

April 7th.

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POST
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perial bank \$11,850 worth; and to the
Seminarie de St. Sulpice \$50,000, making
\$61,850; handed to Ryan & Haney, \$30,200;
handed to lawyers on account, \$3,000;
making a total of \$154,050. The cost of
selling the \$61,850 worth was as follows:
Personal expenses of Hon. Messrs. Nor-
quay and LaRiviere and Mr. A. H. Ren-
nie, to Ottawa, Montreal and New York,
\$2,050.00; telegrams, \$401.68; advertising,
\$559.82; printing, etc., \$170.10; legal
opinion of Kingsmill, Cattenach
& Symonds, re bonds, \$600; total,
\$3,768.50. Bonds bearing 6 per cent. interest
cost of selling, say 0 per cent., net 94, with
a promise to allow further interest to pur-
chaser here.

The bonds were sold bearing six per
cent. interest, and netted ninety-four
cents on the dollar. This was
what the leader of the late Govern-
ment said he would have been pre-
pared to take for the million dollar
loan, so anxious was he to complete the
construction of the R.R. V.R.

The total expenses of floating the loan
of \$1,500,000 would be less than \$100 for
cablegrams; \$600 for lithographing; and
\$600 for stamping the bonds; or a total not
exceeding \$1,300. None of the present
ministers would get a trip eastward as far
as Montreal or New York. On the 23rd
of February, 1888, the Canadian Gazette
stated that Manitoba five per cents were
quoted at 108 on the London market. The
interest on coupons was payable on June
1st and July 1st, and if the bonds were
sold on the 23rd of February the interest
accruing from Jan. 1st to that date added
to the bonds. On April 19th, less than a
month afterwards, Manitoba five per cents
were quoted at 110 to 112, having risen
four per cent in less than thirty days.

Mr. Drewry—Disallowance had in the
meantime been done away with.

Hon. Mr. Jones went on to say that if
he had been able to expect that the Gov-
ernment would have done away with dis-
allowance he would not have entered into
these financial negotiations just at the
time he did. He then believed that if the
money were got and the railway com-
pleted,

THE KEY TO THE SITUATION

would be in the hands of the Government,
and disallowance would be done away.
(Applause.) He proceeded to read the
following extract from the Canadian Ga-
zette of January 19th:—

"Messrs. Baring Bros. & Co. on Tues-
day morning opened subscription lists for
£750,000, Canadian Pacific Algoma branch
bonds, and the response was such that
the lists were closed in two hours, as
much as £5,000,000 having been applied
for. The price of issue was 98½, 5 per cent.
to be paid on application, 20 per cent. on
allotment, 40 per cent. on the 5th March,
and 33½ on the 9 April. Interest at the rate
of 5 per cent. per annum accrues from
January last, a full coupon being payable

July 1 next. The bonds mature July 1,
1907."

The Canadian Gazette of December
17th, 1885, stated that tenders had been
opened for £233,300 Manitoba Province 5
per cent. bonds, the minimum price being
105½; that there were 170 applications
made; and that the total amount was
taken. The value received in the Province
was 97 or 98.

On April 28th, 1887, the Gazette
stated that Messrs. Baring Bros.
& Co. had received applications for
£1,330,000 Atlantic and Northwest Rail-
way bonds; that in a few hours nearly
three millions had been applied for; and
that the price was 103, five per cent on ap-
plication, 20 per cent on allotment, 40 per
cent on the 8th of June, and 33 per cent on
the 6th of July; or the instalments might
be prepaid under discount at 3 per cent
per annum. Interest accrued from the
1st inst. at the full rate, and the net price
of the issue was about 102½. The
same relative value for the pre-
sent Government's bonds would be
101½, so that the Government got 1½ more
for practically the same security.

MANITOBA 5 PER CENTS ROSE

between Feb. 23rd and April 17th, within
one month, 4 per cent. He desired to
point out why the rise took place. He
did not think it was because disallowance
had been done away with, though possi-
bly that might have had something to do
with it. The actual cause of the increase
was shown in an extract from the London
Economist. Mr. Goschen delivered his
budget speech this year on the 9th
of March, about ten days after the
Manitoba Government bonds had been
sold. Mr. Goschen undertook to deal with
the 3 per cents at that time issued by the
Government. His proposals were practi-
cally to reduce within a short time the in-
terest on £558,000,000 sterling by ½ per
cent, which was a tremendous decrease on
the whole of the Government's 3 per cent
loan. The effect on the prices of securi-
ties in the London market was shown in
the London Economist of March 17th,
which commented as follows:—

"The scheme for the conversion of the
national debt, which the Chancellor of
the Exchequer expounded last Friday, has
led to a remarkable advance in the prices
of all first-class securities, to which the
only approach in recent years is the rise
that occurred in 1884, when Mr. Childers
tried his hand at conversion. That there
should be an upward movement in prices
was to be expected, and had been in fact
anticipated to a slight extent for
a week or two prior to Mr.
Goschen's statement, but it must
be admitted that the magnitude
of the actual advance has been somewhat
surprising."

Hon. Mr. Jones went on to give some
figures showing changes in Canadian
bonds during the week referred to. Mani-
toba, 5 per cent. Jan. 7th, 108;