

Macaulay Wins Legal Joust And New Hat From Conant

An involved legal argument which saw Leopold Macaulay win a hat from Attorney-General Gordon Conant featured a continuation of the debate on the Succession Duty Act amendments in the Legislature yesterday.

Mr. Macaulay took a judicial judgment offered by the Attorney-General in support of a contention, and turned it against the Government's case by proving that this judgment of the Supreme Court had been reversed by the Privy Council on appeal.

"Is the Attorney-General aware that this judgment was reversed by the Privy Council?" asked the member for South York after the Attorney-General had read the judgment which dealt with an appeal by a laundry company against the Dominion Government in connection with income tax.

"No, I was not aware of that," replied Mr. Conant.

"Well, it has," retorted Mr. Macaulay. "The Privy Council said that while the Minister was absolute authority, the act implied that he would proceed on a judicial basis."

The Attorney-General said he was prepared to accept the Opposition member's word for it, but Mr. Macaulay insisted that a legal reference be obtained from the library to prove the matter beyond doubt.

"Let's settle it now," he said. "Mr. Attorney-General, you have a lot of high-priced legal gentlemen from your department sitting under the gallery. Send one of them out to get the book."

"I'll take your word for it," said Mr. Conant.

"No, I don't want that," said Mr. Macaulay. "We pay a lot for the up-

keep of that library. Send out and get it."

Mr. Macaulay said he was prepared to wager a hat that the judgment had been reversed. The Attorney-General replied that while he was not doubting this, and would accept the bet, he was not prepared to forego his argument until he knew the principles involved in the Privy Council's decision.

"Send out for the reference," demanded Mr. Macaulay. "Those gentlemen under the gallery are still warming their seats."

A little while later Mr. Macaulay asked Mr. Conant if he had obtained the Privy Council judgment from the legal library. When the Attorney-General replied that he had not, Mr. Macaulay jumped up and said he would get it himself, and left his seat. He returned in a few minutes with the judgment.

"I have received from the law officers of the Crown the volume I was asking for," he said. "The law reports of the appeal case are dated Oct. 13, 1939. My first observation is this: I don't expect the Attorney-General to keep up to date on all judgments handed down, but when officers of his department send in a memorandum on a case that is expected to bolster your argument, when the judgment in that case has been reversed, then I say they are not on the job."

"My head size is no larger today than it was five years ago, so if you would be good enough, I'd like that hat," concluded Mr. Macaulay amid laughter.

"I'll take that bet from my colleague and buy the hat if you'll wear it," said Premier Hepburn.

PROVINCE BARS ANY NEW MILLS FOR NEWSPRINT

Won't Be Allowed Even
if Production Cheaper,
Probe Is Told by Heenan

EXPLAINS POLICY

For the present the Provincial Government will not allow new newsprint mills to be set up in Ontario, even though they might produce more cheaply than existing companies, Hon. Peter Heenan, Minister of Lands and Forests, said yesterday before the special committee of the Legislature investigating the timber policies of his department.

The Minister said that there were many companies who "would be delighted to build newsprint mills in Canada. They believe that by greater efficiency, and through new scientific developments, they would be able to produce more cheaply than mills now operating."

He said that it was the Government's responsibility to refuse permission to these companies to start production, so that mills now in existence would not be put out of business, and that communities dependent on existing companies would not be thrown on relief.

"Don't you think that the question should be carefully considered, in view of the fact that you yourself have said that one of the chief problems of our newsprint industry is that we cannot compete successfully on the international market?" said Colonel Drew.

"Of course these companies only claim they can produce more cheaply," said Mr. Heenan, "and if they were given permission to go ahead they might fail as did the Lake Sulphite Company, which was supposed to make millions."

Would Benefit Country.

"Don't you think that if methods of cheaper production were found, and more newsprint produced in Canada it would be beneficial to the country as a whole?" asked Colonel Drew.

"Yes, you have a strong argument there," replied Mr. Heenan.

"Then I suggest that the Government hire experts to find out if it is possible to reduce the capital costs in the newsprint industry," said Colonel Drew.

Mr. Heenan said that no specific proposition had been made to him by any group wishing to set up a newsprint mill, but that "the proposition has been put to me in a broad way."

"What Mr. Cain (Deputy Minister) called preliminary, exploratory conversations," said Colonel Drew. "Yes, that is so," replied the Minister.

From figures presented to the committee by the Department of Lands and Forests it was shown that the Lake Sulphite Company had under their control 3,378 square miles of territory. This was given over to them by an Order-in-Council and a subsequent agreement which gave them control of the Lake Nipigon Company. On these combined territories they controlled seven and a half million cords of pulpwood, plus a yearly growth of two hundred thousand cords.

"In the agreement with the Government it would take fifty years for the company to use the standing timber on their land," said Colonel Drew, "without taking into consideration the yearly growth of mature wood."