

more into debt, but on the other hand the province had an invaluable asset to offset that capital expenditure increase.

Federal Loans to West.

What, he asked, had the federal government to show for its heavy debt increase in recent years? Seventy millions of dollars had been thrown away to the wheat growers; \$148,000,000 had gone to the western provinces in the form of loans that never would be repaid.

"And my personal organ, The Globe and Mail, in its propaganda sheet, which I read every day, and I hope it doesn't take me to task any more than it does, gives us the story of how \$40,000,000 went to Saskatchewan for relief," said he.

"One-half of that huge sum, no doubt, will have to be met by the taxpayers of Ontario some time. Does my honorable friend the Leader of the Opposition support Ottawa in that move, or will he protest the eventual assumption by our taxpayers of that load? Nothing to show for all that increase in debt. Well, that sort of policy does not apply in Ontario. Whenever we increase the debt here we have something to show for it, at least."

The Premier said that he was proud of the work his government had done to assist the hard-hit municipalities in reducing their taxation and debt. Colonel Drew could glibly say that the government hadn't done a thing. But through road subsidies, assumption of the counties' share of King's Highway costs, assumption of all social service charges, increased grants to the schools, and a special one-mill subsidy, among other things, the government had actually handed back \$12,712,000 in one given year to the municipalities.

Speeches Analyzed.

"I don't believe the people of this province fully realize what we have accomplished, and I'm sure the Leader of the Opposition does not

understand. He talks about us having lost the confidence of the people. I say to him, let him resign his seat, and we won't give him an acclamation again, and he'll soon see where he gets off at."

Mr. Hepburn dealt at some length with the speeches of Colonel Drew in his post-convention northern trip, in one of which, he said, the charge had been made that "the sunshine budget had been responsible for the loss of millions of dollars in timber lands." The Premier quoted figures to show, as he claimed, that every form of fire-prevention equipment from pumps and hose to planes and watch towers had been increased since 1934.

Other Conservatives had charged the government with sabotaging Ottawa's youth training scheme, when, as a matter of fact, said he, the Province of Ontario had been the only province to "use sense"—not sabotage—in dealing with it. Under this arrangement, said he, Ontario would continue to co-operate except where jobs could absolutely be provided for the youth concerned.

The Premier dealt with the ex-service men's situation, claiming that now there was no justification for the "wholesale dismissals" allegation which had been levelled against him. He admitted that the Succession Duties Branch had taken on a large number of expert accountants, "but believe me," he added, "they have earned their salaries." Last year, said he, they were directly responsible for collecting some \$20,000,000 in revenue that would not have been obtainable but for their presence on the staff and their activity.

Mental Hospital Staffs.

Staffing of the mental hospitals, he also admitted, might have to be increased at the rate of 100 a year, if the patients' increase maintained its present serious rate. "It's a situation," said he, "that can't be helped. These mentally afflicted simply have to be taken care of." The provincial savings offices opened by the government had likewise more than justified their operation, said he. In fact, they had been responsible for the low rate of interest which the province on its borrowings now enjoyed.

The Opposition Leader, he giped, had had the temerity to suggest that the Hepburn Government hadn't done anything; that it should resign and go to the country. Why, said he, efficiency of administration had increased the net earnings of the Timiskaming & Northern Ontario Railway from \$245,000 in 1934 to \$1,266,000 in 1939. In regard to liquor administration last year the board, with some 230 fewer employees than in 1934, and in spite of the increased activities necessitated by beer and wine sale, had increased its net revenue by \$4,503,000 over 1934.

Considerable was being heard, he said, about the size of the present Cabinet—with the talkers quite unmindful, he added, of the fact that the increased services demanded by the people required a larger administrative body than in other years. In spite of the argumentation, however, salaries for the present Cabinet over a three-year period amounted to only \$84,000, as against \$107,000 in a corresponding period under the Conservative Government. And where the travelling expenses of the Tory Ministers in that period aggregated \$150,271, expenses of the present Cabinet totalled but \$8,410.

Debate on Hydro Issue.

Replying to Colonel Drew on the Hydro issue, Mr. Hepburn intimated that it would be debated at length before the session wound up. As a result of the new contracts with the Quebec companies, the province would save over the period of the life of the contracts some \$92,000,000. Colonel Drew, he said, had stressed the point that the Province had refused to co-operate with Ottawa on the St. Lawrence project. It was high time that Ottawa extended some co-operation to Ontario.

What co-operation had been forthcoming from the Federal authority in the proposed Ogoki and Long Lac diversions? What co-operation had been forthcoming when the Hydro proposed to export surplus power from the Quebec contracts to the United States, with a potential great benefit to the power

consumers of the Niagara district? None, in either case, he contended.

"The Leader of the Opposition," he said, "says I refused to negotiate or to discuss the St. Lawrence matter with Ottawa. There is nothing more to discuss. The Hydro engineers have been down there and discussed it. Representatives have been down there and discussed it. Other people have discussed it. There is nothing to be discussed now that hasn't been discussed often in the past. Ottawa knows my stand. I don't believe construction of the St. Lawrence project at this time is economically sound, and I believe the rest of Canada thinks the way I do. Ostensibly it is nothing more than a new avenue of transportation for the movement of wheat, at a time when we need less and less wheat than ever before."

Ottawa and Taxes.

He did not propose, said Mr. Hepburn, to enter into any further argument over the Rowell Commission stand of his administration. Ontario's case had been presented; he did not propose to alter it in any way. Things had come to an impasse, he charged, when the Federal Government had clearly violated the whole spirit of taxation by invading the Ontario field with a new levy.

"I am glad," said he, "to see the Leader of the Opposition taking up cudgels in Ottawa's behalf, because apparently, nobody else will do it. He's all alone in that regard, and his lot may not be a very happy one. But why doesn't he let it go at that, instead of coming into this House trying to wreck provincial rights?"

In sarcastic vein, the Premier admitted that in the election campaign of 1937, he had conceived the famous billboard "Roweboat" picture. Now, he said, he would have to rechristen the sinking craft "The Showboat," with Colonel Drew as "Miss Canada, No. 1." Colonel Drew, said he need not have to worry at this moment about an election. In time it would roll around he said, and when it did he could promise him he would be "taken into camp" as easily and effectively as his predecessors in office had been taken in.