Loans Maturing Soon.

Date of Maturity.	Rate of Interest.	Amount.	Sinking Fund.	Balance.
In London.	Per cent.	£	£	£
Oct. 1, 1903	5	500,000	None.	500,000
" 1, 1903	4	1,500,000	969,500	530,500
April 1, 1904	4	300,000	205,000	95,000
May 1, 1904	4	4,000,000	1,024,500	2,975,500
		6,300,000	2,199,000	4,101,000
In Canada.		$	$	$
Nov. 1, 1903	4	2,852,000	None.	2,852,000

As the House will see, one of these loans, which will mature on 1st November next, is a domestic loan, amounting to $2,852,000, which was issued in 1883 and bears interest at 4 per cent. My expectation is that we shall be able to refund the loan in Canada at a saving of one-half per cent interest. A few years ago we looked forward to more favourable terms than this. But for several years the condition of the money market has been one of considerable stringency, and the present indications are by no means favourable to cheap money at an early day. Under these circumstances I have thought it well to provide for this loan by issuing a domestic loan for a short period. The proposal is that the holders of this loan shall receive new stock, running only for ten years at 3½ per cent. I have no reason to doubt but that this will be regarded as a fair offer, and that the holders, as a rule, will be glad to renew the loan on these terms. If in any case they are not, I am satisfied that we can easily place the new stock in other quarters at the rate mentioned. I have spoken of a domestic loan which will mature in November in Canada. On the 1st of October we have two loans maturing in London, one a five per cent loan for £500,000 sterling against which there is no sinking fund, therefore, the whole amount of it will have to be provided for. The other is a four per cent loan of £1,500,000 against which we will have a sinking fund of about £1,000,000 leaving a balance of about £500,000 to be provided for. I feel hopeful that by the 1st of October we can, out of our revenues, provide for the five per cent loan of £500,000, and for such portion of the four per cent loan as may then be outstanding. But, if we should not be able to provide for the whole of it we can cover the balance by a small issue of treasury bills which will carry the transaction over into the next year, when we shall have to take into consideration other obligations arising, and at which time we hope for a more favourable state of the money market.

From this time forth, for some years, we shall receive considerable sums from a new source, money which we shall receive virtually as trustees, but which, will, for the time being, be available for our own purposes. I refer to sums which may be derived from the sale of lands by the Canadian Pacific Railway. The first mortgage upon these lands, given in 1881 to secure an issue of $25,000,000 of bonds, has been practically all paid off. The moneys hereafter realized from the sale of Canadian Pacific Railway lands become available for the payment of an issue of $15,000,000 of 3½ per cent fifty year bonds issued in 1888. The government guaranteed the interest on these bonds and the Minister of Finance became one of the trustees under the mortgage. It is provided that all moneys realized from the sale of these lands, after the payment of the first mortgage, shall be paid in to the Dominion government. The government allow 3½ per cent interest upon the money in accordance with an arrangement made by our predecessors, which is the rate