

them to get rid of their shares at the first favourable opportunity, because his conviction was that they would go down in value. The gentleman connected with this case, Mr. Grant, formerly Secretary of the Grand Trunk Railway Company, had become a broker, and was anxious to obtain his opinion, and did get it and acted upon it. Just before he (Mr. Macdougall) left England, and to the surprise of everybody, the shares of the Hudson Bay Company suddenly, in the course of a couple of months, advanced from 17, the par value of the shares, to 19, about £2 per share. There was no apparent cause for such an advance, but he felt satisfied that before many months they would fall below par. Acting on that opinion he instructed Mr. Grant to sell for him 150 shares, and on his leaving England he obtained a settlement of some balances due him on certain transactions. At Mr. Grant's request, and for the sake of his partner, who was a stranger to him (Mr. Macdougall), he gave Mr. Grant security in the shape of a mortgage on some property in Toronto. That was done on the strict understanding that he should protect these shares, and he (Mr. Macdougall) was to ascertain, if possible, on coming to this country, the cause of the rise, and communicate to him, with the view of his making further sales on receipt of information. So confident was he that the stock would rise that he allowed Mr. Grant to sell 100 shares on his account before he left England, and Mr. Grant assumed the risk of the further rise of the shares. He thought he was pretty safe in the hands of a gentleman who had acted so generously with him, and he came out to Canada. The shares, however, continued to rise; but at a certain stage of the proceedings Mr. Grant took it upon himself, without instructions from him (Mr. Macdougall), to close these shares when they were actually on the fall. It was, as he (Mr. Macdougall) considered, a matter of honour between the parties; as he understood the law, there was no legal liability, transactions of this nature not being amenable to the courts unless there was an actual transfer of the shares. However, Mr. Grant paid a visit to Canada and made a demand upon him, not only for the balance that had accrued on the 150 shares, but on the 100 on which he himself had agreed to carry the risk, amounting to some £2 or £3 a share. He of course told Mr. Grant that this was not in accordance with the agreement. In the meantime they continued to have communication as to the cause of the rise, and it came out that it was in consequence of a proposal made either to or by a member of the Government of Canada to purchase for the people of this country the lands of the Hudson Bay Company in the North-west, and the price mentioned was £1,500,000. He considered that a great impropriety on the part of the Government, and he thought the people of the country would not approve of it. It was agreed between himself and Mr. Grant that the latter should go back to London, and be guided by his advice as to further sales and purchases. The result was that communications took place between them, and as the "bulls" were still operating on the London market, the value of the shares increased. After quoting from a report in *Hansard* of some remarks made in the Dominion House with respect to the purchase of those lands, he went on to say that he maintained the opinion that the stock would go down, and so informed his friend in England. He had no doubt, and he so stated in his evidence before the Court, that Mr. Grant kept his stock open, perhaps in some other person's name, upon his information from this country, which was well based, which was honest and true information, and that he effected large sales and made a large sum of money; and therefore, when he sent out instructions to Blake, Kerr, & Boyd to prosecute him, he (Mr. Macdougall) contended that Mr. Grant failed to keep good faith with him, and owed him a large amount of money. The stocks had since fallen to 10½ from 23, the highest point they reached. He read a letter dated May 13th, 1875, which, he said, was not accepted in Court, and which he wrote to Mr. Grant, to show that up to that time there was a continuous transaction between them. Mr. Grant,

however, took another view, and the case went into Court. He was advised by his solicitor that the transaction was illegal, and could not be enforced by legal process. In support of that view he read Mr. Benjamin on "sales." He believed he should have been justified in resisting the designs attempted by his broker upon him, and in availing himself of the plea that the transaction was not recognized by law, but he refused to do so, preferring to let the case go on its merits. The Court did not decide in favour of his view. He had no complaint to make of the judgment of Mr. Vice-Chancellor Blake—a gentleman whom, for many reasons, he could not expect to hold a very favourable opinion of him. He was advised to make application to have the case heard before another judge, but he refused, believing that as the Chancellor had taken the oath of his office, he would conduct the case fairly. The garbled statement in this newspaper of a private transaction was made the ground of an attack upon him as a public man. He submitted that there was nothing in the fact of his going into Court and defending himself, on grounds which he believed to be just, because of what he believed to be the violation of a contract. But this newspaper, for the purpose of damaging him in the eyes of his fellow-countrymen, and of casting a reproach on a political party, chose to parade this private suit before the world, and to assail him in terms which might be called libellous. All he could say was that he would not prosecute the libel in the courts; but he should probably take the opportunity of making a more full and exact statement of the transaction in the press if it were further discussed. In the meantime he left the matter in the hands of the Attorney-General and his colleagues in the House.

Mr. HODGINS said there was no doubt that everybody, when prosecuted in a Court of law, had a right to defend himself, and this House had nothing to do with the litigation referred to by the hon. member. But he had hoped that the hon. member in his statement would have repudiated a letter, which formed part of the documents published with this case. Although he had received a copy of the newspaper only an hour before, he considered the statements made in the letter sufficiently startling to induce him to read it, and that was the only part of the report in the newspaper which he had read. He could not avoid expressing his great regret that an hon. gentleman of the political experience and standing of the hon. member for South Simcoe should have written a letter of such a character. It was written, he observed, during the sittings of the first session of this House, and while the hon. gentleman was a member of it. The hon. gentleman stated in that letter that he had suffered some losses, and must make a "big push" to recover them. The hon. gentleman was, of course, entitled to the sympathy of every member of the House for the losses he had sustained in this unfortunate transaction; but when he proposed, as he did in this letter, to endeavour to recoup himself of his losses by using his position as a member of this House to have certain statements made here, and by having Mr. Mackenzie questioned in the Dominion House as to the value of the property in which he was interested, he did wrong, and it was the duty of every member of this House to disapprove of his conduct. He (Mr. Hodgins), as a member of the House, must express his surprise that the hon. gentleman had so far forgotten his duty as a representative of the people as to seek to use his public position here for the purpose of promoting his private advantage. It was regarded as a cardinal principle by those whose views on public affairs were accepted as authoritative, that no member of Parliament should use his public position, either in the way of legislating, of moving for returns, or of making statements in debate, to promote his private ends or his financial advantage, and that under no circumstances should he allow his public conduct in Parliament to be influenced by any private or financial considerations. In a House, therefore, which required of its members the highest