

OPB

130461

January 25, 1934.

Dear Dr. Ross:

As stated to Mr. O'Leary this morning, I am enclosing chart showing all purchases of Companies in our organization of O. P. S. Bonds.

It may appear to you somewhat complicated but if you just look at the table in the lower right-hand corner, you will get the history pretty well and very clearly summarized.

The following facts in connection with the chart are very important and I think are all that are of much importance:

1. The Hydro Commission had nothing whatever to do with the acquirement of the Abitibi Canyon property. It was a Governmental responsibility from the beginning. The Hydro Commission first acted as agent for the Government in the acquirement on August 2, 1932, on receipt of a letter from Mr. Henry setting out the terms on which the Government was acquiring the property, and undertaking to indemnify Hydro as its agent.

2. The Ontario Power Service Corporation (a subsidiary of Abitibi Paper Company) stood on its own feet until approximately June 1, 1932, when the Abitibi Paper Co., which had to supply the moneys to complete the project over and above the proceeds of the bonds of O. P. S., failed to pay its own bond interest. It then became a question for the Government as to whether they should interest themselves or not.

3. When the bonds purchased in May 1932 (the last being bought on May 23rd) were acquired, there was no talk whatever that ever I heard of, of the Government acquiring the property. In any event I was in Ottawa entirely and knew nothing of the purchases, but would have undoubtedly approved had I been in Toronto.

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