

MEMORANDUM respecting Canadian Loans placed on the London Market since 1867.

Loan.	Price in prospectus.			Price realized.			Duration of Loan, years		Total Issue.	Discount or Premium.	Amount realized.	Charges, including Discount for immediate payments and interest on part payments.	Net Amount of Cash realized.	Rate of interest, taking into account interest on instalments as well as preceding deductions.		
	Year	Month	Day	Year	Month	Day	Rate	Rate								
Intercolonial R'y, 1869, guaranteed.	105	12	11	35	5	5	4	1,500,000	P. 112,946	2,112,946	29,896	18	5	2,083,049	7	*0125
do 1869, unguaranteed.	105	12	11	35	5	5	4	500,000								
do 1873, guaranteed.	104	7	8	31	4	4	4	1,500,000	P. 78,971	1,878,971	33,449	18	11	1,845,521	7	*03916
Rupert's Land, guaranteed.	90	90	3	30	4	4	4	300,000	D. 393,471	3,606,523	60,289	9	9	3,546,233	12	*04875
Loan of 1874.	90	90	3	30	4	4	4	4,000,000	D. 393,471	3,606,523	60,289	9	9	3,546,233	12	*04875
do 1875, guaranteed.	99	1	8	30	4	4	4	1,500,000	D. 21,936	1,247,069	42,847	6	1	1,243,221	14	*0416
do 1875, unguaranteed.	99	1	8	30	4	4	4	1,000,000	D. 21,936	1,247,069	42,847	6	1	1,243,221	14	*0416
do 1876.	91	91	...	30	4	4	4	2,500,000	D. 225,000	2,275,000	57,122	9	7	2,217,877	10	*0175
do 1876.	96	11	9	30	4	4	4	1,500,000	D. 102,347	2,897,652	36,602	15	7	2,861,049	11	*013
do 1878.	95	95	1	29	4	4	4	3,000,000	D. 147,206	4,285,793	17,988	8	3	4,267,805	5	*045
do 1878.	96	11	9	30	4	4	4	1,500,000	D. 102,347	2,897,652	36,602	15	7	2,861,049	11	*013
do 1879.	95	95	1	29	4	4	4	3,000,000	D. 147,206	4,285,793	17,988	8	3	4,267,805	5	*045
do 1884.	91	91	2	25	4	4	4	5,000,000	D. 445,870	4,554,130	91,693	3	4	4,462,436	16	*0423
do 1885.	99	101	1	8	25	4	4	4,000,000	P. 43,416	4,043,416	82,098	2	1	3,961,317	17	*04083
Canada Reduced.	24	4	...	24	2	9	2	6,442,136	D. 54,576	6,388,660	33,977	1	0	6,354,683	19	*041
Loan of 1888.	92	95	1	50	3	3	3	4,000,000	D. 197,904	3,802,096	67,598	4	3	3,734,497	15	*0327

\*Or 50 years calculated for 25 years only.

Sir RICHARD CARTWRIGHT. Will the hon. gentleman state the exact net product of the loan?

Mr. FOSTER. The amount of the loan was £1,000,000. The discount paid was £300,419 15s. 9d.; one per cent. commission, £10,000; stamps, £1,026 12s. 6d. Total amount passed by the Auditor to date, £243,446 8s. 3d. One quarter per cent brokerage £10,000; stamp duty, £9,778 11s. 3d.; printing and advertising, £2,350 13s. 0d.; stamps, £ 80; being a total of £222,309 4s. 3d., which is still held by the Auditor General for fuller information, but which, he informs me, he considers will be all right and be in the end paid. Total amount to be taken from the face of the loan for all charges, £265,755 12s. 6d., leaving £3,734,244 7s. 6d. as the net amount of the loan, and the rate is 3.27 per cent. The favorable nature of a loan is measured by the returns it gives to investors in comparison with other loans running upon the British market. Our 3½ per cents. at that date were quoted at 105½, which would return to the investor, redemption included, £3 4s. 6d per year. Our 4's, due in 1904 and 1908, were quoted at 109½, which would return to the investor, redemption included, £3 5s. 9d. Our 4's reduced, falling due in 1910, were quoted at 110½, which gave to the investor £3 6s. 0d. Our 4's, 1910-35, were quoted at 112½ which gave to the investor £3 9s. 0d.; whilst the 3's gave the investor, redemption included, as in the other cases, but £3 4s. 1d.; and as the advantage of a loan, as far as we are concerned, and the return to the investor bear an inverse proportion, it will be seen that the loan placed upon the market in 1888 is more favorable for Canada than the quotations as to the running loans upon the market and the other securities that I have mentioned.

Sir RICHARD CARTWRIGHT. Does this loan bear a sinking fund?

Mr. FOSTER. No. I desire to say a word as to the amount which was asked for. Some criticism has taken place in the press, and no doubt some criticism will take place here, in regard to our having asked for a loan of £4,000,000, when we have, by our own admission, a certain surplus on hand unused. At that time we had to meet temporary loans at Glyn's and Baring's, amounting to \$6,252,106; we had to meet sinking fund and inter-

est, payable in London on the 1st of July, amounting to \$2,147,354; we had to meet the redemption of debt in the current year of \$3,594,386, making in all, \$11,793,845. We had also to meet the redemption of debt in 1889-90, amounting to \$2,417,267, making in all, \$14,211,113, which we had to meet either on the 1st July, in reference to the temporary loans and the redemption of debt for that year, and during the current year for the redemption of debt in 1889-90. That would leave a surplus of \$4,250,177. Then we had to face a large capital expenditure which Parliament had already authorized on the canals, on the Sault Ste. Marie canal—prospectively, at least, and which is now under contract—and an expenditure for the St. Lawrence canals, running over three years. In addition to that, we had the railway to Cape Breton, which was under construction, and which will not be completed until the end of the current year. For all these, a large capital expenditure would have to be incurred. Taking these into account, it became a matter of choice if we should go on the London market for a loan of £3,000,000 at that time and pay all the calls upon us, with the prospect of incurring a larger amount of expenditure afterwards, leaving four or five millions of dollars which would be required within the next year or eighteen months for which we would have either to place temporary loans or to go on the market again, and it was decided that the most economical course was to take the whole amount at that time, because of the state of the market then, and because of the fact that the money would be required within the period I have mentioned. Besides, for temporary loans we have to pay 4 per cent., and sometimes more. We have not been able to get them at a rate less than that. It was, therefore, thought that the most economical course would be to borrow the larger amount and preclude the necessity of getting these temporary loans or going on the market for another loan. I suppose something will be said as to the disposition of the surplus, and I may as well make a statement to the House at this time as to that matter. On the 1st July we had at our command £1,000,000 which we needed to place somewhere. That million was in London. It was impossible at that time to get a rate of more than 7-8 per cent. for that money in London. The money market seemed to be filled. Rates were ruling very low, and there was