

SOO " GUARANTEE PASSED THE HOUSE.

Effect of Term "Pecuniarily Interested."

TO PROROGUE TO-DAY

Objections to the James' Bay Railway Guarantee.

Supplementary Estimates Include Bonus to the Buildings' Night Watchmen and City Firemen—A Record Session.

The Legislature will probably prorogue this afternoon, having put in sixty-nine working days, the longest session on record.

The "Soo" bill passed the third reading yesterday by the usual Government majority of three. The votes of Messrs. Conmee and Bowman were challenged, but the House decided that they were entitled to vote. In this connection the Speaker gave an important decision, establishing a precedent that challenged votes must be decided separately, and not coupled together. During the debate on the "Soo" bill on Thursday night Mr. Whitney read from a Halifax paper to the effect that Mr. Shields, the General Manager of the "Soo" companies, had no confidence in the future of them, and was negotiating with another company. Mr. C. N. Smith of Sault Ste. Marie wired the report to Mr. Shields and received the following answer yesterday:—"Statement attributed to me that enterprises Consolidated Lake Superior under Warren would prove unsuccessful is absolutely without foundation. My position in connection with reorganization is that I am to have absolute charge of all operations. C. Shields."

When the "Soo" bill was disposed of rapid progress was made with the original paper, and finally the supplementary estimates were presented. The bill guaranteeing the bonds of the James Bay Railway was put through Committee of the Whole. On the third reading to-day Mr. Hoyle will move that a clause be inserted empowering the Lieut.-Governor in Council to from time to time fix the passenger and freight rates, while Mr. Whitney will endeavor to have the guarantee limited to that portion of the road north of Mara township, thus excluding the extension to Toronto from Provincial assistance.

Voters Challenged.

On resuming, the House immediately proceeded to a discussion of Mr. Whitney's motion to disallow the votes of Messrs. Conmee and Bowman, on the ground that they had "a direct joint pecuniary interest in the said bill." Mr. W. J. Hanna said, before proceeding to discuss the question of the right of Messrs. Conmee and Bowman to vote, he wished to remark that the House was to be congratulated on the fact that Mr. Speaker had gone into the matter so very thoroughly, and that his rulings complied with the highest authorities on the subject. The two gentlemen whose

right to vote was disputed were, no one disputed, joint judgment creditors of the Algoma Central Railway Company to the amount of \$400,810 and interest, which brought the total up to about \$425,000. In addition, Mr. Conmee was a creditor of the Algoma Central for upwards of \$3,000. The guarantee of \$2,000,000 was being given by the Province for the express purpose of, among other things, paying off the creditors of the Algoma Central Railway Company.

Result of Guarantee.

As the direct result, there would come into the hands of the reorganization company \$2,000,000 on the express condition, among others, that these debts to Messrs. Conmee and Bowman should be paid. These debts had been long overdue, the machinery of the law had been in operation for months, and had not succeeded in forcing the collection of one dollar of this amount.

The reorganization company, on his argument, continued Mr. Hanna, was simply the trustee of the Government for the payment of these sums to two members of the House, and the giving of the guarantee as completely precluded these two hon. gentlemen from voting as if the amount of their claims was being voted directly out of the Treasury of the Province to their pockets. These gentlemen had a direct pecuniary interest in the vote, and, therefore, their votes should be disallowed. In taking this attitude, he wished to disclaim any idea of discourtesy towards the hon. members.

Quotes Rules of Parliaments.

Mr. Hanna quoted the rule of the House: "No member is entitled to vote upon any question in which he has a direct pecuniary interest, and the vote of any member so interested shall be disallowed." This rule was identical in its application with the rules of the Dominion and English Houses, and Mr. Hanna proceeded to cite cases in these Parliaments which, he argued, supported his contention. In 1892 the British Parliament had by a majority of six disallowed the votes of two directors and one shareholder of the East Africa Company on an item in the estimates to provide for the cost of certain railway surveys between Mombasa and Nyanza ordered by the Government. The grant itself was passed by a majority of 98. The Provincial Secretary, as a shareholder of an interested bank, came, he declared, strictly within the rulings of the British House, and, that being the case, could there be any doubt as to the illegality of the votes of Messrs. Conmee and Bowman? What they had heard of mechanics' liens went for nothing, because, when they gave them the benefit of everything that could be urged in that connection, there would still be money voted in the neighborhood of \$40,000.

