

of ascertaining if it were feasible to turn over the management of our financial affairs to the High Commissioner's office in London; and I was not long investigating the matter on the spot before coming to the conclusion that it was neither desirable nor feasible, either in the interest of economy or in the interest of that prestige, security and safety which my hon. friend the former Finance Minister has spoken of this afternoon. In the first place, as regards economy, I found, after going into the matter thoroughly, that we would make very little, if any, saving upon the terms we have made with the Bank of Montreal; and, in the second place, I found very quickly that we would lose that prestige which comes from having large monetary influences, such as banks and the associations of banks, back of us, particularly in the issuing of loans. It may have been thought possible, at the same time, for that to be done. I do not think that it is considered possible by any persons who have gone into the matter with the view of bringing it down to a practical issue.

Sir RICHARD CARTWRIGHT. That was promised by the Government of which the hon. gentleman was a member, and was made one of the grounds for establishing the High Commissionership.

Mr. FOSTER. There may have been something said with reference to that. The Commissioner has been of great advantage to us in London in financial matters, arranging for temporary loans at times and in other respects, but that is a different matter from handing over to him the financial management of our debt.

Mr. McMULLEN. I dare say the hon. gentleman would find very great inconvenience in using Sir Charles Tupper to the extent promised at the time of his appointment, but it is undoubtedly the fact that his appointment was consented to largely under the promise of the First Minister at that time, that we would save considerably by having a resident financial agent in London. In consequence of that promise, we consented to his being over there doing little or nothing, in the hope that the day would arrive at no distant time when we would be able to use him to better advantage. If you will look over the staff the High Commissioner keeps and the amount of work done by his office, you cannot fail to come to the conclusion that his office is one from which Canada receives very little in return for what it costs. I am sorry to find that many things which might be well and profitably performed by his staff are not done. We pay enormous amounts in London for duties performed by immigration agents, in the publishing of pamphlets and work of that kind, which could be done by the High Commissioner's staff or by his staff and our agents combined. When we come to the item in that connection, I will have something more to say upon it, and in the meantime must express my regret that the pro-

Mr. FOSTER.

mise of the First Minister who was in office when Sir Charles Tupper was appointed, has not been carried out. No doubt, the hon. gentleman found it would be expensive to do so, but the House was led to understand that a considerable saving would be effected, when our contract with our financial agents expired. Now, however, we find him making a new contract at a reduced rate, the rate being reduced, not because of Sir Charles Tupper being in London, but for other reasons. We have still the High Commissioner over there at a very high salary and virtually doing nothing in the one matter to which he owes his appointment.

Mr. MULOCK. Have the Government debentures that form part of the sinking fund been all transferred?

Mr. FOSTER. They have been.

Mr. MULOCK. The redeemed debentures have been placed in the custody of the Bank of Montreal?

Mr. FOSTER. As I told my hon. friend last year, in the case of guaranteed loans the debentures have always been in the custody of the Bank of England. In the case of the unguaranteed loans, the trusteeship has been transferred to the Bank of Montreal.

Mr. MULOCK. Are they in the Bank of Montreal subject to the order of three trustees?

Mr. FOSTER. They are in the vaults at Ottawa and no transfer can be made without communication with the department at Ottawa, and the certificate which is here of the inscribed stock must be forwarded. When debentures, for instance, are bought and turned into inscribed stock, our cancelled debentures are sent here and burned according to the Audit Act, and the certificates of inscribed stock are kept here, and the Finance Minister is one of the trustees, so that everything is as safe as it can possibly be.

Mr. MULOCK. Then all these Government securities that are payable to bearer, when redeemed, are in due course forwarded to Ottawa?

Mr. FOSTER. All the debentures when cancelled are sent to Ottawa and burned here.

Mr. MULOCK. Still there is a form of sinking fund maintained by the issue of stock. So far as your books are concerned, it would appear that these debentures are kept in the hands of the creditors. I understand you keep your sinking fund the same as ordinary corporations?

Mr. FOSTER. The sinking fund is in the hands of trustees. The guaranteed loans fund is in the hands of certain trustees different from the unguaranteed loans. They hold both debentures and inscribed stock, and these are in the custody of the Bank of England. For our own sinking fund we buy through our trustees, of whom the Receiver-General is one, inscribed stock, and the trusteeship