

amounted to \$998,000,000—practically a billion dollars—the Minister of Finance was able to secure only \$54,000,000 of that money for the use of the country. Would it not be a good thing for the people of Canada, and a good thing for the revenue of this country, if the Minister of Finance, instead of taking trips down to New York and paying New York millionaires six per cent for the money he borrows, were to give a little more interest to the people who have deposited their savings in the banks of this country, or at all events were to secure the savings for the use of the public?

Is it not an amazing thing that we have the enormous amount of about one billion dollars on deposit, nearly all in the commercial banks, and that the Government has not been able to secure more than \$54,000,000 of that amount? There must be some reason for it. Is the reason that the Government is endeavouring to favour the banks and leave all this money under their control so that they may borrow it from the people at three per cent, and lend it to the Government at five or six per cent, and charge the people who borrow from them as high as seven per cent or eight per cent? It looks that way. It looks as if the Minister of Finance was standing in with the money-masters of Toronto. The merchant who wrote me made this remark in his letter in regard to the loans which have been made recently in Canada:

How do matters stand re Government war loans? If I understand the situation the United States Government issued its celebrated Victory Loan at three and a half per cent and paid no commissions. This for 2,000 million dollars was a smaller proportionate issue than was \$350,000,000, the amount of the three issues in Canada for the Dominion. We paid from one-half to one-quarter of one per cent in commissions, say \$1,250,000, and sold five per cent bonds at 97½. Our \$350,000,000 thus netted us \$340,000,000, and as we pay five per cent on the face value, we pay 5.15 per cent on the net amount.

He was not speaking of the last loan but of the first three.

The average duration of these bonds is fifteen years. How do we compare in our financing with our next door neighbor?

340 millions at 3½% for 15 years amounts to \$178,500,000 interest.

340 millions at 5.15% for 15 years amounts to \$262,650,000 interest.

A difference in favour of the United States of \$84,150,000.

That is to say, on a loan of \$350,000,000 for 15 years, and the Canadian people will have \$84,150,000 more to pay for interest than will the people of the United States. The President of the United States called

the financial men together and explained to them that he wanted a victory loan—a loan to carry on the war—and the bankers were so generous and so willing to help that they agreed to his proposition, and this enormous loan was floated without one cent of commission having been paid. The Minister of Finance has paid a very large commission to his friends the Canadian bankers. Not only has he done that, but he went to the United States a few weeks ago and paid an enormous commission to the brokers and bankers there—\$3,750,000 in commissions, a quarter of a million dollars of which went to one of the Canadian banks, or to a certain gentleman in the city of Montreal. That is the way my hon. friend has financed his loans. It becomes a serious question.

Sir THOMAS WHITE: My hon. friend is doing an injustice to the Bank of Montreal. I made a statement yesterday correcting a report which had appeared in connection with that.

Mr. SINCLAIR: Do I understand the minister says now that he did not give any commission to the Bank of Montreal?

Sir THOMAS WHITE: A rebate of one-quarter of one per cent of the commission was obtained for the Government by the Bank of Montreal.

Mr. PUGSLEY: What was the commission paid?

Mr. GRAHAM: One and three-quarters per cent.

Mr. SINCLAIR: Does it not mean that the Bank of Montreal receives one-quarter of one per cent on the whole loan?

Sir THOMAS WHITE: No.

Mr. SINCLAIR: How much does it receive?

Sir THOMAS WHITE: My recollection is that on a previous loan it was one-thirty-sixth.

Mr. SINCLAIR: Every member in the House understood it as I did. In any case, I do not care whether the Bank of Montreal got the money or not; I would prefer that the Bank of Montreal should receive it rather than have it go to the New York brokers. The point is, the minister paid altogether too much for his commissions in view of the fact that the president of the United States is able to float an enormous loan of two thousand millions without paying a cent in commissions.