

state of the law was such that it had been adjudged that shareholders in incorporated companies were not obnoxious to the penalties prescribed in regard to members who should become contractors with the Government. A new Bill was proposed, which declared that proposition of the law, modifying it, however, with respect to contractors or shareholders in the Canadian Pacific Railway Company, and this, not an alteration, for the only alteration was an elimination of the shareholders of the Canadian Pacific Railway from the general law as it had been adjudged: but this definite proposition was attacked in terms, I am quite free to admit, judging by the example of the hon. member for Cardwell, of deserved severity by hon. gentlemen opposite. The First Minister said, referring to the clauses of the Bill, and clause 7, as to shareholders in incorporated companies:

"Hon. members would observe how, under that clause, the whole Act might be evaded so that it would not be worth the paper upon which it was printed. Five men could form a company to construct a work, become incorporated under either the general or a Dominion Act, and might get a contract, they having previously gone to the Government, as individuals, and obtained an understanding that if they formed a company they might get a contract. Every man connected with the contract would thus be the slave of the Government, and, in spirit and in fact, dependent upon the Government as much as if they were not incorporated. There ought to be a provision in the Act in order to prevent contractors becoming the tools of any Government. That could easily be done. It could easily be provided that shareholders in specific classes of companies, such as banking and insurance, were exempted; but that shareholders in companies for purposes of construction, and for selling goods and doing work, with the exceptions indicated, should be excluded just as if the parties forming those companies were acting independently. That suggestion would commend itself to the common sense of the House."

The hon. member for North Simcoe said:

"The 7th section of the Act, he agreed with hon. gentlemen in thinking, was an attempt to destroy the object which it pretended to have in view. Now, was it right that a gentleman connected with a company incorporated for the construction of such undertakings as the Lachine Canal, the dredging of a harbor, the building of a post office or any other work, should be eligible for a seat? Such a principle was an exceedingly dangerous one, and would prove a fruitful source of mischief. It was an affirmation that every person who was connected with a company was entitled to be a member of that House unless he happened to have anything to do with the construction of the Pacific Railway. He did not think any shareholder in a public company, except a gentleman like the member from North York or the hon. the Minister of Militia, who were engaged in the diffusion of knowledge, should, as an interested party, have a seat in that House. There was no reason why advertisements requiring publicity should not be sent to the *Globe* newspaper, but it would not be right for any member to participate in profits derivable from departmental job printing. Neither was it right that shareholders in banks or insurance companies should sit in that House, though the Government dealings with such incorporated associations were very limited."

The Minister of Public Works (Sir Hector Langevin) said:

"If the hon. gentleman wished to attain the object this clause said he wished to attain, he must go the whole length. He must say 'or any other company in which a member of Parliament shall be a shareholder, and that shall be doing work for the Government, that member shall be excluded from Parliament.' * * * Take the Grand Trunk Railway, the Great Western line, the Canada Southern Railway, or the Northern Railway Company—the managers of these great undertakings might be elected to Parliament. Their officers might also be elected to Parliament, and then these companies could come every year to ask for Acts of Parliament. They were interested in Parliament, more than the Provincial Legislatures. The Local Legislatures did not come here, or very seldom. The hon. gentleman must see that these great companies had a large amount of influence in this House."

You, Mr. Speaker, being then on the floor of the House, said, with respect to the seventh clause:

"With regard to the seventh clause, relating to incorporated companies, it had been proved that this clause, if the Bill passed in its present shape, rendered the whole of the Act nugatory. Any five persons, members of Parliament, who desire to take a Government contract could form themselves into a joint stock company and take the contract without coming under the penalty of disqualification. It was reasonable that members of incorporated companies who numbered their shareholders by the hundred, such as banks, and railway and insurance companies, should not be disqualified on account of any contract entered into between such incorporated company and the Government, but the same principle should not apply to members of small companies, trading firms, limited liability companies, such as were incorporated every day;

Mr. BLAKE.

