

honour, and the observance of the strictest rules of political morality, it was a matter of great regret that the hon. member did not repudiate—as he was undoubtedly bound, as a member of the House and a prominent public man, to repudiate—the letter to which he had referred. That hon. members might not misunderstand the full effect of the letter he would read it to the House:—
Private.]

TORONTO, Dec. 18, 1875.

MY DEAR GRANT,—I write you with the approval of G. Stephen in regard to the H. Bays. It is known that Mackenzie has abandoned all intention—if he ever had any, which I doubt—of purchasing the Company's lands in the North-west. *Entre nous*, I suspect that he was put up to announce the fact of such negotiation by the Montreal operators, including ex-Governor Smith, in order to put up shares. The ruse had the desired effect, but now the *denouement* approaches, for when Parliament meets in February Mackenzie will have to confess that the Dominion Government will not purchase. Moreover, furs are dull and almost unsaleable; they are now cheaper in Montreal than for years. You will be able to say how they stand in England. Stephen says they are a drug there also, and that if the usual dividend is paid it will not be out of this year's profits. He admits the shares ought not to be above par, viz., 17. He and the Montreal people who were "bulls," are now all "bears." This you may rely on. I intend to get some article in the papers here on the land question, and to refer to it in our Local House when we come to discuss the railway question. I will send you these papers, and you can, no doubt, get paragraphs copied into the English papers. You know I always contended for a fall, if the truth could be got before the public. Let us make a "big push" and recover our losses. As an earnest of Stephen's good faith, I may tell you that he has just sold 300, of which he gives me one-half profit, and will himself stand the loss, if any; but this is too small a "go," and I want you to join in the movement and give me a chance to reduce that mortgage. Now, like a sensible and just man, turn this matter over and tell me what you think and what I can do to help the fall. I will have a question put to Mackenzie as soon as the House opens, and the answer I am sure will be conclusive as to the Government buying H. B. lands. I will also try to get the *Times* correspondent here, whom I know, to allude to the matter in his next letter. I will, during the next week, enclose you anything that appears in Canadian papers bearing on the question. I am afraid if you wait till the public hear that the Canadian Government have abandoned the idea of purchase, you will be too late to make £3 or £4 per share. All my information from North-west confirms my view that the fur traders compel the H. B. Company to pay the highest price for their furs, and their general local trade in goods is not profitable. Running steamboats is a costly operation.

Very truly yours,

(Signed) WM. MACDOUGALL.

The hon. member might use outside such means as he might consider fair or proper to recover his losses, but when, as he stated in this letter, he would get an article in the papers, and then refer to it in this House in order to make a "big push" to recover his personal losses, he (Mr. Hodgins) thought it was the duty of this House, as he certainly felt it to be his duty, to say that it was not proper for, nor within the duty of, any public man to use his position in this House for the purpose of improving any investment he had made in private speculation. (Hear, hear.)

Mr. MACDOUGALL said he could not repudiate the letter because he wrote it, and he still stood by it. But the hon. member would search the records in vain to find that he had used his public position to promote his private advantage; he had never done so. At the time these letters were written he believed it to be his duty to do whatever he could to prevent a huge swindle being perpetrated on the English people. They were not always careful, as a matter of fact, to separate their actions in this House with regard to Bills and measures from their own private interests. Had not many of them introduced Bills affecting their private advantage, and the hon. member among others?

Mr. HODGINS—I flatly deny that.

Mr. MACDOUGALL said the hon. gentleman would perhaps have an opportunity of discussing that question at another time. He repeated that he had never used his public position for the promotion of his private interests.

THIRD READINGS.

The following Bills were read a third time and passed:—

To incorporate the Georgian Bay and Wellington Railway Company.—Mr. Hunter.

To incorporate the Saugeen Valley Railway Company.—Mr. Sinclair.

To enable Isaac Brock Burwell to sell certain lands in Westminster.—Mr. McCraney.

SUPPLY.

The House went into Committee of Supply.

On the item of expenditure on account of Crown Lands, \$89,000,

Mr. PARDEE stated that the appropriation asked for this year was \$2,600 less than was voted last year. This was owing to less being required for surveys than was the case last year. Fifteen townships were surveyed last year, eight in the Huron and Ottawa territory, and seven on the shores of Lake Superior and Lake Huron—and about the same number would be surveyed this year. The whole district lying between the Georgian Bay and the Ottawa River would ultimately have to be surveyed.

Mr. LAUDER said there was no objection to granting money for surveys, but he thought they would be useless unless the districts surveyed were settled. He pointed out that the hon. member for Muskoka (Mr. Miller) was a dealer in timber limits, and he considered that that compromised his position as a member of the House.

Mr. MILLER believed that anybody had a right to purchase timber limits. Members of this House, as well as of the old Parliament of Canada, had frequently dealt in timber limits. As a matter of fact, he had never individually owned a foot of timber limits; some timber limits had been returned in his name, though actually owned by the Parry Sound Lumber Company, a joint stock company of which he was a shareholder.

Mr. GIBSON thought the member for East Grey should be the last man to talk about the Independence of Parliament Act, when he was the only member of the House for whose special benefit a little clause was inserted in that Act. (Hear, hear.)

Mr. SCOTT said there was no parallel between the two cases. He thought the statements made by the hon. member for Muskoka, and the position he occupied as the principal stockholder in a company dealing largely in timber limits, would justify the Attorney-General considering it, if the Independence of Parliament Act was not to be a dead letter.

Mr. FRASER thought it was hardly appropriate for those who should, above all others this afternoon have let sleeping dogs lie, to make the references to the hon. member for Muskoka which had been made, and the hon. member for East Grey, when he was made the mouthpiece of somebody else, should be very careful in his statements.

After a few remarks by Mr. Dawson,

Mr. LAUDER hoped the Commissioner of Public Works would formulate his insinuations into a charge. He declared that if he did not do so, he (Mr. Lauder) would refer to the matter when the Speaker was in the chair.

The item was then passed.

On the item of Land Improvement Fund, \$16,741, under the heading of Refund Account,

Mr. MEREDITH asked why twenty per cent. commission was charged on the amount paid over to the Municipal Fund and only six per cent. on the Land Improvement Fund?

Mr. WOOD said that in this matter he followed the precedent established by his predecessors in office.

Mr. SCOTT drew attention to the item of School Lands sale.

Mr. LAUDER said that Quebec was entitled to a share in these lands and would hold Ontario liable.

Mr. MOWAT said that the award had never been recognized by Quebec, and as it was extremely doubtful if Quebec were entitled to any of the school lands, none of the money realized had been paid to them. It was advisable that now the portion of revenue falling to Ontario for the school lands should be added to the consolidated revenue of the Province.

After some further discussion the item was carried.

On the item for Surveys,

Mr. DAWSON said that the present sys-