

ask for a sum which we think will be sufficient to meet the requirements of the Dominion for a shorter period than was contemplated in the Loan Bill of 1888.

I have here a statement showing the borrowing powers held by the Government in a series of years from 1887 to 1896 :

Borrowing powers, 30th June, 1887....	\$26,082,681
do do 1888....	48,926,607
do do 1889....	37,764,954
do do 1890....	40,219,325
do do 1891....	37,421,597
do do 1892....	34,161,212
do do 1893....	29,714,379
do do 1894....	22,932,721
do do 1895....	13,121,015
do do 1896....	8,613,422

It will be seen that the borrowing powers of the Government have now fallen to a comparatively low amount and that it is necessary, in view of the expenditure of the Government which has been authorized by Parliament, that we should ask the sanction of the House to a Loan Bill giving us authority to borrow what may be required from time to time, not exceeding a total of \$15,000,000, which, added to the \$8,000,000 outstanding, will give the Government a borrowing power of \$23,000,000, as against \$51,000,000 in 1888, when the last Loan Bill was passed.

As to the matters to which these \$15,000,000 may be applied, there are outstanding temporary loans to the amount, in round numbers, of £1,000,000 stg., or \$5,000,000. Of these, \$2,000,000 were contracted by my predecessor shortly before his retirement, and \$3,000,000 by myself shortly afterwards. There are therefore \$5,000,000 of temporary loans to meet in the first instance. The appropriations on capital account for the coming year are very considerable. The largest of them, of course, is in relation to canals, for which we ask a very considerable sum owing to the desire of the Government to prosecute these great enterprises to an early completion. Taking the items chargeable to capital account in the Estimates, we have \$7,052,214 as the amount. Then the Crow's Nest Railway will call for \$3,630,000, and the treasury Bills to which I have referred amount to \$5,000,000, making an aggregate of \$15,000,000, besides which there are railway subsidies, some portion of which will be called for. Of course, the expenditure on Crow's Nest Railway will not all be called for in the first year, but it is not unreasonable to suppose that we will require \$15,000,000 within the next two or three years. In view of the figures I have mentioned, it will, I think, be seen that the proposal of the Government is altogether a moderate and reasonable one.

Mr. FOSTER. I have no intention of making any prolonged discussion on this. My hon. friend is quite right in saying that borrowing power is not synonymous with appropriation, but it is equally right

to say that borrowing power is the natural result of making appropriations, and I have no doubt at all that my hon. friend has based the borrowing power he is asking for upon that and nothing else.

The large borrowing power which the hon. gentleman has said existed in 1888 would be, of course, misunderstood unless the fact were taken into account that a large proportion of that was limited to conditions which made it practically unavailable, for instance in connection with the Intercolonial Railway. However, the general assumption is, of course, correct, that a Government is not to be judged by the borrowing power it takes, but by what it actually expends. I understand that the total borrowing power which the Government will have, if this passes, will be \$23,600,000 in round numbers.

The MINISTER OF FINANCE. Yes.

Mr. FOSTER. Where are these temporary loans running?

The MINISTER OF FINANCE. They are all contracted in London. Although a portion was contracted with the Bank of Montreal, it is really a London transaction, and a portion of it is with an English bank.

Mr. FOSTER. What bank?

The MINISTER OF FINANCE. The National Provincial Bank.

Mr. FOSTER. That is the loan contracted with the Bank of Montreal under the condition that the Bank of Montreal may associate with another bank in London?

The MINISTER OF FINANCE. The condition respecting the association with other banks has relation to the floating of permanent loans and not temporary.

Mr. FOSTER. Is the hon. gentleman undertaking to make temporary loans with other banks than the Montreal Bank?

The MINISTER OF FINANCE. We have made a temporary loan with a bank other than the Bank of Montreal.

Mr. FOSTER. I wish my hon. friend would be kind enough to bring down a statement with reference to that.

The MINISTER OF FINANCE. I can tell the hon. gentleman. We have £400,000 stg. of these loans, roughly speaking, \$2,000,000, with the National Provincial Bank. The remainder, \$5,000,000, is entirely with the Bank of Montreal. We are arranging now to renew the loans, but as the transaction is now pending I do not think I can state the rate, but it is a very profitable rate indeed.

Mr. FOSTER. Does the hon. gentleman propose to put a loan on the British market this year?