

Hon. Mr. FIELDING. Inasmuch as the hon. gentleman who made that historical remark is now associated with my hon. friend, I think he is quite right in reminding us of it.

Mr. R. L. BORDEN. I think that the hon. gentleman spoke for the government on that occasion.

Motion agreed to, and House went into Committee of Supply.

Charges of management, \$240,250.

Hon. W. S. FIELDING. (Minister of Finance). These are the usual and ordinary charges in connection with the management of the public debt. The items vary little from year to year. In this case, it will be found that there are a few small increases, and some decreases. There are several small items in the increase column which are needed for the offices of the assistant receivers general, chiefly for contingent expenses. For instance, express charges are increasing on account of the increased volume of circulation. Out of one of these items may be paid small increases in salaries of certain officers. There is a reduction in the item of commissions for payment of interest on public debt, purchase of sinking funds and transfer of stock, due to the fact that some portion of our funded debt will be paid off during this year, and consequently we shall have so much less on which to pay commissions. The only other item in which there is a change, is that of expenses in connection with the issue and redemption of Dominion notes, in which there is an increase of \$3,300. We are each year increasing that item, and, in doing so, I believe we are conforming to the wishes of hon. members on both sides of the House. The object aimed at is to have cleaner Dominion notes in circulation. I think hon. members will agree that, within the last few years, there has been a decided improvement in this respect. There is room for improvement still. We are cancelling more old notes than in the past, and, though it costs us one or two thousand dollars more, I believe that it is an expenditure that hon. members on both sides will approve.

Mr. R. L. BORDEN. If the Minister of Finance does not object we will take this amount item by item.

Charges of management—office of the Assistant Receiver General—Toronto, \$7,300.

Mr. CLARKE. There is an increase here of \$200. Will the hon. minister say what it is for?

Hon. Mr. FIELDING. It is for the general purposes of the office. We shall feel free to use some portion to increase one or two salaries, if we so desire, and I think part will be so applied.

Mr. CLARKE. To whom is it intended to give increases of salary?

Mr. BORDEN (Halifax).

Hon. Mr. FIELDING. I am taking the vote without specifying the names. There are one or two officials who have been there for a number of years and who have not had increases. I think that the increases will probably be given to these gentlemen. But it is not yet officially determined, and I would rather not mention the names. The amount in any case is small—only \$200, and if it were all applied to the general purpose of the office it would be but a moderate allowance for the purpose.

Mr. SPROULE. It is a little irregular to mix up the general expenses of the office with salaries in this way. If we knew how much was to be given for one and how much for the other, it would be better.

Hon. Mr. FIELDING. The whole increase is only \$200, so there is not much margin for one or the other. There are only one or two gentlemen to whom it is at all expected that increases will be given. They are officials who have been there for some years and who have had no increases. I think my hon. friend (Mr. Sproule) will accept that explanation.

Mr. SPROULE. I am only objecting to the principle, and the principle is the same whether the amount is \$200 or \$20,000. This mixing of current expenses of the office and salaries is what I call attention to.

Hon. Mr. FIELDING. If the amount were large I think the criticism would be sound.

Office of the Assistant Receiver General, Montreal, \$5,800.

Mr. R. L. BORDEN. There is an increase here of \$150. Is any part of it to be used in increase of salaries?

Hon. Mr. FIELDING. There are no increases of salaries covered by any of these items besides that of Toronto, these others are for small incidental expenses.

Commission for payment of interest on public debt, purchase of sinking funds and transfer of stock, \$31,500.

Mr. HENDERSON. I think this is an opportune time—as I do not observe any other item under which it could be brought, up so properly—to ask the Minister of Finance to give us some explanation with reference to an item which appears in the public accounts for 1903. At page 11, I find the following statement:—

While the net debt shows a decrease of \$10,222,100.75 on the 30th June last, it is well to bear in mind that of this reduction the sum of \$3,305,450.24 is represented by a decrease caused by a readjustment of the assets and liabilities in connection with the settlement of accounts outstanding since confederation between the Dominion and the provinces of Ontario and Quebec.

It is a matter of a good deal of interest to many hon. members to know just how this sum was arrived at. I confess that