

further application for \$100,000 to carry them through the balance of the year. They succeeded in making that loan, and he (Hon. Mr. Jones) would like to compare it with the arrangement made by himself. On the 9th of November the following letter was sent by the late Provincial Treasurer to the Manager of the Merchants' Bank:—

WINNIPEG, 9th November, 1887.

SIR,—I beg to herewith enclose certified copies of two Orders-in-Council passed yesterday and authorizing me to effect a loan of \$200,000 from your bank, and also to issue an order on the Minister of Finance at Ottawa, authorizing your bank to receive the amount of the semi-annual subsidy, which this Province is entitled to receive on the first of January next, and the amount of which exceeds the loan now effected.

Upon being satisfied that all the requirements have been complied with in reference to this loan, you will please charge against the amount thereof the sum of \$100,000, previously borrowed from your bank with the interest accrued thereon and the amount of the overdraft on your bank to the present date, the balance to be credited to our general account, but a sufficient sum to be held from the same to cover the payment of interest coupons on the debentures of this Province maturing on the first of January next and, as agreed upon, a commission of one per cent. will be allowed to your bank on \$200,000 from the date of the first overdraft after the previous loan of \$100,000 to the date of the receipt of subsidy transferred to your bank. This commission to be apart from the interest already allowed under the statute.

Yours truly,

(Sgd) A. A. C. LARIVIERE,  
Provincial Treasurer.

D. MILLER, Esq.,  
Mgr. Merchants Bank, Winnipeg.

Doubtless every member of the House was aware what the act says with reference to the powers of the Government to borrow money. In the Statutes of 1887, Cap. 20, Section 30 reads as follows:—

"The Lieutenant-Governor-in-Council may also from time to time in case of exigency arising out of failure of the revenue from unforeseen causes, direct the Treasurer to effect any needed temporary loan chargeable on the consolidated revenue fund in such manner and form, in such amounts payable at such periods and bearing such rates of interest, not exceeding six per cent. per annum as the Lieutenant-Governor-in-Council may authorize; but such loans shall not exceed the amount of the deficiencies in the said consolidated revenue fund to meet the charges placed thereon by law and shall not be applied to any other purposes whatever."

Thus the law enables the government to borrow money by order-in-council; but points out that they cannot pay legally more than six per cent interest. The letter of the late provincial treasurer pointed out that that was the law; but to get over the law he proposed to call the additional interest a bonus. If that would evade the law, he (Hon. Mr. Jones) did not know why we should have any law at all. The bonus offered amounted to four per cent additional after paying six per cent interest, making the total interest paid by the late government during the period mentioned exactly ten per cent per annum (Applause). The arrangement

made by the present government was that they should pay six per cent. per annum only, and to receive the same rate of interest on moneys deposited and standing to their credit at the end of each month that they pay on overdrafts. He was glad to say that the bank did not see its way clear, or did not have the gall to accept the offer of the late government, and only charged seven per cent on monthly balances, and notwithstanding the government's attempt to get ten per cent into the bank they failed because the bank refused to take the money. (Applause and laughter.) The late government of course received the subsidy the first of the year; but having such a large loan almost entirely exhausted, they had but little margin left. They seemed, however, to have made a special calculation to look after themselves, and possibly some of their friends, before this loan of \$100,000 was entirely exhausted. In a considerable number of instances they paid salaries for which they

#### RECEIVED NO RETURN—

salaries for one, two or three months in advance for which no labor had been performed. In other cases it was found they paid but small amounts, particularly school grants. Of the grant of \$85,000—\$33,000 for public schools and \$2,000 for the University—they paid in six and one-half months, up to Jan. 15th, only \$18,000; if they had gone on at the same rate the schools would have received about \$34,000 this year. The present Government had found it necessary to pay already \$31,000 to schools during the three months since they took office. If the late Government did not pay to the schools all they were entitled to pay, they chequed out to themselves their salaries which were not due up to the date of their resignation, amounting to \$518. Hon. Mr. Norquay overdraw his salary \$50; Hon. Mr. Lariviere, \$38; Hon. Dr. Harrison, \$130; Hon. Dr. Wilson, \$100; Hon. Mr. Hamilton, \$100, and Hon. Mr. Burke (laughter) \$100. Some of the amounts named, it is true, were small; and if, under ordinary circumstances, a man who had been in public life 16 or 17 years had only overdrawn his salary \$50, it would seem a very small matter; but the principle underlying the small amount was the same as under a large amount. If it was proper to everdraw \$50, it was proper to overdraw \$500; and, if so, why not \$5,000 or \$5,000,000? Gentlemen occupying such high and honorable positions could not afford to set such an example.

Hon. Mr. Prendergast here interrupted the speaker with the remark that he had been reported to have agreed to share the salary of the late provincial secretary; but it now appeared that the latter had shared his (Hon. Mr. Prendergast's) salary. (Applause and laughter.)

Mr. Norquay observed that so long as one of the two had got the money it was immaterial which one had it.