

has been transferred from Barings and Glyn, Mills & Co. to the Bank of Montreal.

Mr. MULOCK. I think there is a question as to the wisdom of the destruction of the Government debentures. It is not considered, as a rule, the right way to treat redeemed debentures, to destroy them. On the surface it would seem the most convenient way to prevent their getting into circulation, but in the case of forgery the production of the original debenture in its cancelled form would be a complete answer to the claim. The moment you destroy the original, you destroy the strongest evidence against the forgery. It is not the custom, I think, to destroy debentures, but to so effectually cancel them that they can never be utilized again. Who are the trustees of the sinking fund in connection with the funds in the Bank of England, the guaranteed loan?

Mr. FOSTER. They are the two under secretaries, one of the Colonial Office and the other of the Treasury, and Lord Revelstoke, and the High Commissioner.

Sir RICHARD CARTWRIGHT. What do we pay those gentlemen?

Mr. FOSTER. Nothing.

Mr. MULOCK. Are these debentures subject to their order as trustees? Could they remove them from the Bank of England to another place if they so desired?

Mr. FOSTER. That I cannot say. I think, in the case of guaranteed loans, it is stipulated by the home Government that the debentures should be kept in the Bank of England.

Mr. MULOCK. Suppose the securities got astray, who would sustain the loss? They are the security to the Imperial Government for their obligations. Supposing they got astray who loses, the Government of England or Canada?

Mr. FOSTER. I do not see how they can go astray. The trustees are responsible under, I suppose, general Acts which govern them in Great Britain. They deposit the securities in the Bank of England, and that, I should judge, should be a sufficient guarantee that they will be well and properly looked after. As to what are the legal relations governing the responsibility between the Bank of England and the trustees I cannot say.

Mr. MULOCK. I think it is rather a material question. It appears to me it would be well to have those debentures treated in the same way as the others. I am only alluding to such debentures as are payable to bearer. Of course inscribed stock being payable to order, no risk arises in respect to that class, but there is some risk in the case of debentures payable to bearer. It is, I think, important that the House should know the legal position of those debentures. They are growing in volume.

Mr. FOSTER. The debentures are not increasing in volume. The inscribed stock is increasing and the debentures have been largely transferred into inscribed stock.

Mr. MULOCK. If all the debentures were transferred into inscribed stock my remarks would have no force; but I understand it is the custom to leave in the Bank of England all the debentures which are not converted into inscribed stock, and I understand there is a large portion of that kind.

Mr. FOSTER. There is a considerable portion of debentures; but I cannot say how much.

Mr. MULOCK. Payable to bearer?

Mr. FOSTER. Yes.

Mr. MULOCK. That is, they are payable to the order of three officials, of course of unquestionable integrity; but why should not these securities have an additional security and be made payable to order so that no possible accident could happen? Could they be withdrawn on the order of the three gentlemen in question?

Mr. FOSTER. The hon. gentleman is raising a point which may appear of importance to him, though I doubt if any importance is to be attached to it. We have had this arrangement not only since Confederation but under the united provinces as well, and during all that period there has not been a single instance of a miss or a loss or any mismanagement of the funds. I do not think there is any just cause for alarm.

Mr. MULOCK. I do not say there is cause for alarm; but the pitcher went to the well a great many times and at last it got broken. If it is possible to have an additional safeguard it is our duty to have it, and if millions of dollars of securities of Canada are lying at the order of three persons, notwithstanding their undoubted integrity, if it is possible for us to add another check we should do so. I would ask the Minister at an early date to inform the committee whether these securities are payable to bearer, what is the amount now in the Bank of England, and are they withdrawable on the order of those three gentlemen.

Mr. FOSTER. I will get the information.

Sir RICHARD CARTWRIGHT. I would ask what is the arrangement now made with respect to the transfer of inscribed stock. Is any duty now paid on the transfer from one name to another? That was a matter of some considerable discussion and correspondence between the Government of Canada and the home Government, who, I think, used to put a duty on those transfers.

Mr. FOSTER. I think there is a duty of 2s. 6d. on debenture stock, and I think 12s. 6d. per cent on inscribed stock. That is the stamp duty.

Sir RICHARD CARTWRIGHT. But not for the transfer from one man to another?