

grew tired of declaiming against the extravagance of the late government and pointing out how a very substantial reduction could be made in the expenditure of the country—how at least \$2,000,000 a year might be saved on expenditure,—we find these gentlemen's expenditure exceeding the revenue of the country the first year of office by at least half a million, and the public debt increased by two and a half million of dollars. Hence, we find these gentlemen instead of being busily engaged in reducing expenditure and paying off the public debt by a system of economy to be inaugurated and carried out in a practical way—we find these gentlemen making a loan of \$15,000,000. In regard to this we are asked to express our satisfaction at the very reasonable way in which this loan was placed on the London market. The mistake which my hon. friend who seconded this address fell into was this: he seemed to think this loan was put on the London market at two and a half per cent and the bonds were sold at par and consequently this country was only paying a 2½ per cent rate interest on the loan.

Hon. Mr. SCOTT—I did not say that.

Hon. Mr. LOUGHEED—I am quoting now from the speech made by the seconder of the address, who seems to have fallen into that error. The bonds in question realized, if I recollect correctly, about 91½. They yield to the investor about two and three-quarters per cent, so that the Dominion of Canada is not paying two and a half per cent on this issue of bonds but two and three-quarters per cent. One reason why I find fault with the Minister of Finance is this, that for some time previous to his going to London, our three and a half per cent bonds were yielding to the investor only two and five-eighths per cent in London. English Consuls at that time were selling at two and three-eighths and the bonds of reliable home corporations were selling at two and a half, and we find a small colony like Ceylon having their inscribed bonds quoted at two and three-quarters. Notwithstanding the fact that our three and a half per cent were only yielding investors at that time two and five-eighths, we find Mr. Fielding negotiating a loan on which we are paying two and three-eighths per cent. Now, a difference of one-eighth per cent on a loan of

\$15,000,000 will represent nearly \$18,000 a year, so that instead of negotiating a loan on as favourable terms as two and five-eighths per cent, we are paying an extra one-eighth per cent, or in other words eighteen thousand dollars a year more than we should have been called upon to pay. I am informed the negotiations were so conducted that it was impossible to get sufficient subscriptions to take up the loan and if it had not been that Canadian bankers took up a considerable amount of the bonds the subscriptions would not have exhausted the issue. This was due to the loan being put on the market at an inopportune time when money was dear and the rates had stiffened for reasons which then should have been known to the government. Consequently I, for one, cannot express the satisfaction which apparently is embodied in the the address in regard to the success of the Minister of Finance in his first financial venture. My hon. friend, the Secretary of State, exercised himself considerably over endeavouring to explain away the opportunity which presented itself to our Prime Minister when in London during the Jubilee to forward negotiations for imperial trade relations between ourselves and the empire. My hon. friend the Secretary of State struggled very hard to prove to the satisfaction of this House some good reason why the Prime Minister should have pursued the course he did, and the liberal party from that day to this have been endeavouring to convince the country that Sir Wilfrid Laurier exhausted every effort before taking the position he did take on free trade, and receiving a Cobden medal. My hon. friend pursued a somewhat specious course in presenting to this House the proceedings of the Congress of the Chambers of Commerce, in which Mr. Chamberlain expressed himself on this particular question. If my hon. friend had been desirous of giving to this House a full explanation of all that took place on that occasion he would not have refrained from going more fully into the report from which he read. He would have placed this House in possession of the other resolution which was submitted before the congress on that particular occasion to which Mr. Chamberlain assented and which embodied a proposition entirely agreeable not only to Mr. Chamberlain but to public thought in Great Britain at the time as to a method by which