

# VOTE OF CENSURE WAS NOT CARRIED.

Government Majority Forty on  
Division.

## BUDGET DEBATE CLOSED.

Opposition Resents Premier's  
Imputations.

Mr. Rathbun Gives a Vote to the Gov-  
ernment—Mr. Hanson Denies Asser-  
tion That He Attempted to Hinder  
Issue of the Provincial Bonds—Pro-  
gress With Estimates.

The debate on the budget closed in the Legislature at 6 o'clock yesterday evening, with the defeat by a vote of 64 to 24 of the Opposition's vote of censure in connection with the flotation of the Provincial bond issue. Mr. Rathbun, the member for East Hastings, who sits with the Opposition, although he was elected as an independent and never attends the Opposition caucuses, voted with the Government. After the vote had been given and just as it was about to be announced, Mr. Rathbun said: "Mr. Speaker, I inadvertently did not rise when the vote was being taken. I vote against the amendment." The Government benches greeted the statement with prolonged applause.

Premier Whitney, who resumed and closed the debate for the Government side, after a general defence of the policy of the Administration, made a statement conveying the inference that the former Government was prepared to accept 93 1-3 for Provincial bonds at the time when Mr. Harcourt, as he had assured the House, would not accept less than par. The offer had been cabled by Hon. Mr. Ross to Mr. Harcourt as coming from Mr. Harty of 93 1-3 plus commission of \$25,000, and Premier Whitney stated his belief that the commission was not intended to be payable to the Province.

Mr. Harcourt and Hon. Mr. Ross each made brief but clear and decisive replies. Both in a dignified but most emphatic manner resented the imputation that their part in the negotiations had been actuated by any but the sincerest desire to get the best possible terms for the Province. They denied that there had been any understanding, direct, implied, written, or verbal, with Mr. Harty, to whose integrity and honor they paid a high tribute. Mr. Harcourt also again briefly reviewed the negotiations respecting the railway loan so far as he had been concerned, and declared he had, from first to last, nothing to regret. Excellent progress was made with the estimates at the evening session, only two or three votes remaining by consent to be discussed.

### Mr. Hanson's Position.

Hon. Mr. Matheson presented some correspondence respecting the Temiskaming bond issue which had passed between Mr. Hanson, a partner of Coates, Son & Co., and himself. Mr. Hanson on March 31 wrote taking exception to the statement by the Provincial Treasurer in the House that Mr. Hanson had gone to leading bankers of London and informed them that the Bank of Montreal had no au-

thority to make the Provincial loan. Mr. Hanson declared that neither he nor any member of his firm had made such a statement to anyone. The only communication made by his firm concerning the terms of the agreement with the Government was sent to the manager of the Bank of Montreal in London after the last sale of the treasury bills made in November, 1905. Hon. Mr. Matheson wrote in reply that he had no desire to drag the name of any firm into political discussions, and recognized Coates, Son & Co. as of the highest financial standing. He added: "I saw you in London in consequence of a report brought to me that you claimed to be alone entitled to float the loan, and this was several days before the treasury bills were renewed and before I had ever contemplated such renewal."

### Partisan Officials.

The Premier, in resuming the debate on the Opposition's vote of censure, moved in connection with the motion to go into supply, first dealt in a general way with the course of the Government since coming into office.

Turning to the vote of censure, Premier Whitney took exception to the failure of the Opposition to give notice of its intention to the Government. Only once had such a thing occurred in his own case, on an occasion when he had been called away from the House. The amendment moved to the vote in supply stated that the bonds were sold at 96. The sale had been made at 98½, but the other way of putting it seemed to suit his hon. friend. It was distinctly and entirely untrue. Before he was done he might be able to show who lost money in attempting to deal with such a situation.

Hon. Mr. Harcourt, said the speaker, had rung the changes on having had no Provincial bond. Why had he not? The Government got one at the earliest moment. In his fearful and wonderful transaction it was Mr. Wilkie on whom he relied. "I was guided entirely by Mr. Wilkie," he had said. He regretted that Mr. Wilkie's name was brought in, but he (the speaker) did not bring it in. He did not purpose taking Mr. Wilkie to task, but would hold the hon. gentleman responsible.

Both the leader of the Opposition and his colleague said the loan should have been floated in Canada. They had had the confidence of the people and the Legislature and had not done so. They had never dreamed that it would be shown that they had, so far as they could, prevented the loan being floated in Canada. Mr. Harcourt had declared it was the duty of the Provincial Treasurer to renew again and again.

