Mr. FOSTER. Has my hon. friend (Mr. Fielding) finished his remarks on the loan business ?

The MINISTER OF FINANCE. For the present ; there is one point further, but I shall be glad to have my hon. friend (Mr. Foster) ask me any question now.

Mr. FOSTER. Would my hon. friend (Mr. Fielding) lay the prospectus on the Table ?

The MINISTER OF FINANCE. I shall be very glad to.

Mr. FOSTER. What was the length of the last loan ?

The MINISTER OF FINANCE. Fifty years. There is one other element in connection with that loan to which I may make a passing reference. Not only was it desirable that we should have our loan placed on a 2½ per cent basis, if possible, for the sake of the transaction itself, but such a change to the 2½ per cent rate became of further importance in view of the early maturity of a large amount of our existing loans.

By reference to page lxiv. of the Public Accounts, it will be found that between the years 1903 and 1910, we shall have loans maturing to the amount of £34,443,136, or $167,623,262. To assist in meeting the payment of these liabilities, I estimate that we shall have accumulated sinking funds to the value of $66,971,181. So that we shall have to renew or convert the balance of these maturing loans to the amount of over $100,000,000. The net rate of interest on our last loan, taking into account all charges, was 2.86 per cent. At the rate of interest which these loans that are to mature now bear, it would take about $4,000,000 to pay a year's interest on the $100,000,000 ; but at the rate of 2.86 per cent, the interest on the $100,000,000 would amount to $2,860,000, or a difference of $1,140,000. That is to say, if the money market when these various loans mature should prove as favourable to Canada as it was when we placed our recent loan, there would be a saving of interest to the extent of over $1,000,000 per year, as compared with the rate of interest which these loans now bear. We may reasonably hope to effect that saving, and something more ; for we all anticipate, I am sure, that the credit of Canada, high as it is now, will continue to improve, and that before the date is reached at which these loans fall in, we shall be able to borrow, not simply at the rate of 2.86 per cent, as we did last year, but at a rate which will come much closer to 2½ per cent, which will be the face value of the securities. I think, then, in view of these large maturing loans, as well as from the nature of the recent transaction itself, hon. gentlemen on both sides of the House will have been pleased to learn that we took the step of placing a 2½ per cent loan on the market ; and I am glad to know that the transaction was not a subject of party dispute, but that its success was recognized by the press of the country irrespective of party.

I shall now address myself to a question which was brought very forcibly to my mind and to the minds of my colleagues of the Tariff Commission during our investigations of a year ago. Among the many complaints which were made to us by manufacturers and business men as to the disadvantages under which they laboured, one prominent complaint was that the cost of capital was considerably in excess of what many of their rivals and competitors had to pay. A very large amount of the business of the country is carried on by credit, and the cost of money to the merchant and the manufacturer is a very serious consideration. It might be said that this is a matter with which the Government has little or nothing to do—that it is a matter which must be left to the general law of demand and supply. But a little examination will show that in some ways the Government have the power of influencing the money market, and that, in fact, the money market has been influenced to some extent by the policy of the Government. The banks of the country are borrowers as well as lenders. The banks receive from the public a large amount of capital which they use in the business of the country in the way of loans. This capital is in the form of deposits, and when the banks have to pay an unreasonably high rate of interest on deposits, that is a reason —at all events, it is an excuse—for their not giving lower rates of discount to the business men of the country. It has been said that the position of the banks in this respect has been a forced position. It has been said that they have been obliged in times past to pay more than a fair value for money, because the Government of the country has been doing so. I suppose it will be generally admitted that in the Government savings banks we have been for a long time paying a little more than the fair value of money ; and some gentlemen may say that we ought to do so in the savings banks. But I do not think we ought to accept that position. I think the savings banks of the country were designed to afford a place of safe deposit to the people interested in that class of institution. By the way, I am inclined to think that the original design of the savings bank as a place in which the thrifty classes could put their small savings, has been long since lost sight of, and a very large proportion of the money in the savings bank does not represent that class of depositors at all. However that may be, we find that the Government in past years have been paying a little more than the