

ONTARIO LEGISLATURE.

FIRST SESSION—THIRD PARLIAMENT.

WEDNESDAY, Feb. 2.

The Speaker took the chair at 11 o'clock.

PETITIONS.

The following petitions were presented:—

Mr. Hardy—Of Brantford Town Council, praying for certain amendments to the Bill now before the House, respecting tavern and shop licenses.

Mr. Crooks—Of the County Council of Oxford, respecting the Municipalities Fund.

PRINTING.

Mr. CLARKE (Wellington) presented the seventh report of the Printing Committee.

PROVISION FOR THE INSANE.

On the motion of Mr. WOOD, the Bill to make further provision for the Insane was read the third time and passed.

CANADA CAR COMPANY.

Mr. WOOD said that when the proposal was originally made to enter into a contract with the Canada Car Company, both sides of the House concurred in considering the company a respectable and stable one. Time had shown that the fears entertained as to the number of prisoners guaranteed by the Government were groundless, but the Company had failed to carry out their part of the contract, not through their own fault or lack of industry, but in consequence of the general stagnation of trade. The Government had then to consider which was the best course for them to take. One was to make a new contract, varied somewhat in terms, with the Car Company, and the other was to make a contract with some other company. No more unfortunate time could be imagined to make a contract with another company, while the Province ought to do what was right with this company. If the Company were composed of men of straw, without capital, it would have been a different thing; but its members were first-class business men, who had subscribed a capital of \$270,000 or \$280,000, and not only had the whole of this amount been sunk, but the Company owed \$125,000 to the bank and \$60,000 to other parties. Their only assets were \$100,000 due from the Canada Southern in four years' time for cars, and the works, which were estimated to be worth about \$150,000. The Company proposed to enter into a new contract, and the Government consented. But it was necessary first to settle the accounts between the Government and the Company. The Government had a claim against the Company for labour performed and labour unperformed—the one being an equitable claim, while the other was a strictly legal claim. On the other hand the Company had a claim against the Government for non-fulfilment of contract, and for works performed in the interest of the Province and at the instigation of the Government. Some people might say that the Government ought to have enforced the contract; but for his part, if they had not received one dollar from the Company for the labour of the prisoners, he would say it would not be just for this wealthy Province to compel the payment of a dollar for the unperformed labour. He had before him a statement from the Prison Inspector, showing the work done from the 1st June, 1874—the beginning of the contract—to the 30th September, 1875. There was an average of 221 prisoners employed. The number of working days was 88,400, which at 50 cents a day would amount to \$44,200. There were 49,915 days on which work had been done other than that for the Company, and 29,966 on which the work had been for the Canada Car Company, leaving 8,519 days when the men were not employed. So, though the Car Company had not been able to utilize the labour of the prisoners all the time, the Province had had the advantage of the labour. The Government agreed to abandon their claim for unperformed labour, and the Car Company agreed to abandon their claim for non-fulfilment of the contract. Then came the question, what the Government should pay for labour performed for works in connection with the Central Prison. The decision which had been arrived at was that the sum of \$15,000 should be paid. The Government had a claim for \$14,000 or \$15,000 against the Company for performed labour, and the Company had a claim against the Government of about \$15,000 for works done in the interests of the Province. So far

as the Government were concerned, they had a lien upon all the works of the Car Company. The Company proposed to add \$50,000 to their cash capital, and to go into a new industry, and they asked the Government to treat them fairly—not to give them a dollar, but so far as they could to treat them liberally, and to endeavour to assist them if in so doing they did not endanger the money of the Province. They proposed to pay the Government 6 per cent interest if they gave them one or two years in which to pay their indebtedness. They placed before the Government the true situation of the Company, and pointed out, what every one knew, that there could be no more unfortunate time than this to enter into a new industry, or to build up a company almost bankrupt. It is true that good business men were in this company, but for perhaps six months to come every business man would require for his own business transactions every dollar he could command at his bank. The Government, therefore considered it right to pay the Company their claim against the Government and to give the Company time to pay the Government's claim against them, on their paying interest at the rate of six per cent. meanwhile. Two or three years ago they had every confidence that the Canada Car Company would be a success, but in entering into another contract they ought to provide for the occurrence of a similar contingency. They had made a contract for breaking stone at \$3 a ton which they expected would carry them on to the 1st May, when this new contract would take effect, and they had asked for \$5,000 to enable them if similar conditions should arise to furnish employment to the prisoners which would be profitable to the Province. In conclusion he moved—"That this House do, on Thursday next, resolve itself into a Committee to consider the following Resolution:—

* That a proposed contract between the Inspector of Prisons and Asylums, and the Canada Car Company, do receive the concurrence of this House."

Mr. LAUDER said he did not intend to offer any opposition to this motion. He contended that the protest made formerly by the Opposition to the contract with this Company had been justified by the disastrous results. Of course circumstances had occurred which had not been foreseen, but they had pointed out that there was too much risk in the matter to allow the Province to go to such large expense. The members of the Company were limited in their liability, and could not be made to pay more than the amount of their stock, which he believed had all been paid up. He was of opinion that the prisoners at the Central Prison were treated in a way which would not prove to be a corrective. He considered it was a very comfortable place to live in, and that the men were better off there than they were at home. He thought the men should be punished. They must all regret the position in which this institution was placed. He was free to admit that the Car Company did deserve consideration at the hands of the Government, but he thought the Government were very much to blame for the present state of affairs. He was glad that the Government thought they had a prospect of better days for the institution, and hoped they would be successful. It was a very fine building, and if proper industries had been brought into it at first would have been a credit to the Province. He did not desire to throw unnecessary obstacles in the way of the management of such an institution as this, which was very difficult and required great care and attention. He hoped the Government would be more successful with the new contract than with the old one.

Mr. MOWAT said the Canada Car Company included a large number of the best and most successful business men in the country, and they had shown their view of the contract by investing nearly half a million of money in it. (Hear, hear.) It appeared, however, that the united wisdom of these experienced business men had been far inferior to the foresight of the member for East Grey. That hon. gentleman had now stated what his views had been, but unfortunately he did not deserve the credit he claimed, as he had never expressed these views until after the event happened. (Laughter.) The objection the Opposition had formerly taken was not the one now stated by the hon. member for East Grey, but they had objected on the ground that the Government would not be able to supply the required number of workmen. But it was quite clear that that objection had no force, for had the Company been able to carry out the contract the expectations of the Gov-