

April 1.

LAKE SULPHITE CRASH TERMED WORST FIASCO

Officials Spent Money Like
Drunken Sailors, Cox
Charges

RAPS NIPIGON DEAL

Operations of the Lake Sulphite Pulp and Paper Company, Limited, before the company passed recently into receivership, stood as a monument to the most mismanaged enterprise in the history of Northern Ontario, Charles Cox (Lib., Port Arthur), and Mayor of that city, charged yesterday in the Ontario Legislature.

Money, he said in the Budget debate, was spent as if by "drunken sailors." The management, he claimed, was placed largely in the hands of men outside the Province, many of whom were wholly unfamiliar with the conditions over which they were supposed to have control. Repeatedly the Port Arthur member referred to the enterprise, which planned to build a mill and townsite at Red Rock, as a "fiasco."

Closing hours of the Budget debate were spent largely in a review of timber operations, a review in which William Finlayson (Cons., Simcoe East), and former Minister of Lands and Forests, joined with an attack on the Government's policy of exporting of raw pulp to the United States mills.

Finlayson Bitter.

Mr. Finlayson was bitter, too, in his criticism of the Government's policy of reallocating timber limits without advertising and without tender, in a manner which he charged was akin to a repudiation of the agreements under which the limits had been allocated previously. He, too, brought in a direct reference to the Lake Sulphite Company as he emphasized that out of twelve pulpwood agreements involving erection of mills, flaunted by Premier Hepburn and his supporters during the election, one mill only, the Lake Sulphite Company, had gone ahead to a certain stage, and was a "lamentable failure."

Hon. Peter Heenan, Minister of Lands and Forests, entered the debate in not only a defense of the timber policy, but to say that he had spoken to the receiver of the Lake Sulphite Company and "what he

said indicated that the work is to be started there again and that it is to be the finest mill in the world."

Mr. Cox declared he was not connected in any way, shape or form with the allocation of the limits to the Lake Sulphite Company, or with its financing.

The Conservative Opposition, in demanding an investigation of the company, had failed to ask for an investigation into the Nipigon limits deal which, he said, had reeked of graft. The Nipigon limits had been reallocated by the present Administration, he pointed out, and were now a part of the Lake Sulphite holdings.

North Kicked Around.

"If my honorable friend from Fort William (Frank Spence, Cons.) wants an investigation, why doesn't he go back five or ten years before. Northern Ontario has been kicked around long enough by unscrupulous and chiselling and grafting politicians."

"If you are asking for an inquiry," broke in Mr. Spence, "demand it and let the chips fall where they may."

Mr. Cox said he would like to have an investigation made into Lake Sulphite, but that it should be extended to the Nipigon "when part of the limits now in Lake Sulphite were put through in a crooked deal by a previous Administration."

He claimed that if there was an investigation into the Lake Sulphite situation and the earlier Nipigon deal "people of Northern Ontario will be satisfied and people of Southern Ontario will be shocked as they have never been shocked before."

Mr. Finlayson's speech was his first since he was returned to the Legislature. Scoring the Liberal handling of the Quebec Hydro contract situation, he emphasized there should have been an attempt to rearrange the early contracts instead of repudiation. A settlement would have saved Ontario's name and credit, he claimed.

Mr. Cox's speech, he said, indicated the zeal of a convert.

"I can well remember," said Mr. Finlayson, "when he was a member of the Conservative Party when these wicked things of which he complained were done. I have no quarrel with him in his present views. They are his own. But when he could not get what he wanted he said he could get elected as a Liberal, and he did so."

Under his administration, said Mr. Finlayson, the Department of Lands and Forests allocated timber limits by tender and he claimed the department erred greatest in policy at the present time in allowing the exportation of unmanufactured pulpwood.

He admitted he had granted permits to export pulp while he was in office, but claimed they were for limited quantities.

Mail Clerks Are Absolved

Employees of the Queen's Park Postoffice were absolved yesterday by the Legislature Committee of Inquiry of any suggestion that they had tampered with mail addressed to Hon. Leopold Macaulay, Conservative House Leader.

The committee report, tabled in the House, emphasized that members found Mr. Macaulay had been justified in bringing to the attention of the House the fact that the letter examined by the committee had been opened before it reached him.

"We find there is no evidence that any of the Postoffice employees had tampered with the letter addressed to Mr. Macaulay or with any other mail, and we accept their evidence that they did not," the report read.