British Precedents.

Hon. J. M. Gibson, in reply, referred first of all to the report of a committee appointed by the British House several years ago to go into the question of the votes of members pecuniarily interested in bills before the House. This committee after taking the evidence of ex-Speaker Peel and the present Speaker, Sir William Court Gully, recommended against the suggestion that a standing committee should be appointed for the purpose of dealing with all challenged votes on the ground of members being pecuniarily interested. The committee was of opinion that specific cases should be dealt with, as they cropped up. This report contained a collection of all the cases that had arisen in the House of Commons, and they found the statement that never had a member's vote been disallowed in the case of a public bill. (Applause.)

The hon. members whose votes were now disputed did not, continued the Attorney-General, come within the ruling in the Mombasa case, which had been quoted by Mr. Hanna. "There is no money grant provided for by this bill; it simply approves of an agreement made in this Province and the

Canadian Improvement Company, with the Trust Company of New York as a third party. There is no agreement with the Algoma Central Railway Company; the agreement is that this Province shall guarantee a loan upon the bonds of the Algoma Central Railway to the extent of \$2,000,000. No immediate payment is provided for; in all probability no payment will be ever made.

Relationship is Remote.

"It is simply a contract, a guarantee, that is being entered into, under which this Province may or may not ever be called upon to pay a cent. (Applause.) Beyond all question, if the bill passes, these hon. gentlemen in common with all creditors will get their claims disposed of months, years I may say, before the Province can be called upon to pay a single cent. Any relationship between this House, representing the Province, and other parties to this measure is very far removed from the hon. gentlemen in question. Our contract is with the Canadian Improvement Company. The Improvement Company's contract is with the Reorganization Committee. The latter undertakes to bring into existence another factor in this matter, the Reorganization Company, a new body, a corporation not now in existence. It will be through the Canadian Improvement Company, the Reorganization Committee and the newly-created company that any moneys will pass before they reach any of the "Soo" companies. In time it may be that the cash which is to be released will come to the newly-organized company, and the claims of the creditors paid off.

No Trace of Directness.

"Now, I would like to ask hon. members whether they see any trace of directness between the contemplated action of this House and those gentlemen whose votes are questioned. It is absolutely indirect, extremely indirect.

"Were the benefits concentrated upon these gentlemen? Supposing there were a very much greater directness than there was, could it be said that there was in any sense a concentration of the benefits of this bill upon the hon. gentlemen as there would be in the case of a private bill? The creditors of the companies were numerous, and it had been established in the debate that, apart from creditors, the whole Province was deeply interested in the outcome of this discussion. There was not a single instance in which a member's vote was disallowed on the ground that he was a creditor.

"In this case," said the Attorney-General, "the creditor receiving the amount of his claim is only getting what he is entitled to; there is no grafting in the matter. (Applause. There is no benefit such as there might be in adopting legislation or making money grants to people or to companies whose directors and whose shareholders may be very much benefited by the legislation in question. The two things are entirely different."

Position of Conservative Members.

Mr. Gibson, in reference to the position taken by Messrs. Hendrie and Beatty of the Opposition, said that the question of whether they thought they ought to vote or abstain did not affect the right to vote. The rule of Parliament provided that no one could vote who had a "direct pecuniary interest," but those gentlemen said they were going to vote against the bill. The point was the satisfaction of conscience, and who could say whether their conscience would be relieved by voting against it? He quoted from ex-Speaker Peel that those who were directly interested could not vote either for or against a bill. He believed that Messrs. Conmee and Bowman had as much right to vote as he himself had. The name of the Provincial Secretary had been added, but not yet argued, and he was not in possession of all the facts. It was alleged that Mr. Stratton was debarred because he was a shareholder in a bank which was a creditor. Such a position could not be entertained. He thought it was humorism or a joke, because the case at all paral-