

peal to you—" Here he stopped for the noise. The cries of "order, order," continued. He tried again: "I appeal to you as a member of this House and as a gentleman to conduct yourself in a gentlemanly manner."

Sir James Whitney—Don't appeal to him.

Mr. Proudfoot stopped reading. A sarcastic smile tinged the corners of his mouth, and then calmly repeated: "I want to make this statement."

#### McGarry to the Rescue.

Like a knight-errant Mr. T. W. McGarry (South Renfrew) came to the rescue. "I have a motion to make, Mr. Chairman. I beg to move that, owing to the fact that Mr. Proudfoot refuses to be sworn and give evidence before this committee, this committee hear no statement from him. He has withdrawn from this inquiry, and now comes here as a witness, summoned by the Chairman, without any other authority or status before the committee."

The motion was put and carried and Mr. Proudfoot walked off with the remark: "I will treat this committee in the way that we have been treated heretofore."

"We won't argue about it at all. That incident is closed," retorted the Chairman.

Mr. Proudfoot—I told you yesterday that so far as the committee was concerned the matter is closed.

The Chairman—I won't argue with you.

Mr. Proudfoot—You go on making statements in connection with me.

The Chairman—You have had an opportunity in the proper way.

At the opening of the session Mr. David Fasken, K.C., was called by Mr. Nesbitt. He explained that he was solicitor for the firm of Staunton's Limited. At the time Mr. Thorne was acting as arbitrator in the dispute of Taylor, Scott & Co. he had called upon him to secure his advice as to the best method of arriving at a conclusion in regard to several items in the claim. He wanted to ascertain what would be the proper measure of damages to award in respect to horsepower as well as to having his award substantiated in both law and fact. From the information placed before him by Mr. Thorne, it appeared that he had gone to a great deal of trouble and seemed anxious to satisfy both parties to the arbitration.

#### Mr. Proudfoot's Statement.

Following is the statement prepared by Mr. Proudfoot, which the committee declined to hear:

"Yesterday I withdrew from this committee, accompanying such withdrawal with a statement that the matters in question were first brought up by me before the Public Accounts Committee to bring the matter up on the floor of the House. No relief was afforded. I again went before said committee, which again refused to permit the evidence I desired being put in. Afterwards I made the charges on the floor of the House which are before you. I asked for an investigation before a Royal Commission. The House declined my request, but sent same to this committee, accompanied by the statement of the Prime Minister that a full investigation would be granted. I retained counsel and went to a great deal of trouble and inconvenience to properly present my case.

#### Hampered by Delay.

"All productions required were not forthcoming on the day promised, and I was very much hampered. Notwithstanding this, I went on after many objections, which, I believe, were utterly untenable. Evidence was put in which I believe fully established certain of the most important facts I set out to prove. Finally, we reached the point where evidence of an important and vital nature was tendered and refused. I was prepared to go on and prove to the hilt the balance of my allegations, but owing to the course taken I found it impossible to do so. After I withdrew, evidence for the defence was permitted of a nature similar to that which had not been allowed to be put in on my behalf, on the ground that it was irrelevant. This satisfies me that the course I took in withdrawing was fully justified. I do not intend to let the matter drop here. On Tuesday next I will bring the whole question

up on the floor of the House. In the meantime and until the matter is disposed of I must most respectfully decline to answer any questions or take further steps before this committee. I regret being obliged to take this course, but as I cannot obtain justice and fair treatment no other course could be adopted."

#### Mr. Nesbitt Recapitulates.

On the conclusion of the Proudfoot incident Mr. Nesbitt asked permission of the committee to recapitulate the evidence.

The Chairman—Please make it brief. We understand it pretty well.

Mr. Nesbitt said: "The statement upon which the charges were founded was that a \$500 note, at least a subscription of \$500 was given by Mr. Taylor, was received by Mr. Hanna from Mr. Taylor in November, 1907; that there was a general election for the Provincial Legislature in June, 1908; that in 1911 certain claims by Mr. Taylor were preferred against the Government and were not acceded to by Mr. Hanna; that Mr. Taylor then had an interview with Mr. Hanna, and during the course of that interview stated that he had reason to expect better treatment than he was receiving; that he had contributed \$500 towards the party funds, and he proceeded to state that he would make that public, and also make public matters he now says were not within his personal knowledge at all, and that a coal tender or coal tenders had been manipulated, and that the conduct of Mr. Hanna in reference to underfeed stokers was irregular, and left the room.

#### Granting of Fiat.

"After that it is stated a fiat was granted at the instance of Sir James Whitney and Mr. Hanna as part of the scheme to have the litigation consequent upon that referred to a friendly arbitrator, and to get an award satisfactory to Mr. Taylor, and that the obtaining of the fiat, the granting of the reference and the award that followed were improperly, illegally and corruptly granted by Sir James Whitney and Mr. Hanna, in furtherance of that scheme.

"That statement is followed by two specific charges, which have been gone over more than once here, namely, that the granting of the fiat was corruptly done, and the making of the reference was corruptly done, and the award that followed was part of the corruption and was a corrupt award.

"The prosecution called the Deputy Attorney-General, Mr. Cartwright, a man of unblemished reputation, of Liberal affiliations with men who had been at the very first van of the political battles of this country for the Liberal party, and was the chosen nominee of Sir Oliver Mowat for the position he now occupies, and was retained in it by Mr. Hardy, Mr. Ross and afterwards Sir James Whitney. He was examined in a most careful and searching way by counsel for the prosecutor; the result of his evidence was that he and he alone was responsible for the issue of the fiat, which after his imprimatur had been stamped upon the papers, followed as a mere piece of automatic machinery, and that any statement that he had been approached, directly or indirectly, by any member of the Government or any outsider, or that he had acted upon the papers or passed upon the claims as any other than a just claim to be investigated, was absolutely false.

"The first charge, therefore, was absolutely gone, vanished into thin air, by the evidence adduced by the second witness for the prosecution. From then on no sane person, in the face of that evidence, could argue for a moment that there was any foundation whatever for the allegation that the charge in relation to the fiat could be sustained.

#### Says He Was Lenient.

"Now I come to the next. The next was that the award was corrupt. A witness called Thorne was examined. I have no doubt that any lawyer would probably have taken exception to the extreme latitude I, acting for Sir James Whitney and Mr. Hanna, allowed the prosecution in the examination of that witness. It was not an examination; it was a series of leading cross-examining questions based upon the statements made by Thorne himself in 1912, and I allowed all sorts of side-gossip of things not pertaining to the charge that could not in any court of justice have been allowed to be admitted. I did so because the award was stated to be corrupt, and the man a mere tool in the hands of Sir