

investments for sinking funds, account for \$15,900,000. The remainder is made up of the salary of the Governor General, the salaries of his responsible advisers, the salaries of the judges, indemnities to members of the Senate and House of Commons, fishing bounties, pensions, and payments of like character. When from the balance of the entire estimate of \$36,250,000 is taken the charge for the collection of revenue, it will be found that a very small portion of the large annual expenditure made by the Dominion is subject to such supervision as would tend to a decrease. In the opinion of your Commissioners it is worthy of notice, that in the year 1887-88 (of which year the computation was made) the Dominion paid for permanent salaries, extra and occasional assistance, labourers' wages, gratuities, superannuations, pensions and parliamentary indemnities, a sum equal to \$9,250,000, and your Commissioners have no reason to believe that a lesser sum was paid for these services in the year 1890-91, of which year the total expenditure aggregated about the same amount.

Your Commissioners now propose to examine into the expenditure by departments in the order of the Public Accounts.

INTEREST ON PUBLIC DEBT.

This is assumed to cost for the year 1892-93, \$9,912,000, in round numbers say ten million dollars. As the larger part of this sum consists of interest on loans payable in England, having fixed terms of currency, and a stated rate of interest, no saving or change on the method of supervision can be effected.

PREMIUM, DISCOUNT AND EXCHANGE.

This item represents the premium paid on the amounts invested for sinking funds, for investments made on stocks selling at a premium, for premiums paid for exchange bought above $9\frac{1}{2}$ per cent for remittance to England. It also represents the discounts on 60 days sight bills remitted to meet interest and other requirements payable in London. Your Commissioners find that this expenditure has been well and economically made, and that the purchases of exchange have been made at the lowest current market rates.

SINKING FUNDS.

This service it is estimated will require in 1892-93, \$1,965,000, or close on two million dollars. These funds arise from agreements made at the time the respective loans were placed on the London market, under which a certain percentage, in some cases $\frac{1}{2}$ and in other 1 per cent, is laid aside to be invested to meet the redemption of the loans, and this with the re-investments of interest on previous investments compose these funds. Your Commissioners find that for recent loans no sinking fund arrangements have been made. The method previously followed, although no doubt necessary at the time the respective loans were effected, has, it appears, been unfortunate; and notwithstanding the fact that the loans will not expire for many years to come, your Commissioners nevertheless desire to express the opinion that the settled policy of a fixed annual charge for the redemption of debt, such redemption to be made by drawings at par, would be the best method to adopt on the maturity of the present loans.

CHARGES OF MANAGEMENT.

This service includes the cost of the several offices of the Assistant Receivers General, of the country savings banks in the Maritime Provinces, the commission for payments of interest on the public debt, and other incidental charges relating thereto, and also for the printing and expenses of issue of Dominion notes. The whole of this service is estimated to cost \$172,000. There appears to be a decrease in this vote, and as still further tending to a reduction in this expenditure your Commissioners would recommend most strongly that the policy adopted by the Government of transferring the management of the several country savings banks in the Maritime Provinces to the Post Office