### A Missing Cable.

Mr. Harcourt had desired a cablegram to be produced on this point. Search had been made for it, and the message received was that no such cable could be found, nor did the Deputy Attorney-General remember it.

Mr. Harcourt—There is no question about it.

Several things had been found, continued Premier Whitney. There had been discovered one bundle of papers, one of the foot-prints of the war-horse which he failed to cover up. Mr. Harcourt had been sent to London, and the Commissioner of Works had resented this, and to smooth him down he was promised the position of Attorney-General, and got it. Mr. Harcourt spent some time in New York with Mr. Wilkie, and wrote that, having acquainted themselves with conditions in New York, a sale in England was greatly to be preferred. There was no suggestion of a sale in Canada.

Mr. Harty, continued Premier Whitney, had been negotiating in New York, and at the time when, according to his speech last week, he was telling the London bankers the sale must be at par, and every dollar be sold for a hundred cents, he was willing to recommend an acceptance of 93 1-3.

### A Commission Offered.

On August 30 Mr. Harcourt cabled to Toronto:—"What does Harty offer for bonds? Cable me immediately."

On the same day, August 30, Mr. Ross

replied:—"Harcourt, care Plutus, London: Harty offers 93 1-3, plus commission of \$25,000. Will cable you again to-morrow. (Signed) Ross."

"I wonder who the \$25,000 was for?" said Premier Whitney. "I have heard of a person named 'The Boy.' Perhaps we are getting to an understanding of the question I asked the other day, 'What was the consideration?' Consideration or commission, either will do as long as you get the \$25,000." There was only one explanation, he continued, and the \$25,000 was intended to convey something of a previous understanding. Mr. Harcourt advised the offer to be accepted, in spite of his demand of a hundred cents on the dollar. He said he told Mr. Coates, as if his word would take away from his written bond, and he a lawyer, too.

Premier Whitney read the following cable from Mr. Harcourt to Mr. Anderson, Assistant Treasurer, Toronto:—

"London, Aug. 31.—Existing conditions future outlook Lombard street Wall street justify accepting offer. Expenses here serious, stamps, brokerage considered offer as good as 97 here. Temporary loan feasible, but precarious. Sale here impossible. Cable me immediately decision."

On the same day, August 31st, the following telegram was received:—"Kingston, Aug. 31.—Hon. Geo. W. Ross, Parliament buildings, Toronto: Hope to submit offer within day or two for Temiskaming bonds. Negotiations with New York proceeding. (Signed) Wm. Harty."

On the same day Mr. Ross cabled Mr. Harcourt: "Harty wants three days longer before making final offer for bonds."

There was a difference of \$160,000 between what was thus first proposed and what the present Government got, proceeded the speaker, Mr. Harcourt had declared that \$95.52 would be satisfactory terms, by which the Province would lose \$270,000, while by the Coates terms the Province would have got \$420,000 below par. If the commission of \$25,000 was to go to the Government it would have totalled 93 5-6. If the offer was an honest and legitimate one why, asked the speaker, was it not put in writing and left on record? Was the Government to get a commission out of its own money, payable to itself?

"My opinion is that the commission was out of its own money, but not payable to itself," he added.

### Mr. Harcourt's Reply.

Mr. Harcourt, in his opening remarks referring to the Premier's complaint that the Government had not been notified of the Opposition's intention to move an amendment, freely admitted that it was reasonable that one side should so inform the other. After an allusion to the Opposition's attitude in respect to the growing expenditures of the Province, Mr. Harcourt continued: "Let me say very earnestly that I had no understanding with Mr. Harty, one time a member of this House, nor do I know nor can I believe that any member of the former Government had any understanding, direct, indirect, written or verbal, with Mr. Harty or anyone else, in respect to the matter mentioned by the hon. gentleman who has just resumed his seat. Let that be frankly and perfectly understood. My hon. friend, the Treasurer, would, if he were asked the question, say that from the moment the question of a direct Provincial issue of bonds came up, different people would at once say to him, 'I can dispose of those bonds and can get enticing figures for them.' I can understand the Treasurer being incredulous, as I was, as to the offers that were made. If Mr. Harty made an offer I first became acquainted with it when in England. One thing must be kept in mind if we are to have a fair discussion of this question, and I am afraid my hon. friend, the Premier, has somewhat overlooked it, but the fact is that he has been confusing the Temiskaming Railway bonds with Provincial bonds. If Mr. Harty offered 93 1-3 I do not know what was in his mind. If he made his offer plus a bonus—

The Premier—Commission is the word used.

### Mr. Harty Not Accused.

Mr. Harcourt—No doubt bonus was