

STOP THE LOAN.

The statement of Col. Matheson with respect to the Temiskaming loan makes the situation somewhat worse than was supposed. It was expected that the Province would net 98½, with some small deductions in the way of expenses, but it turns out that the expenses are so large that the net price to the Province is only 96. In view of this everything that has been already urged in these columns is intensified and made more cogent. There can be no doubt in the mind of any man who knows the money situation in this Province that Col. Matheson could, by inviting popular subscriptions, get the amount he requires at a hundred cents on the dollar. He virtually admits the fact in his own speech. He told the House on Tuesday that during the coming summer he intended to raise from two to two and a half million dollars by the very plan which The Globe is now proposing. "During the past year," he continued, "I have been approached by a number of wealthy gentlemen who wished to make investments for the benefit of their families." A considerable part of the loan proposed to be floated next summer would be taken up by this class of investors, no doubt in the world, and the amazing thing is that, in view of the representations of those gentlemen, the proposition for a popular loan did not come from Col. Matheson. We can assure him that such a proposition would have been received with satisfaction from one end of the Province to the other.

The Treasurer can rest certain that there is another class besides those wealthy gentlemen he spoke of who would be glad to put their money in securities as good as gold, and get 3½ per cent. per annum for it. There are thousands of people who, rather than adventure into what they cannot be sure are not risky investments, are content with the 3 per cent. returns of the Government savings banks and those of the chartered banks. Many of these people would be glad to have the opportunity of exchanging their present investments for the gilt-edged security of the Province of Ontario, and would not begrudge one hundred cents on the dollar for it. That being the case, why should Col. Matheson go out of his way, and take \$240,000 less for his bonds than he could otherwise get?

It must be said for him that he plainly perceives the position he is in, and excuses it by saying that he cannot, without imperilling the honor of the Province, go back on his bargain with the money-lenders. We would be the last to make light of the honor of the Province, but fortunately no such position exists as Col. Matheson imagines. When the bankers drove their bargain with Col. Matheson they knew there could be no finality to it until the Legislature had passed upon it. There would be no breach of faith, or of any of the proprieties, in telling them that a more profitable way of disposing of the bonds had been adopted. There would be no derogation of Col. Matheson's position, any more than there was to President Cleveland and his Cabinet when they had, in face of public opinion, to abrogate the bargain with J. Pierpont Morgan & Co. in 1895. By the abrogation of that bargain the United States saved \$6,500,000. If the President and his counsellors did suffer a little loss of prestige, the people of the United States were scarcely ready to pay \$6,500,000 in order to preserve it, and we do not believe the people of Ontario are prepared to pay \$240,000 for the preservation of Col. Matheson's feelings, much as they may respect him.

It need scarcely be said that The Mail and Empire is with Col. Matheson up to the hilt. Those who saw an article on the subject in yesterday's issue, headed "Thwart the Grafters," may have imagined for one wild moment that it had joined the popular movement. But the grafters which it had in its eye were not the gentlemen who stand to make some three hundred thousand dollars out of this transaction, but some mythical band of grafters that exists only in its own brain. If it chooses to regard as grafters the people who would exchange their three per cent. investments for three and a half, we can safely regard it as not serious. It deprecated the withdrawal of the sum from the banks, and it may be that the banks will not like that feature of it, although it is only a drop out of their ocean. But it must be firmly and clearly maintained that the Provincial Treasurer has no business to be influenced by that consideration. His bounden duty is to get as much for the securities he has to sell as he can. He has no more right to consider what the banks will think of it than he has to hand to one of them \$240,000 that ought to go into the coffers of Ontario. In short, in following the course now advised he would be getting for his bonds what he ought to get for them, and he would be conferring a boon not only on the wealthy gentlemen who have spoken to him about the matter, but also on many smaller capitalists, who have not the facilities for investing their money that those larger capitalists have. The argument that the small investor requires an investment that can be readily turned into money does not lie in this case. What could be more readily turned into money than an Ontario Government bond?