denials of the various allegations of pre-election Beauharnois negotiations, Mr. Hepburn felt it incumbent upon himself to make the following declaration:

"I never at any time or in any way carried on any negotiations with any power companies directly or indirectly until after the election, and then only through the proper channels."

To say that he did constituted "mean and unwarranted suspicions," emanating from "a suspicious mind," he said.

Charges Joker Found.

In a brief reference to the new contracts, themselves, Mr. Macaulay alleged that they contained "the worst joker" to be found in any public contract since 1905. On the face of them, these agreements were for power at \$12.50 per horsepower over terms running from twelve to forty years. But there was a drastic qualification as well, he said, and that qualification, if ever operative, could commit Ontario to possible payment of \$25 per horsepower. He read the clause, as follows:

"Provided, however, that if at any time or times hereafter subsequent to the 30th day of September, 1945, during the term of this agreement a higher rate is paid by the Commission, directly or indirectly to any other corporation or person for electrical power (from water) generated in the Province of Quebec,