

ing and advancing it upon the bonds issued by the Harbour Commissioners. I might add, that the Harbour Commissioners of Montreal are indebted to the government for certain bonds and also indebted to the Bank of Montreal for advances made in order to enable them to continue the improvement of that harbour. What is of equal, if not of more importance in a transaction of that kind, is that the Harbour Commissioners of Montreal have never been in default in the payment of interest on the amount which they have been owing, whether to the government, or to the bond holders, or on advances made by the bank to enable them to carry on their work. I could not magnify the importance of that harbour to Canada. It is, as you all know, the commercial entrepot of this portion of Her Majesty's dominions, and it is absolutely necessary, in order to provide for the increase of trade and traffic which is constantly going on in that harbour, to so improve its size and depth as to meet the requirements of commerce. In other words, this money is to pay to the Bank of Montreal the \$350,000 advanced for the purposes to which I have alluded. They require for the present summer's operations \$70,000. They desire to pay off the bonds which are held by the Dominion Government to the extent of \$260,000 now bearing 5 per cent interest and due on the 5th of January, 1896. Then the government have advanced to them, on what is called a demand loan, a certain amount of money, and there is the interest due on outstanding bonds reaching \$63,185. Then they have standing out six per cent debentures, which fall due also in 1896, to the extent of \$104,000. The chief engineer's estimate of the cost of completing the work is \$300,000 making a total of \$1,133,185. The estimated cost of the new work which is to be carried on, commencing in 1897, is \$763,000, making a total of \$2,000,000. It will enable the Harbour Commissioners to pay off their debentures which are now bearing five and six per cent interest, to pay off the advances made to them by the Bank of Montreal, and also to pay the government the bonds and debentures which they hold of the Harbour Commissioners bearing five per cent, and the money will be obtained certainly at three and a half per cent, thereby saving to those works a large amount of money in interest. That it is a perfectly

safe operation is evident by the facts which I have stated. Last year, after paying the interest on the full indebtedness, they had \$23,000 of a surplus. It is a good operation for the Harbour Commissioners, and the government do not desire to take from a work of that kind more interest than it would cost to make the advances.

Hon. Mr. DRUMMOND—In effect the bill is not borrowing from the government, not a pull on the public treasury in any sense, but to enable the Harbour Commissioners to obtain their money at a cheaper rate than hitherto. The bonds of the Harbour Commissioners have always been a good security, and there is no probability of the interest not being paid. The only thing the government does in this instance is to enable the Harbour Commissioners, for the purpose of making improvements and clearing off old indebtedness, to borrow money at a cheaper rate than they could without the endorsement of the government. I trust that the bill will pass without any objection.

The motion was agreed to and the bill was read the second time.

Hon. Sir MACKENZIE BOWELL moved the third reading of the Bill.

Hon. Mr. POWER—The hon. gentleman from Kennebec did not mention whether or not it is the intention of the Harbour Commissioners to improve the sanitary condition of the harbour. Is there anything in this bill to provide for that?

Hon. Mr. DRUMMOND—As that subject has been introduced, I should like to say a word. The sanitary condition of the harbour has been pictured to this House by an hon. member as having been much affected prejudicially by the recent harbour improvements. I have been a close observer of the harbour for over forty years, and for at least ten or fifteen years my office window has been immediately over the point where the main sewer of the city complained of debouches into the harbour. I maintain that the formation of a protective embankment will not in any degree prejudicially affect the sanitary condition of the harbour, and that the attempt to represent the recent changes in the harbour as being productive of a deleterious sanitary effect is all nonsense. The