

Col. Drew Demands Abitibi Documents As Debate Climax

Opposition Chief Charges Government by Order-in-Council and Official Statement 'Loading Dice' Against Junior Security Holders in Any Reorganization; Macaulay, Roebuck in Attack

'NASTY INNUENDOES,' RETORTS HEPBURN

Three hours of biting and often bitter debate over the Abitibi reorganization situation and the Hepburn Government's attitude thereto were climaxed in the Legislature yesterday with the formal demand of Opposition Leader George A. Drew for immediate production of all contracts, telegrams, correspondence and memoranda relating to the rights and reorganization of the concerned company since Jan. 1, 1937.

There is no indication yet as to whether demand for the documents presages a possible pressing by the Opposition for a House committee inquiry, but some such form of action may eventuate should Colonel Drew carry out intimations to deal with other reportedly interlocking matters specifically within the jurisdiction of Hon. Peter Heenan, Minister of Lands and Forests.

"Dice Loading" Charged.

A vigorous triple-barrelled charge, that the government, by its Order-in-Council and its official statement of last week, was in so many words "loading the dice" against the junior security holders in any Abitibi reorganization, was fired by the new Conservative chieftain, by Hon. Leopold Macaulay, his second-in-command; and by Arthur W. Roebuck, one time Attorney-General in the Hepburn Cabinet. Colonel Drew charged that these investors were being "frozen out" for the benefit of J. P. Ripley, and the Ripley plan—the same man, he added, who had taken \$25,000,000 from the people by means of an original prospectus that had not been lived up to.

Mr. Macaulay challenged the government to leave to the unbiased, non-political financial editors of Canada the decision as to whether

the government's course in the present situation was wise or unsound, fair or unfair. Not ten per cent of those editors, he felt, would back the administration.

Mr. Roebuck warned both Opposition and Government not to make a political football out of the situation, but in particular urged Prime Minister Hepburn and Cabinet to reconsider their stand, and rather than hold an axe over the heads of the junior security holders, as he claimed they were doing, bring all interested company reorganization factions together in an attempt to effect a solution with fairness and equity to all.

Innuendoes, Says Hepburn.

Bristling, at times, under the Opposition fire, the Prime Minister emphatically labelled Col. Drew's address as nothing but "nasty innuendoes" and hurled them back, he said, "in the teeth of the honorable member who made them."

"I hope he doesn't continue such a policy in this House," said the Premier of his new ring opponent. "I trust he is a bigger man than he has shown here today. The government has kept its skirts clean in this situation and is going to keep them clean."

There was nothing wrong, he said, in what the government had proposed — nothing sinister — Col. Drew "and his very suspicious mind" to the contrary.

Mr. Hepburn reiterated his argument of last Friday (in the House) that the government's statement to which Opposition speakers took such objection, and into which (said the Premier) they

read unwarranted interpretations, had been prepared primarily to stop market fluctuations in Abitibi stock. Col. Drew not only alleged that this statement had caused further fluctuations in the stock, but that a week ago, before the criticized Order-in-Council had been passed, it had been common talk in the department of Mr. Heenan that such a government course was inevitable.

"Any one who knew about that," clicked Col. Drew, "could, without having to spend a cent, go into the market and make a killing."

"Paper King" Attempt Seen.

The Opposition leader further charged that Ripley was now trying to make of himself "the new paper king in this country," and that the method of procedure used, with the government assenting, was the same that had been employed years ago, under a Conservative government, when another powerful paper group, the Riordon interests, "was sold under the hammer, to Graustein."

Attorney-General Conant, with a studied interpretation of the government's legal position in the case, and Hon. Mr. Heenan—"the czar of all the north country," as Mr. Macaulay dubbed him—were the other two contributors to the debate. The argument ran on so long, in fact, that the Prime Minister appealed to the Speaker to prevent persistent nagging of his Lands and Forests Minister by the Opposition. Even then, 6 o'clock, the regular adjournment hour, was nearly reached before the Orders of the Day were called.

Mr. Heenan, with his Irish wit and equally Irish temper, brought a rather refreshing touch to the generally cold legal tenor of the speeches. There was nothing, he said, under the Government's policy to prevent the bondholders and security-holders from still getting together. The Government had acted as it had done to stop the situation from becoming a political football. And who, after all, he demanded, had left "the Abitibi mess" on the present Government's doorstep? None other, he said, than the Government to which Mr. Macaulay had once belonged.

"That group is not here now," clicked Colonel Drew, who had indicated previously that he would cut a course in the present House regardless of where the chips might fall.

"Sure they're here," said Mr. Heenan.

"Like death and taxes," smiled Mr. Hepburn. "One on each side of you." And he motioned at Mr. Macaulay and former Agriculture Minister Thomas L. Kennedy.

Colonel Drew, at the outset, charged the Minister of Lands and Forests knew of the Order-in-Council a week before it was passed, and at the time he gave the press interview which Friday drew the rebuke of the Prime Minister.

He interpreted the Order-in-Council as an acceptance of a plan which contemplated foreclosure proceedings by the bondholders, a plan which he baldly termed "the Ripley plan."

"The Premier's statement was one of the most remarkable ever made in a Canadian Parliament," he added. "The Government constitutes itself judge and jury and decided on a plan which not even the bondholders themselves have yet seen."

Mr. Hepburn interjected to emphasize that a clause allowed three years for redemption of the bondholders' interest.

"He tells us in the statement that the proposal is eminently fair. There is nothing eminently fair in the reservation of the right of the junior securities holders to purchase the bondholders' interest," replied Colonel Drew.

"The suggestion that the holders of securities are being offered anything is merely adding insult to injury. By buying bonds on the open market today, they would get nearly twice the value of these new securities they would buy for the supposed concession to these people if they are foreclosed."

The Conservative Leader declared that if there were going to be decisions of this kind, the House should be told. Members, he said, did not know anything about the proposal except what they read in the press and he was satisfied that they were substantially correct.

Sees Freezing Out.

He charged that the proposal indicated the junior shareholders would be frozen out. "I do object to the misrepresentation of the bondholders' committee as to what the junior bondholders are going to get," he said, in repeating there was no advantage in taking up the interests of the bondholders.