

look at the relative prices of the United States securities in 1874, in 1876, and in 1879. When, in 1874, I negotiated a loan of four millions sterling, and introduced a totally new security, as far as Canada was concerned, into the London market. United States 5 per cents could be obtained on the London market for 104 or 105. When, in 1876, I negotiated a loan at the nominal rate of 91, the United States had just placed a loan on the market at $4\frac{1}{2}$ per cent., for which they obtained 100 $\frac{3}{4}$. In other words, I obtained in 1876 precisely the same rate for Canadian 4 per cent. securities—allowing for the difference in interest—which that great people, the United States, were getting for their $4\frac{1}{2}$ per cents. But, when the hon. gentleman went over to London, I observe that he sold his 4 per cents at what he calls 95, but what was in reality 93, and American 4 per cents were selling at that very time at 104 to 105. In other words, I got as good prices as the United States, and he got 10 per cent. worse. Now I am arguing with the hon. gentleman according to the style of argument adopted by himself and his organs in the public press. I do not desire to take away from him the credit of negotiating a loan on good terms. He is welcome to that credit, and I am even willing to strike an average and put the good price he obtained in 1879 against the bad price he obtained for his loan of 1878. But there are two points on which I think his conduct was censurable. When in the Session of 1879 the hon. gentleman was reviewing the details of the loan of 1878, I called attention very strongly to the fact that the sinking fund of Canada had attained enormous proportions, and that it was extremely desirable that an attempt should be made at the earliest possible moment to get rid of the sinking fund attachment, and I was quite willing to have sustained him to the utmost of my power if he had made any attempt to do so. I regret, Sir, that having such magnificent opportunities as he had last July he should have utterly neglected to make that attempt, and I say that if he had understood thoroughly the advantages of his position Canada would have been relieved for the next thirty years of the necessity of paying \$75,000 a year by way of a sinking fund on account of that loan; and you will re-

collect that at the present time the sinking fund amounts to \$1,270,000 per annum, and is increasing at the rate of \$50,000 or \$60,000 per year. I say that this is altogether too much, that it has ceased to be useful, and is positively becoming mischievous; and I say it was a great mistake for the hon. gentleman not to make at least an attempt to get rid of the sinking fund. Moreover, I think it would have been better, seeing that money can be borrowed as he avers on such easy terms, seeing that our credit is so high (though I might be permitted to suggest that his intention of seizing seven or eight millions of the currency of the country might appear not exactly to coincide with the opinion he has stated); I say it would have been far better to have taken advantage of that state of things to have paid off the six-per-cents, which have matured, instead of re-investing them as he has done at five per cent.; and in short that had the hon. gentleman availed himself properly of the advantages of the situation our charge for interest to-day might easily have been \$105,000 per year less than it is, and will be during the next thirty years. While I am on the subject I may say that I cannot quite agree with his explanation of the causes of the extraordinary mistake he says he made in the computation of the amount of interest payable this year. I do not understand why a Minister of Finance, in computing the interest to be paid on our funded debt for 1879-80, should have been embarrassed because his predecessor had negotiated certain temporary loans in the year 1878; and if there were, as he says, two or three sums of money borrowed from the Bank of Montreal or other institutions in London, in anticipation of the payment of the Fishery Award on which we knew we had a right to depend—I cannot understand why the existence of one or two advances of that kind should be held a warrant for making a mistake in the amount of interest to be paid in the succeeding year. Nor do I clearly see what purpose his explanation of the several mistakes he made in computing the expenditure for 1878-9 exactly serves. So far as I could understand it, it appeared to me that his statement is virtually that if he had not been mistaken he would have been right in his Esti-

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