

Sir LEONARD TILLEY. Upon whatever amount is exchanged between the present and the first of January, 1855, they will receive one-half per cent.

Mr. BLAKE. Is it proposed to enter into private bargains with the holders of the five per cent. securities to exchange them for others at a lower rate?

Sir LEONARD TILLEY. It is not proposed to do that. I think that the course we may have to adopt is to give notice that the securities would be exchanged for others at not more than a certain rate; then we would have proposals from parties, who would name the rate they would accept, which might or might not be lower than our minimum.

Mr. BLAKE. Has the hon. gentleman considered whether it would not be in the interest of the country to alter somewhat the arrangements as to the sinking fund? The late hon. member for Centre Huron once or twice called attention to that subject, and it does seem to me to be a suggestion worthy of consideration. Our sinking fund accumulates very rapidly, and it seems to me that the credit of the country is such that we might negotiate a loan with a smaller sinking fund, but at a longer period than we have been accustomed to do. I would also like to ask whether the hon. gentleman has thought of establishing permanent consols without any sinking fund at all.

Sir LEONARD TILLEY. The hon. gentleman will see that the authority asked in this resolution is the same as that asked in connection with previous loans, and enables the Government to issue consols, if they think proper, payable in the currency of the Dominion as well as in English currency. There is no doubt a great deal to be said in favor of that mode of dealing with the question. There is also much to be said in favor of dispensing with the sinking fund. But, on the other hand, our agents in London, when I discussed this question with them on the occasion of my last visit, were of opinion that, as almost every Colonial security was floated with provision for a sinking fund, our securities would not bring so high a price without a similar provision. In that way we might lose more in one direction than we would gain in another. Though it is a question worthy of consideration, up to the present time, I think the weight of argument is in favor of our having a sinking fund. The amount of the sinking fund is also worthy of consideration. Some of the Colonies have had large sinking funds. We have paid some loans of British Columbia, of which the sinking fund amounted to more before it was due than the loan itself. Under such circumstances a large sinking fund is decidedly objectionable, but it does give increased value to have a sinking fund of at least one-half per cent., payable yearly.

Mr. BLAKE. I do not suggest the entire extinction of sinking funds, but I think the experiment of reducing the sinking funds is one that might, perhaps, be tried, though considerable enquiry would have to be made before we proposed such a cardinal departure. It is one thing to dispense altogether with a sinking fund, and another thing to keep up such a large sinking fund as we have; and if we have got immediately afterwards to issue other securities in order to redeem it, it becomes still more onerous.

Resolution agreed to and reported.

Sir LEONARD TILLEY introduced Bill (No. 21) to authorize the raising, by way of loan, of certain sums of money required for the Public Service.

Bill read the first time.

FRONTENAC TERRACE.

Mr. AMYOT (Translation) said: Mr. Speaker, my object in moving for copies of all papers and documents relating to the cession of several lots of land, and especially of the one on which Frontenac Terrace, in the City of Que-

Mr. BLAKE.

bec, is now erected, is this: It appears that several lots of land belonging to the Imperial Government had been promised to the Federal Government, and that, on the faith of these promises, the Federal Government had subsequently made over these lands to the Provincial Government. At Quebec, especially, there is the lot upon which Frontenac Terrace has been erected. Subsequent to the cession of this ground by the Imperial Parliament, the Federal Parliament divided them into first and second classes. The first class comprises the lands generally useful for the defence of the country, which may be called lands of the large domain, or that cannot be alienated. The lands of the second class can be alienated. Now, Frontenac Terrace in Quebec forms part of the first class, and cannot, therefore, be alienated; hence the Federal Government would have had no right to transfer to the Provincial Governments more than they themselves received from the Imperial Government. A company having recently been formed in Quebec, with a large capital, to build an hotel on the spot, and it being their intention to commence operations at an early date, it is important that such works be not commenced by the company upon land which may not belong to them, nor to construct a building which could be demolished by the military authorities as soon as built. It is in order to verify these facts that I ask that all papers and documents in this matter be laid before the House.

Sir HECTOR LANGEVIN (Translation). The papers asked for by the hon. member will be supplied. Nevertheless, I think I should state that the Government have submitted the case to the Minister of Finance, to know whether a transfer of the land in question has been made by the Federal Government in favor of the Government of the Province of Quebec, and whether the latter Government have power to transfer the same to a company, as stated by the hon. member. This question is still under consideration; but the documents will, ere long, be laid before the House.

Motion agreed to.

ORDNANCE LANDS OR NAVAL RESERVES.

Mr. O'BRIEN, in moving for statement showing the gross amount of receipts arising from the sale or leasing of Ordnance Lands or Naval Reserves, in the Provinces of Ontario, Quebec, New Brunswick and Nova Scotia, from the 1st day of July, 1856, to the 1st day of July, 1882, and the purpose to which the sums so received have been applied; also a statement showing the several properties of which portions have been sold or leased, and the number of acres in each case, said: In laying this motion before the House, I would like to call the attention of hon. members to the conditions upon which these lands were granted, with a view to enquiring whether or not those conditions have been fulfilled under the various Governments who held office since 1856, so that the information might be laid before the House before the Militia Estimates come down. The Estimates, I trust, will be framed on a scale commensurate, not only with the growing prosperity of the country, but also having a due regard to the wretched, inefficient condition of affairs as regards material and equipment. In 1856, an arrangement was entered into between the then Parliament of Canada and the Imperial Government with reference to certain lands which were held by the Imperial Government as reserves for various military purposes. Under that agreement the Government undertook to provide for our internal security. It is important to remember the extent and value of these lands, as well as the condition. I find, on looking into the schedule of the Act that there were no less than 60,000 acres of land, a great portion very fertile and valuable, conveyed to the Provincial Governments under the agreement I have mentioned. I cannot find that any information has been laid before the House-