

of money. It is a high rate that precedes trouble, and afterwards there is complete stagnation, and at the time to which I refer money in the great centres of trade—in London, and Paris, and the other great financial centres—was ranging at very low rates of interest, from one per cent. to one and a quarter, and sometimes even less than that. At that period the late Minister of Finance went to London to negotiate a loan of £2,000,000 sterling; the loan being at 4 per cent interest, and guaranteed by a proper sinking fund. That negotiation was made, and it was considered a great financial triumph by the supporters of the then Government, and was boasted of as an achievement which ought to reflect much credit upon the hon. gentleman who made it. Nominally the loan was made at about 91, but considering the allowances for interest—that it drew interest from the time it was issued, and that the last payment was not due until the following July, by a statement carefully prepared it was found that the loan produced a net result of less than 87 and a half cents. on the dollar. That statement has been made and has gone unchallenged.

HON. MR. SCOTT—No, no.

HON. MR. PLUMB.—It has gone uncontradicted. I am sorry I have to differ from my hon. friend.

HON. MR. SCOTT.—I contradict it now.

HON. MR. PLUMB.—I am speaking of a different kind of contradiction, which should prove that the statement is not correct by figures. The figures have been produced and those figures have never been contradicted by the gentleman most interested, that is the gentleman who negotiated the loan. I state that upon my responsibility as a public man, I have never heard such contradiction, and I have made the statement frequently in the presence of the gentleman himself. I say there was a discount of 12 and a-half per cent. on that loan, but he did not think it desirable to stir up that question any further lest we should find that even a worse bargain was made. I may be mistaken. I speak under correction, and if any paper

can be produced which shows I have made a mis-statement, I shall be most happy to recall it, but up to this time no such paper has been produced. When the present Administration came into power it was found that a very large loan was falling due in England—on the 1st of January then coming—and no provision had been made for it. It had to be arranged, and the moribund Parliament of 1878 had not dealt with it, nor had the Minister of Finance of that day done so. Consequently the present Finance Minister, upon coming into office, was embarrassed by the immediate necessity of being compelled to proceed to England to arrange that the credit of Canada should be saved, and to attain that object he was obliged to negotiate a loan of some \$8,000,000. That loan was at 4 per cent., and he arrived in England in December, just after the failure of the City of Glasgow Bank had destroyed public confidence, and had paralyzed public credit. He was compelled, in order to save the credit of the country, to offer that loan upon the money market just when this failure occurred; and before the effect produced by it had worn away, the West of England Bank failed, giving another shock to investors; but such was the confidence that had been established—in my judgment by the change of administration and the promise of a different policy—that, whereas the heaven-born Minister of Finance on the one hand sold four per cent. debentures at 87 and a-half cents at a period when money was a drug at one per cent., and when he had plenty of time to make a negotiation and did not want the money immediately, and gave a credit of about eight months upon it,—the other loan was negotiated at about 96, and was of the same character, bearing the same rate of interest, and having the same kind of security. I think that shows pretty well the difference in the estimation of the public between the two policies, which were then upon their trial upon the most severe test that can be applied, viz.; the test of the money market, which does not know any friends and has no particular political proclivities. But there is more than that: that loan negotiated at 96, where does it stand now? And where does the loan negotiated at 87 and a-half stand? At 104 to 105.

HON. MR. PLUMB.