

the House. It would be a poor condition of affairs if the people of this Province were placed in the position where they could prefer no request to the Legislature. Their solicitor, Mr. McKee, had told him that the Attorney-General had said that the Legislature would never pass such a bill, and that therefore it would not be necessary to fight the bill.

Hon. Mr. Gibson declared emphatically that that statement was entirely wrong.

Dr. Nesbitt explained that the reason why he had not opposed the bill in its various stages was that in consequence of the statement of Mr. McKee he did not think the House would ever pass the bill, and when he found it was going through he had no information to make out a case.

Mr. Graham agreed with Mr. Whitney that they should vote on the motion without regard to the merits of the bill. He pointed out that all Dr. Nesbitt had to do, if he had not the desired information, was to ask the House to let it stand.

Dr. Nesbitt interrupted to say that he was unable to be present, and had asked Mr. Crawford to ask that it stand. He asked Mr. Crawford if that were not the case.

Mr. Crawford, after some hesitation, said:—"I was unfortunately absent at the moment." (Laughter and "hear, hear.")

Nesbitt to Blame.

Mr. Graham—Surely you cannot find refuge in the plea that you were not present at any of the stages. It was the duty of the hon. gentleman to be in the House or get some one to be there for him at all the stages. The hon. gentleman promised the House and the School Board of Sturgeon Falls when he presented the petition that he would be heard from later. If anybody is to blame it is not the House, but that gentleman himself. (Hear, hear, and loud cries of "question.")

The Speaker said he presumed that the House was unanimous in allowing a motion of which there was no notice. Moreover, no private member could bring up again a bill that was disposed of, and yet that privilege was asked for outsiders.

There were again loud cries of "question," and great commotion was observed among the Conservatives. Dr. Willoughby, the Whip, went over and had a whispered conversation with Mr. Whitney.

Dr. Nesbitt then rose, and said that, though he was in favor of the motion, he was willing to have it declared lost on division.

The meaning of Dr. Nesbitt's suggestion was that no record would be kept of the vote. But this did not suit the House, and there were loud cries of "Call in the members!" "Question!"

Mr. Whitney—Now we will see the patriotism of hon. gentlemen opposite.

The Division.

The division was as follows:—In favor of the motion—Messrs. Barr, Beatty (Leeds), Carnegie, Clark (Bruce), Crawford, Duff, Kidd, Little (Addington), Lucas, Mahaffy, Nesbitt, Preston (Durham), Pyne, Reid—14.

Against the motion—Messrs. Barber, Bowman, Brown, Burt, Caldwell, Cameron (Huron), Carscallen (Lennox), Carscallen (Hamilton), Currie, Davis, Dickenson, Downey, Dryden, Eilber, Evanturel, Foy, Gamey, Gibson, Graham, Gross, Guibord, Hanna, Harcourt, Hendrie, Hislop, Holmes, Hoyle, James, Lackner, Little (Norfolk), Lee, MacKay, Matheson, Morrison, Munro, Murphy, Pettypiece, Powell, Preston (Brant), Reaume, Richardson, Rickard, Ross, Russell, Smith (Sault Ste. Marie), Smyth, Stock, Stratton, Taylor, Thompson, Whitney, Willoughby—52.

Politically the division was yea 14 Conservatives. Nay 18 Conservatives and 34 Liberals.

The following bills were read a third time:—To amend the high schools act, to confirm by-law No. 519 of Oxford, to amend the public schools act, to amend the loan corporations act, to amend the Ontario game protection act, respecting the City of Windsor, respecting the Hamilton Radial Railway. A number of private bills were also advanced a stage before the "Soo" guarantee was

taken up.

Aid to Algoma Central.

The Premier moved the second reading of his bill respecting aid to the Algoma Central Railway and associated industries at Sault Ste. Marie. In doing so he took occasion to explain the Government's proposal, and undertook to show that as a business undertaking and as a matter of public policy it should commend itself to the House and to the Province at large. In view of the information regarding the matter, which, in response to orders of the House, had been brought down in a published return of 144 pages and an accompanying financial statement of the Consolidated Lake Superior Co. and its subsidiary companies, the Premier said he would not treat of the details of the scheme. They were face to face with a crisis in one of the largest industries that had ever been established by one institution in Canada. Twenty-eight millions of capital had been invested in them. The first of those industries to be established was the pulp industry. Then was projected the Algoma Central Railway in order that pulpwood might be brought to the pulp mills. The lumber and veneer mills were established, and then followed the power development at Sault Ste. Marie and the power development on the American side, the sulphite pulp mill, the Tagona Light & Water plant, supplying light and water to the town; the Algoma Commercial Co., with its veneer mills, sawmills, real estate and gold and nickel mines; the Manitoulin & North Shore Railway, the International Transit Co., the street car service of Sault Ste. Marie and the ferry service between the American and the Canadian Soo, the Helen iron mine, the works of the Algoma Steel Company, consisting of the Bessemer steel works, the blooming and rail mill, charcoal blast furnace, coke blast furnace, charcoal retort and by-product, and other kindred works in connection with the steel plant, upon which latter plant there had already been expended over five million dollars. That was a brief summary of the field covered by the industries.

