

Then the vital question comes. "Why did the United States investor grab that issue as if he were getting gold dollars for ninety cents?" The only possible answer is that the Hon. Thomas White agreed to pay five per cent when he could have got the money for $4\frac{1}{2}$ per cent. There cannot possibly be any other answer.

Now, let us see what Canada lost. The interest on \$25,000,000 for one year at five per cent and on \$20,000,000 for two years at the same rate is \$3,250,000. The interest at $4\frac{1}{2}$ per cent would be \$2,925,000. Mr. White, therefore, cost Canada \$325,000 by a mistake in judgment.

There seems to be no possible defence. He knew that the credit of the Dominion was better than that of the provinces or the City of Toronto, and that these authorities had borrowed at five per cent. He knew that Great Britain had just borrowed at about four per cent net. He knew that the United States bankers have more money than they know what to do with, and that they realize that they must lend to Canada to keep up their sales in this country. All these facts were known to every financial writer and every financial broker in Canada, and hence should have been known to the Minister of Finance. All these facts were public facts.

Then why did Mr. White promise to pay such a high rate?

What Will Be General Effect.

Finally, think what this means to Canada. Suppose the Provinces and the municipalities want to borrow another hundred millions in New York during the next year, what will happen? The bankers of New York having found Mr. White an easy victim, will hold up the smaller borrowers. They will demand $5\frac{1}{2}$ per cent as sure as fate. Think of the loss that will mean?

Figure it out for yourself. The various borrowers want a hundred millions for an average of five years. They pay $5\frac{1}{2}$ per cent instead of five per cent. What will it amount to? The answer is, two and a half million dollars.

But there is another way to look at it. Mr. White decides to pay five per cent and he invites tenders. J. P. Morgan & Co., offer to buy the bonds at $99\frac{3}{4}$, another firm offers 101, another offers $102\frac{1}{2}$, and another offers 104. Who will get it? The firm that offered 104, of course. In that case, instead of getting \$44,563,250 for his forty-five million dollars' worth of bonds, Mr. White would have got about \$47,250,000, or nearly three millions more than he actually got.

There are financial men who believe, rightly or wrongly that Mr. White could have got two and a half millions more for his bonds than he did get. The test of their belief will be the selling price of these bonds three months hence. If they are then selling at 104, or thereabouts, then these men will be right.

The financiers who claim that Mr. White lost two and a half million dollars have no animus against him. But the fact remains that the financial world, rightly or wrongly, is laughing. Canada cannot afford in these days to be laughed at.

Probably the only way to get at the truth would be to call a special session of Parliament and have the whole financial situation discussed. There are other rumors equally grave in the air. A special, non-partisan session, at which those who have complaints could air them and answer could be given, might be the best remedy for the situation. If there is no extravagance at Ottawa, these rumors should be stopped. They cannot be aired except on the floor of the House of Commons, and, therefore, a special session seems advisable.

THE FULLERTON CHARGES IN MANITOBA.

Tory Conspiracy a Boomerang.

A NOTABLE feature of the campaign was the utter failure of the despicable attempt on the part of the Conservatives to discredit Premier Norris and other members of the Manitoba Liberal Government by the circulating of rumors and charges that the Liberals had been allowed to assume power as the result of a "deal" with the late Roblin government. It was charged that some \$50,000 had been paid to a Liberal agent to secure the calling off of all election protests pending against Conservative members; also that later on when Roblin resigned, at least \$25,000 of this money was still to have gone to the Liberals in consideration for the Liberals stopping the investigation into the Parliament Buildings Robbery.

Royal Commission Appointed to Investigate Charges.

Premier Norris took quick and unexpected action on these charges when his Government appointed a new Royal Commission within a few hours after the charges had been made. This was the last thing the Conservatives looked for and their dismay was apparent at once. The Commission got quickly to work and heard all the witnesses produced, full opportunity being given to have the whole story. The finding of the Commission was clear and definite and proved to be a complete "bill of health" for Premier Norris and his Government. The charges were all found to be absolutely unfounded and the report made it plain that it was the unanimous opinion of the Commissioners that the charges were the result of a deliberate conspiracy to discredit Premier Norris and his party.

Premier Norris and His Party Exhonorated.

Mr. Justice Perdue, Mr. Justice Galt and Judge H. A. Robson, (Provincial Public Utilities Commissioner) composed the Commission. Their finding, which was unanimous, was as follows:—

CHARGE No. 1.—

(That the Liberals agreed to withdraw all election petitions for payment of \$50,000 cash).

The Commission found: "That the charge is unfounded and that no agreement involving the payment of money or other consideration was made between the late government, or any member thereof, or any member of the then Opposition or any member thereof."

CHARGE No. 2.—

(That there was an agreement whereby Roblin resigned and let the Liberals take power in consideration for stopping the investigation of the Parliament Buildings contracts; also that money was to be paid to the Liberals.)