

HEENAN NAMES SWEZEY DEAL FINANCE GROUP

Engineering Troubles
Given as Reason for
Failure of Project

HEATED DEBATE

After a brief but bitter clash with Colonel George Drew before the special committee of the Legislature investigating the timber policies of his department, Hon. Peter Heenan, Minister of Lands and Forests, yesterday disclosed the names of the financiers who backed R. O. Swezey, Montreal promoter, in the formation of the Lake Sulphite Company.

They are F. M. Connell, Montreal mining man; J. W. McConnell, publisher of the Montreal Star; Joseph Simard of Montreal; John Stadler, Montreal engineer; D. M. Hogarth, Toronto; Swezey Company, Montreal; Hanson Brothers Ltd., Montreal stockbrokers; McLeod, Young and Weir Company, Montreal and Toronto; E. E. Johnson, Fort William, and the Bronfman brothers, Montreal distillers.

"No Useful Purpose."

Before disclosing the names, Mr. Heenan told the committee that he believed no useful purpose could be served by their publication, but that if Colonel Drew insisted he was ready to name the men involved in the financing of the Lake Sulphite Company.

"I must say that at this time, when the company is in the stage of reorganization, that it will do no good to publish the names of these men. It is not encouraging to them to be labelled as men who gambled and lost at a time when an effort is being made to re-establish the Lake Sulphite Company," said the Minister.

At the last meeting of the committee Colonel Drew insisted that the names be made public, and when Mr. Heenan refused to do so Colonel Drew appealed to Chairman Paul Leduc, Minister of Mines, for a ruling. Mr. Leduc yesterday was not forced to make a ruling as Mr. Heenan disclosed the names when asked to do so.

"Colonel Drew asked for the names of the men who Mr. Swezey told you were prepared to aid him in the financing of the Lake Sulphite Company. Are you prepared to give the names?" Mr. Leduc asked Mr. Heenan.

"Yes," replied the Minister, "they are Canadians who assisted in a pure Canadian corporation."

"Did you say pure?" said Colonel Drew.

"They had faith in the company, and they lost," continued Mr. Heenan. "I can't see what good will come of publishing their names."

James Cooper (Lib., Sudbury) asked Mr. Heenan if he knew of any other project where the names of the backers had been made public.

"Not the names of the men who invested money," replied Mr. Heenan, "but the names of the promoters. I would have gone ahead with the Lake Sulphite proposition even if I had not known the names of the financial backers. However I might not have included in recommendation to the Cabinet the words 'that the company brought with it a sufficiency of capital to fulfil their project.'"

Calls Answer Evasive.

"I have never heard such a hopelessly evasive answer," said Colonel Drew. "I am not going to waste any more time shadow-boxing. I want to know what information you had that led you to recommend to the Cabinet passing an Order-in-Council giving land grants to the Lake Sulphite Company."

"Don't take your shirt off," replied Mr. Heenan; "perhaps you are going to get more information than you want."

"Don't talk rot, please," said Colonel Drew, "and answer my question."

"The men were all Canadians," said Mr. Heenan, and then read out the list of their names.

Colonel Drew asked why the project had failed. "Not because of lack of capital," replied Mr. Heenan, "but because of engineering difficulties. That was the excuse given anyway." He then showed a picture of the company buildings.

"Does it include the lodge?" asked Colonel Drew. "You mean the Knights of Columbus lodge," said Mr. Heenan. "You know what lodge I mean," replied Colonel Drew.

Colonel Drew then asked for the agreements that the Government had received from other companies passing back Crown land into the Government's hands, which was later handed over to the Lake Sulphite Company.

While officials of the Lands and Forests Department went out to

look for the agreements in the file, Frank Spence (Cons., Fort William) and Mr. Cooper brought up the question of Canadian companies who could not get adequate timber supplies.

Mr. Spence said that there were companies in Fort William and Port Arthur, employing many men, who had been unable to get timber to fill their standing orders.

Mr. Heenan said that if this timber was sold by public tender it was bought by a bid way out of reach of the mill operator, "simply to keep him out of business."

"You mean there is speculation?" said Mr. Spence. "Some," replied Mr. Heenan, "but mostly it is just damned cussedness."

Colonel Drew suggested that a non-political commission, patterned on the Hydro Commission, might solve the problem. "I don't think so," said Mr. Heenan. "The Minister is answerable to the members and should be responsible. But if he sells timber to the mill operator by Order-in-Council he is accused of playing politics. I know that I have hesitated sometimes for fear of the political consequences. The whole matter of the sale of timber is a political question in the district, and as long as this is so it is very difficult for the department to act to the best advantage of the operator. I would suggest for a Minister a big two-fisted fellow who just doesn't care," said the Minister.

R. D. Prettie, of the Northern Wood Preservers Company in Port Arthur, was called to the witness stand, and testified that he could not get enough timber to fill the immediate orders his company had on hand.