

The MINISTER OF FINANCE. A portion of the \$10,000,000 probably will be placed on the market this fall.

Mr. FOSTER. \$5,000,000 as a temporary loan is a very large amount to be running for any length of time. I quite appreciate that the time for putting on a loan must be a matter for consideration by the Finance Minister himself. It is sometimes better to run a large temporary loan than to take the market at a disadvantageous time; but if the market is in a favourable condition, it is better to have the loan in permanent form.

The MINISTER OF FINANCE. I quite agree in the views expressed by the hon. gentleman (Mr. Foster) and the course he has indicated is that which will probably be pursued. But I may say that the rate at which we are borrowing temporarily at the present moment is a very favourable one, indeed.

On resolution 2,

2. That the sums of money hereby authorized to be raised by way of loan shall be so raised in accordance with and under the provisions of that portion of chapter twenty-nine of the Revised Statutes of Canada relating to the public debt and the raising of loans authorized by Parliament; and the sums so raised shall form part of the Consolidated Revenue Fund of Canada: Provided always, that the rate of interest to be paid on any loan to be raised hereunder shall not exceed four per centum per annum.

Mr. FOSTER. I do not see why my hon. friend (Mr. Fielding) cannot make that $3\frac{1}{2}$ per cent. I think he will be perfectly safe in doing so. Keeping it in the statute at 4 per cent really does not put the credit of Canada where it ought to be. I cannot conceive of any circumstances that can arise to prevent the Government from borrowing at $3\frac{1}{2}$ per cent or less than $3\frac{1}{2}$ per cent. I just throw out the suggestion whether it would not be wise to bring down the maximum credit limit of the country now to $3\frac{1}{2}$ per cent. It would certainly strengthen us in this regard.

The MINISTER OF FINANCE. I rather think my hon. friend (Mr. Foster's) suggestion is a good one. We have always put the limit at 4 per cent, not as indicating the actual transaction but as a margin. I think we should be quite as safe at $3\frac{1}{2}$ per cent as at 4. so I accept the hon. gentleman's suggestion, and move that the resolution be amended accordingly.

Amendment agreed to.

Resolutions reported.

FIRST, SECOND AND THIRD READINGS.

Bill (No. 148) authorizing the raising by way of loan of certain sums of money for the public service.

Mr. FOSTER.

CROW'S NEST PASS RAILWAY.

Bill (No. 146) to authorize a subsidy for a railway through the Crow's Nest Pass, was read the second time, and the House resolved itself into committee.

(In the Committee.)

On paragraph (i),

Mr. FOSTER. In passing, I call the attention of the committee to an innovation made by this business Government. It seems it now proposes to put through its Acts in two sections, one contained in the Bill itself, and the other important ones contained in the resolution. I commend that as a very business-like operation. But what I want to call to the attention of my hon. friend is: If "the company, or any other company with whom it shall have any arrangement, by constructing the said railway or any part of it," it shall become entitled to get the lands, and then the Dominion Government shall have 50,000 acres of those lands. That is all conditional. It is possible then, so far as you can translate the language, that the Canadian Pacific Railway may get none of those lands, and if it gets none of them, then of course they cannot carry it out.

The MINISTER OF RAILWAYS AND CANALS. Then they do not get any subsidy.

Mr. FOSTER. Is that stated?

The MINISTER OF RAILWAYS AND CANALS. That is absolutely the case.

Mr. FOSTER. I do not think that it is stated. The matter is so worded that the getting of 50,000 acres of land is entirely contingent, but there is no contingency about the payment of the \$11,000 per mile as a subsidy. That may be in my hon. friend's mind, but it would be well to translate that into a binding Act of Parliament.

The MINISTER OF RAILWAYS AND CANALS. Among the conditions which are imposed upon the granting of the subsidies, is that an agreement shall be entered into providing for all these things that we have not embodied in these resolutions, all the terms, all the details of the agreement which is to be entered into. It is provided that the agreement shall contain, inter alia, the covenants not herein stated. I may say that the Canadian Pacific Railway Company thoroughly understands that they do not get one dollar of subsidy unless the land provided for shall be acquired by them and shall be made over to the Government. They understand that, and that will be embodied in the agreement.

Mr. FOSTER. My hon. friend must see this: Once you have passed the law the Minister of Railways is bound by the law just as much as the Canadian Pacific Rail-