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was said by the Finance Minister, or any of his staff, that these same accounts, which at his invitation we were then examining and discussing, were improperly made out, or interest improperly credited: and that notwithstanding, that an almost direct invitation was given him to make that objection if he entertained it. That invitation arose in this way. At the previous Session of Parliament, you will recollect an Act was passed granting to Ontario and Quebec, a sum to reimburse them for the interest which had been charged them on the surplus debt of \$10,000,000 odd, between 1867, and 1877, when this surplus debt was assumed. The Treasurers claimed that as this Act had been passed since the accounts had been made out, new accounts should be made on the basis that both principal and interest had been assumed by the Dominion, and that the account, so far as the old Province of Canada was concerned, should commence with a clean sheet from July, 1873, and this we asked, because in the accounts we were charged compound interest on the debt, while the sum granted by the Act of 1884 did not allow compound interest, and we enquired how the interest in that Act had been calculated? I making the remark at the time, that it appeared to me the calculations were neither on the principle of simple or compound.

Sir Leonard said the calculations had been made by the officers of the Department, and which he supposed were correct, but that a statement would be furnished us of how it had been made up. Now, if any idea had at that time been entertained that compound interest was not to be allowed, was this not the time to have said so, and was this reference to the interest question not a direct invitation to make the announcement? but not a word of such was spoken, and the conference broke up without one word being said to intimate that the accounts were not made up on a principle acceptable to all.

I have said it was arranged that a re-cast of the accounts in consequence of the Act of 1884, should be prepared. That re-cast was prepared by the Finance Minister, under his own full direction and control. That re-cast was sent to the Treasurers on 11th January, 1886. That this re-cast had not been sent until it was submitted to and approved of by the Dominion Government, is manifest from Mr. Courtney's letter of 19th December, 1885, in reply to mine asking for the re-cast, in which he says: "The