

April 7th.

would have been a necessity to complete the road, which it was not their intention to do last year.

With reference to the loan he (Hon. Mr. Jones) had negotiated, the first definite offer he received was 101, or one per cent. above par; this offer was declined, and after a considerable number of interviews and cablegrams, another offer was made, which, on the 29th of February was practically accepted; that is the Province should sell the bonds for 103. On that date, this letter was written by himself (Hon. Mr. Jones) to Drummond Bros. & Moffat, of this city, acting agents of a London firm:—

"Feb. 29, 1888.

Re loan of \$1,500,000.—

In accordance with our conversation this afternoon I now write to you to say that the Government will accept the price named by you, which was 103 or 3 per cent. premium; money and bonds exchanged at Winnipeg; no commission, or charges or costs allowed; bonds to run 35 years and bear interest at 5 per cent., payable half-yearly; interest to be paid at London, England. This offer to be subject to your acceptance not later than Saturday next. If not accepted, this letter to be returned to me."

Mr. Jones read also the following sentence of a letter from Drummond Bros. and Moffat, dated Feb. 28th:

"We are now informed and are of the opinion that no act of disallowance can affect the validity of your measures, if said measures are availed of or made complete transactions previous to any act disallowing the same."

On the 3rd March the following letter was addressed to Hon. L. M. Jones, Treasurer, re loan of \$1,500,000:

"We are in receipt of cable advices yesterday and to-day, and we accept your official offer of the 29th ult., and will be prepared to carry out the terms of the same as soon as your Government can complete necessary legislation. We are without letter advice and cannot therefore give you the complete details of the requirements of the London and Hull Syndicate; but we may say that they desire the bonds dated April 1st, 1888; the coupons payable half-yearly; the rate of interest 5 per cent. per annum, and the maturity of the bonds 35 years from 1888. We shall advise you more fully when we receive your letters. The Syndicate is composed of Sir Robert Carden & Co., brokers, London and Clientele; the United States and Colonial Mortgage Co., Clientele and Hull. The Government could not be in better or more powerful hands.

Yours truly,
DRUMMOND BROS. & MOFFAT.

Hon. Mr. Jones proceeded to say that the above syndicate was probably one of the

STRONGEST FINANCIAL INSTITUTIONS in London, England. Within a few days Mr. Drummond left here very quietly, the speaker did not think, he said, he was going to see his uncle or nephew; and strange to say he got across the ocean before people found out that he was on a financial errand for the Provincial Government. On his reaching London and meeting with his principals he cabled as follows:—

Hon. Mr. Greenway, Winnipeg.—
Get Order-in-Council to pay London Bank one-eighth per cent. per year of amount of interest for paying coupons half-yearly. Bank of Montreal wanted one per cent.

CARDENS, LONDON.

On the same day the following cable message was sent, dated in London, to Hon. Mr. Greenway, Winnipeg:—

"We confirm Drummond's arrangement and are ready to accept your draft or remit money in usual instalments, as soon as your Legislature completes, and transfers can be effected. Are cabling details to Richards. Have strong syndicate here to back your interests."

CARDENS, London."

The Government agreed to give Mr. Drummond time to reach London and fully place the situation before his principals, before they were to receive assurance from them that the arrangement would be carried out. The arrangement was the best ever made in the Province with reference to paying the coupons on the bonds. The city pays Morton, Rose & Co. one per cent. for paying coupons; the Province pays the Clydesdale Bank 1/2 per cent. for paying coupons half-yearly, on all previous debentures of the Province; but the Government were to pay the London and County Bank only 1/4 per cent. for paying coupons on this loan. The annual cost would thus be \$98.75; and the total for thirty-five years, \$3,281.15; the cost on the same amount per year at 1/2 per cent. would be \$385; and the total for 35 years, \$13,125; so that the net saving to the Province in the present arrangement would be \$9,843.85. The arrangement was a most excellent one, and one that he had not thought it possible for the Government to make. Immediately on the House having passed the necessary legislation, and the Lieut.-Governor having given assent to the bill, he (Hon. Mr. Jones) sent the following telegram to Mr. Drummond:—

"Act authorizing loan completed; Order-in-Council passed making interest payable in London; bonds to be domiciled in the London and County Bank. We desire 10 per cent. within five days, a further 10 per cent. fifteen days later; the balance of the first third on the 1st of June; the second \$500,000 on the 1st of July, and the balance on such date after the 1st of July as will make the average date July 1st."

It would thus be seen that so soon as the Government had the authority to make this loan, it was cabled across the ocean and the shortest possible time was given to the parties who furnished the money. The money was on the way, and would be placed to the credit of the Government here in a day or two, as per the above telegram. The bonds will bear interest from the 1st of July; and the first coupons will come due on the 1st of January. The late Government had some experience in floating bonds last year, and he called attention to

WHAT IT COST

to float them. They sold through the Im-