

Can't Allow Beer Issue Statement to Go 'Unchallenged'

Premier George Drew in the Legislature yesterday charged that not only had Prime Minister Mackenzie King "grossly misrepresented" the facts concerning the beer restrictions, but had imputed a lack of patriotism on the part of the Government and the people of Ontario.

Premier Drew, in rising before the orders of the day, charged the Ottawa Government with failing to co-operate with Ontario and pointed to his request for a conference on beer—a request left unanswered by Mr. King—as one of many proofs that Ontario had done everything possible to co-operate in the matter.

Text of Statement.

Following is the text of Premier Drew's statement:

When I informed you yesterday that the Prime Minister of Canada had just announced the withdrawal of Dominion restrictions on the sale of beer, I did not have the text of his remarks before me. Having read them, I consider it my duty to deal with them today.

Mr. King's main argument was devoted to the alleged failure of the Government of Ontario to co-operate with the Dominion Government in this matter. That is an imputation too often and too readily made by the Prime Minister of Canada. Every member of this Legislature will recall vigorous criticism of these restrictions from other Provinces than Ontario and Alberta.

But the most offensive feature of Mr. King's statement is the imputation that this Government is not actuated by the same patriotic motives which inspired the Dominion Government in questions of this kind.

Since we were merely reflecting the criticism which has been widespread throughout the whole Province of Ontario, the statement goes further and imputes a lack of patriotism to the people of this Province. That is an imputation which neither I nor any other member of this Legislature should let pass unchallenged.

Patriotism Proved.

No one knows better than does the Prime Minister of Canada that the patriotism of the people of this Province has been fully demonstrated during this war. And I may also say that I resent most keenly his imputation that the Government of Ontario is inspired by less patriotic motives than those of Mr. King and his colleagues.

His statement that Ontario has failed to co-operate is contradicted

by the facts. They speak for themselves. We have on every occasion since we took office offered co-operation and sought closer relationships between the Dominion and Provincial Governments. Over and over again I have requested a Dominion-Provincial conference to lay the foundation for the effective solution of the vital problems which confront us.

The absence of co-operation has all been on the other side. In the most high-handed manner the Dominion Government has proceeded to make announcements regarding matters ordinarily within the exclusive jurisdiction of the Province without even indicating to us that the matter was under consideration. The Dominion Government flatly refused to co-operate effectively with us in the preparation of the labor code.

Health, Medical Services.

Recently a health plan was announced containing many important details of activity which the Provincial Government would be called upon to carry out, without even letting the Provincial Government know what they had in mind. Yesterday the Minister of National Defense announced a plan for the provision of medical services, for which the Provinces again would be called upon to arrange payment, without consulting the Provinces at any time as to the effect the proposals would have upon existing or contemplated legislation.

We have heard of these proposals indirectly through the press or otherwise, without even the courtesy of a letter to tell us that it was being done, so that we might be ready to express our approval or otherwise when the announcement was made.

In a Federal system such as ours, conduct of this kind makes effective joint action utterly impossible, to say nothing of the decent amenities which should be expected in public life.

The Prime Minister has taken great exception to signs appearing in the sales outlets in this Province. He has grossly misrepresented the facts. It is true there was a reduction in the percentage available of beer in the beverage rooms, but the total percentage sold from all outlets was the exact amount allowed by the Dominion regulations.

Sold Amount Permitted.

Ontario sold its total quota permitted by the Dominion Government. These notices did not appear only in the beverage rooms. They appeared in all sales outlets and they correctly stated the facts in every case. The notices mentioned no percents. They referred only to restrictions.

The Dominion Government fixed no definite percentages which were to be allocated to any particular sales outlet. They fixed an overall total, and it was the duty of the Provincial authorities to allocate that total as they deemed advisable. These notices were worded accurately. They represented the facts. They represent the facts now. And I may tell the Prime Minister of Canada that they will remain in every sales outlet affected by the Dominion restrictions.

The Province of Ontario has accepted its full share in the prosecution of this war, and as the Leader of the Government of Ontario I must express my most vigorous condemnation of the shameful imputation by the Prime Minister of Canada that either the Government of Ontario or the people of Ontario are not fully conscious of their patriotic duty at this grave hour in the life of Canada.

Supported by Hepburn.

The Premier's denunciation of Mr. King was supported by a former Premier, Mitchell F. Hepburn, who told the Legislature in his first address of the session that the Province vacated the field of corporation and income taxation in favor of the Dominion on the definite understanding that Ontario would retain the whole field of administration of alcoholic beverages. Mr. Hepburn read the correspondence which passed between the Liberal Government and Mr. King on the question of jurisdiction.

A. St. Clair Gordon, who took his seat in the Legislature for the first time this session, followed Mr. Hepburn and took issue with Mr. King on the statement that Ontario had failed to co-operate with Ottawa in

carrying out the restrictions. The former chief commissioner of the Liquor Control Board told of the steps taken by the board to co-operate with Ottawa and asserted that he and his officials went out of their way to offer every assistance to the Federal authority.

Sirois Report.

The Ontario public made little complaint over the liquor restrictions, but there was an uprising over the beer restrictions, he asserted. By reducing gallonage to the beverage rooms and transferring it to the brewery warehouses the Liquor Board faced an annual loss of between \$300,000 and \$400,000, Mr. Gordon said.

"We were faced with the impossible situation of the demand far exceeding the restricted supply," Mr. Gordon declared. "The Liquor Control Boards of Canada have become simply distributing agencies under the Dominion order."

Mr. Hepburn commented on Prime Minister King's criticism of lack of co-operation between Ontario and Alberta Governments, "and his own bureaucratic Government." That was due, he felt, to the opposition to the Sirois report from these two Provinces. "The Sirois report," said Mr. Hepburn, "would have implemented the complete destruction of the Provincial economy. Ontario and Alberta did their full duty at that time."

Mr. Hepburn said he had been one of those who went to Ottawa to discuss the taking over by the Dominion of the double taxation field of corporation and income tax. He had been told that the Dominion did not propose to invade the field of liquor taxation.

The whole arrangement by which the Province ceded to the Federal Government the fields of corporation and income taxation, said Mr. Hepburn, was on the definite understanding that the Province would retain the whole field of administration of alcoholic beverages. On this basis, he said, "the Provinces, in good faith, entered into the agreement with the Dominion