

charged to the Receiver-General's special account; and at the end of the year I received information that the balance of the account in the Receiver-General's hands was only \$34,000, because \$15,000 had been spent.

59. You kept on entering in the Public Accounts subsequent expenditures of this money?—Certainly.

60. From year to year?—Certainly.

61. The charges could not be made more than once?—The money was paid over to the special account of the Receiver-General, and against it these items were charged.

62. Then you say that this system was altered later?—The last vote in 1870-1 was paid over to the Bank of Montreal on an Order in Council.

63. That was the only vote regarding which the variation took place with respect to the Order in Council?—That was all that was paid on Orders in Council.

64. I observe that on the 11th February, 1871, \$15,584 is said to have been deposited, the warrants of which you have given us communication are drawn for \$30,000, \$10,000 and \$35,000, making in all \$75,000; but on the 11th February, 1871, I find the additional item of \$15,584 deposited to the credit of the special account No. 1?—I knew nothing at all about it until I saw it in the statement produced this morning.

65. You did not know anything at all about that deposit?—Nothing whatever.

66. And you can give no explanation about it?—None whatever.

67. It did not come from the Treasury at that time?—We had nothing at all to do with it. I was in perfect ignorance of it until this morning.

68. But you saw this morning this deposit mentioned under date of February 11th, 1871. I want to know whether it came from the Treasury?—It did not. Only three payments were made from the Treasury, and the amounts were \$30,000, \$10,000 and \$35,000.

69. When were you first made aware of the fact that there was an unexpended balance after the late Administration had resigned?—Just before the late Administration resigned Sir John Macdonald spoke to me about the balance, and proposed to pay it in at once. I did not hear of it again until some time afterwards.

70. Just before the late Administration resigned Sir John Macdonald informed you that there was such a balance?—He said there was a balance, and asked what was the best way of dealing with it. I told him I thought the best way would be to pay to the account of the Receiver-General whatever balance there was, and I understood him to say that he would do so.

71. That was the first intimation you had of the existence of an unexpended balance?—I had no possible means of knowing it otherwise.

72. What was the next intimation you received on this subject?—That was nearly a couple of years afterwards. Sir John Macdonald told me then that he had not paid in the balance, and I recommended him at the time to do so.

73. The next intimation you had from Sir John Macdonald on this subject was about the time when the account was closed?—Yes. He then intimated that he had not yet paid it in.

74. Of course you knew it then and you recommended him again to pay it in?—Yes.

75. At that time was any statement made to you as to any portion of that balance?—My recollection is that Sir John Macdonald assigned as his reason for the delay that a claim was made upon it which he could not get settled as he had wished to do before he resigned. This claim, he said, had hung on and hung on, and it was only then that he had been able to square it up.

76. Was there one claim, or more than one claim?—I do not know whether he said that there was one or more than one.

77. There was either one, or more than one claim which he was unable to settle—you do not remember which?—I do not remember. He said that this was the cause of this delay.

78. Did anything more pass as to the nature of this unsettled claim, or of these unsettled claims?—I do not think so. I cannot recollect that anything else passed.