

I have already said, that this is not a war loan; it has nothing to do with the various war measures which we have passed from time to time; it is purely for civil government purposes.

Hon. Mr. BELCOURT: That might depend on the date of the loan, and that is why I asked the question.

Hon. Sir JAMES LOUGHEED: No, one is distinct from the other.

Hon. Mr. BELCOURT: Perhaps my hon. friend will have that information for us by the time the Bill is reached again.

Hon. Mr. CLORAN: The Government has given the country an explanation for the demand for a \$100,000,000 loan to pay off two loans. It has given an explanation in regard to \$75,000,000 of the amount at present demanded—\$50,000,000 to pay off a loan that is coming due in April, and \$25,000,000 to meet a loan falling due in August. Has the Government yet told the country, or the Senate, or Parliament, what it is going to do with the balance of the \$100,000,000—the \$25,000,000? The Government has not stated anything about that. The country is waiting for its answer and its explanation. It has no explanation and no answer—a dumb Government!

Hon. Mr. POWER: Is the hon. leader of the Government in a position to inform the House what rate of interest the Government expects to pay upon these loans?

Hon. Mr. CLORAN: You will not answer that.

Hon. Sir JAMES LOUGHEED: That will depend on the market at the time the loan is negotiated.

Hon. Mr. POWER: Suppose the loans were made to-morrow?

Hon. Sir JAMES LOUGHEED: They would probably cost from 5 to 5½ per cent.

Hon. Mr. CLORAN: "You pays your money and you takes your choice."

Hon. Mr. POWER: I am not proposing to oppose or unduly delay the passing of this important measure, but I wish to express my regret that the Government have not paid any attention to the efforts that have been made on two or three occasions in this House to secure something more like fair play in the rate of interest allowed by the Government to different lenders. I understand that to-day no money is being borrowed at a lower rate than 5 per

cent, while at the same time the depositors in the Government savings banks and in the Postal savings banks, who are as a rule our own citizens, and generally people who are striving to save a little out of their comparatively limited means, are getting only 3 per cent. I think that on the face of it that is a most unjust and indefensible distinction. Some years ago, when the rate of interest paid on loans from outside was 3½ or 4 per cent the Government of that day paid to the depositors in the Government savings banks the same rate that they paid to lenders outside. They paid at one time 4 and at another time 3½ per cent. Under the late Administration the Minister of Finance reduced the rate to 3 per cent, on the ground that the Government were paying only 3 per cent to outside lenders, and he did not think it was a businesslike thing for the Government to pay more to the depositors in the savings banks than the rate at which they could get the money from other lenders. Now, as they say, the boot is on the other foot, the depositors in the savings banks, who, as I say, are our own citizens and as a rule people not overburdened with wealth, are getting only 3 per cent, while the lenders, the capitalists, whether they are American, English, or Canadian, are getting 5 per cent. I contend, hon. gentlemen, that that is a most unjust and indefensible position, and I feel that it is my duty, while this measure is going through, to call attention to the unfairness of the manner in which the Government deals with these depositors.

Hon. Mr. EDWARDS: I recall full well the statements made by the honourable gentleman on several occasions in the House in regard to this matter; but I am afraid that if he inquired into the situation he would find that the very condition to which he referred has existed for some time back. The fact is that for some time Canada has not been receiving loans from Great Britain, as she formerly did, but has been aiding Great Britain, as has already been mentioned. But that is not all. The position to-day is that the very parties to whom the honourable gentleman refers have had the opportunity for some months back, and have the opportunity now, to withdraw their money from the savings banks and invest it in the loans which are offered by the Government.

Hon. Mr. POWER: It is not probable that the average poor person—widow or child—would know enough to invest in the bonds.