The Debts of the Company.

It would appear, the Premier said, that those industries were in a very solvent condition until financial depression overtook the stock market in the United States a year ago. Back of them were some of the wealthiest men in the United States, but as a result of the depression they were unable to meet the calls upon them by the Consolidated Lake Superior Company and advance all the money required. The result was a receiver had been appointed and Speyer & Co. took proceedings to realize on their mortgage securities. The liabilities of the institution consisted of the Speyer mortgage, \$5,600,000, and claims of secured and unsecured creditors amounting to \$2,399,708. Of these creditors' claims \$585,283.63 was secured by the pledge of collaterals in the form of first mortgage bonds of the Michigan, Lake Superior Power Company and certain materials and supplies of the companies of much greater value than the amount of these claims. The value of this collateral was not taken into account in estimating the value of the materials and supplies of the companies on hand, and all these creditors had agreed to extend the time for payment of their claims for a period of three years, being one year beyond the maturity of the loan to be guaranteed by the Government, or to accept payment out of the proceeds of the materials and supplies held by them as those materials and supplies were sold or used. The amount of these claims should therefore be deducted from the total of the creditors' claims leaving the amount the creditors' claims, secured and unsecured, to be provided for, \$1,804,425.35. The Government stipulated that not only should these creditors' claims be provided for, but that the reorganized company, which for convenience he called the new company, should have at least \$1,000,000 of cash working capital over and above all materials and supplied on hand to insure the successful operation of the works, and to provide against this amount being encroached upon by any unforeseen or unprovided

for claims or expenses, that the amount named should be increased by the sum of \$100,000, making the total amount to be immediately provided by the parties interested in the reorganization \$8,504,425.35.

The Interests of the Province.

That amount of money could not be secured in the American market by the parties interested now or at any time since the company got into difficulties. The construction of the Algoma Central & Hudson Bay Railway, a railway greatly in the interests of Ontario, had been stopped by these financial difficulties.

The question that concerned the Government and the House was whether it would be in the public interest that the Government should assist the company by going to its relief by guaranteeing a loan to the extent of \$2,000,000, or suffer the railway to remain incomplete and those industries to collapse.

It would be well to consider, the Premier stated, how the Province was interested. In the first place, if the industries were revived upon a strong financial footing it would encourage the investment of American capital for the development of Ontario resources. It had, moreover, been the policy of the Legislature to aid railway development. He pointed out the advantage to the shipping and transportation interests the Algoma Central connecting the Soo with the main line of the C.P.R. would be. At present the Soo was cut off from railway transportation to the west through Canadian channels, unless by proceeding first eastward to Sudbury and then westward along the main line of the C.P.R. It would also open up a valuable tract of country and aid materially in the development of the mineral and timber resources. In that way it would contribute very largely to the wealth of the country.

Reviewing the whole field, the Premier said the railway had a strong claim for continued support to put it in a position to serve the subsidiary industries. As subsidiary to the railway the steel plant was the most important of all. It had cost about \$5,000,000, and he had been told \$100,000 would put it in a position to recommence the manufacture of steel rails. The steel rail plant had shown itself efficient in the production of a large quantity of steel rails.

Importance of a Steel Rail Plant.

The fact was that those rails had been used on the Canadian Northern and on the Algoma Central—and he was advised by one of his colleagues that they were used on the Intercolonial Railway under the Dominion Government—and if these rails were satisfactory it ought to settle once and for all the capacity and suitability of the steel rail plant for the purposes for which it was established. It would, therefore, be possible for every member of the House to see the immense importance of a steel rail plant for the Dominion of Canada. (Applause.) In fact, were it not that it would be entirely without precedent, one would almost feel that they were warranted in giving a bonus or a grant towards the establishment of a steel rail plant alone. If the British Government were warranted in loaning to the Cunard people two million six hundred thousand pounds sterling in order to get ships of a certain standard afloat for the sake of improving the condition of British commerce, he thought they in Ontario, if the Dominion were not prepared to do it, would almost be warranted in making an advance to a suitable company, a competent and capable company, of a considerable amount of money for the establishment of a steel plant.

Canadian railways now demanded one hundred thousand tons of steel rails every year, and the projected railways would require during the next three or four years from five to seven hundred thousand tons of the same material. There seemed to be no possibility of failure. Ontario did not supply all the ore required for steel rails. They got part of their supplies from the same source as the Pittsburg-Carnegie system, the Mesaba steel range in Minnesota.

Must Use Ontario Ores.

But they proposed putting into the bill at another stage a proviso to this effect, that if it should be found that Bessemer ore of a suitable quality is to be had