members of such companies should not be allowed to take contracts from the Government and occupy their seats in this House, while they derived just as much benefit from the contract as if they had taken it in their individual names. In England, and even in this country, a great number of trading firms and partnerships were transformed into companies. His hon. friend from Ottawa, who dealt in lumber, or his hon. friend from Montreal West, might form, with four of his clerks, a joint stock company, under the name and style of "Frothingham, Workman & Co. (Limited)," and supply all the goods this Government might want to an unlimited extent. The seventh clause would have to be entirely remodelled, and made to apply only to incorporated companies, such as railways, banks, and insurance companies, or, perhaps, for the sake of the hon. the Finance Minister, to express companies."

Then an hon. gentleman, who has since been translated to the Senate (Mr. Plumb) said:

"The seventh section was the most objectionable that could possibly be conceived. If it was designed in serious earnest to have this Act an effective measure for the purpose for which it was apparently designed, there was nothing easier than the facility with which incorporated companies could be created, and mercantile, forwarding and other associations, even associations having the smallest possible dealings could be formed into companies holding corporate powers; and it was a perfect mockery to say that a man who had been unseated in Parliament because he had carried a vessel load of iron for the Government, could not take two or three friends with him, give them a few hundred dollars' worth of stock in a propeller or steamer, make a stock company, and then take a Government contract. But this was exactly what an hon. gentleman could do under this Bill. If a new title was to be given to it, it should be: "A Bill to facilitate members of Parliament in holding contracts under the Government"; this was the real effect of it."

Those were the statements made by hon. gentlemen opposite, and I have already declared that the hon. gentleman has done his party the service of establishing the accuracy of those predictions, and in his own person proving the necessity of the amendment to the law which they failed to pass through Parliament. In another respect, Sir, he has proved his qualifications for lead in the Tory party by showing, in the most formal manner, his assent to the doctrines of hon. gentlemen opposite as to the ethics of political controversy. The proof has been given in his capacity as a journalist, and it is amongst the things most creditable to the hon. gentleman that he has always held up in deserved esteem the honorable profession to which he belonged, and to which I suppose he still considers himself to belong—a profession of as great and probably of greater consequence and influence at this time than that of a legislator; and I suppose he would be the first to spurn for it any lower view, or any meaner or laxer ethics of political controversy, than that which would attach to the politician, the legislator, or the public man. The proofs he has given of his view, are public and well known. They were stated in a public journal thus:

"We have heard a story that before Sir John Macdonald fell in 1873, Mr. D. A. Smith confided his want of confidence to the editor of the *Gazette*, among other gentlemen; that after the fall, when Mr. Smith was assailed for reuence as to his intentions, the worthy editor was appealed to by Mr. Smith and acknowledged the conversation, and stated his expectation, from what he had said, that the latter gentleman would vote for Mr. Mackenzie's motion. Later on, when the *Gazette* became virulent against him, Mr. Smith upbraided the editor, and the latter admitted the facts, but stated that party exigencies urged him to the course he was pursuing, *i. e.*, slandering Mr. Smith."

"In reply, Mr. White, in the *Gazette*, said: 'We have simply to say that there is not a word of truth in the statement—that it is manufactured out of whole cloth. The editor of the *Gazette* never had any conversation good, bad, or indifferent, with Mr. Smith in relation to his conduct in 1873. Mr. Smith never upbraided the editor of the *Gazette*, and that gentleman never made any such admissions as are referred to.'"

Upon that, a letter was written by Mr. Smith to the editor of the paper which made the charge, and that letter contains these passages:

"The facts of the case under dispute are, in the main, as stated in the *Herald*, though I can quite understand that in the multitude of his political affairs, Mr. White may have forgotten the conversations between us, and the visit of Mr. George Stephen and myself to his office, made in consequence of reflections on my political character, which appeared in the *Gazette*, and the admissions he then made. He declined to make a correction, and excused it on the ground that journalists were some-