

one at par or above par. They can dispose of it more advantageously than of a loan which stands higher on the Stock Exchange. It is a great mistake to speak of the financial agents, Messrs. Glyn & Baring, as being the agents of this country for the negotiation of our loans. They are the agents of the country for paying interest and attending to matters of that kind. But when our Minister of Finance goes to England to negotiate a loan, they act for themselves and their English clients and make the best bargain they can. In this case they made an exceedingly good bargain. But Mr. Cartwright was at the mercy of the money lenders when he negotiated the last loan. He must have had money. The capitalist knew very well that a wise use of it was not to be made in this country. They knew how money was expended in Canada—a portion lying idle in the Welland Canal, involving a loss in interest of probably a million of dollars, and they knew a further amount was in the Pembina branch, and a great deal more in that most unwise of all works, the Pacific Railway. They knew the misuse that would be made of the capital just as well as we did, and they were necessarily influenced as money lenders lending to prodigal men would be. They exacted a high rate and imposed onerous conditions. The terms were very extraordinary, and we do not know who took the loan. The names of the allottees were refused in another place last Session. I must say the way in which the loan was negotiated, and the price was fixed was so objectionable, that we have a right to full information. We ought to know who the allottees were and what the allotments were. The price of this loan was fixed in secret though there should have been no secrecy about it. I cannot understand how any man acting alone would consent to sink so much of the money of his country as was sunk in this case, without the knowledge of the people, and without submitting it to the strictest audit. I saw by the newspapers that the National Bank of Australia had advertised for a loan last month. How was that done? They advertised for tenders fixing the minimum price in their advertisement at 95., interest at four per cent, while we issued our four per cent loan nominally at 91 per cent, but the various conditions attached made it net us only 87½ per cent.

*Hon. Mr. Macpherson.*

I say that in the face of such facts we are entitled to the fullest information in connection with the fixing of the price and the negotiation of that loan. Every one per cent on that loan amounted to \$120,000. I am not going to impute wrongdoing to any body, but whoever understands the matter will see that the transaction afforded scope for a very large amount of secret service money. It was only last Session that the Public Accounts Committee in another place were very much exercised over a trifling amount of secret service money which they knew had been expended in the public service. The circumstances attending the negotiation of the loan have opened a proper field for investigation by that Committee. I say if I were a member of that Public Accounts Committee, I would insist upon the most searching enquiry and bring to light all the facts, and the Finance Minister should desire to have such an investigation. The transaction afforded scope for the creation of a Secret Service Fund which would have rendered it unnecessary for members of the Ministerial party to “come down handsomely” at election times.

Hon. Mr. SCOTT.—You speak from experience, possibly.

Hon. Mr. MACPHERSON.—I dare say the hon. gentleman's experience and mine in that way are very much the same.

Hon. Mr. SCOTT.—The hon. gentleman will hardly say there was any Secret Service money in Mr. Cartwright's possession.

Hon. Mr. MACPHERSON.—I contend that nothing connected with the loan should have been done in secret, and I say when such things are done in secret, openings are afforded for irregularities.

Hon. Mr. SCOTT.—The hon. gentleman knows very well this was transacted through Sir John Rose and Messrs. Glyn & Baring, and if anything was wrong on the part of Mr. Cartwright, they must have shared in the fraud.

Hon. Mr. MACPHERSON.—I am not going to relieve the Government from the responsibility that attaches to them. The Finance Minister alone was responsible. He alone represented this country. The other gentlemen, whoever they were, were the lenders, and were not acting for the Dominion.