

“ that purpose, I do not think that the exception taken by the Auditor General is well founded.”

In view of the foregoing the undersigned has the honour to recommend that authority be given to instruct the Auditor General to issue at once a cheque for \$508.64, the sum voted by parliament for the purchase of Mr. Têtu's interest in the buildings, &c., at Pentecost, said cheque being now required by the Department of Justice to settle this case.

Respectfully submitted,

J. ISRAEL TARTE,
Minister of Public Works.

TREASURY BOARD, OTTAWA, March 5, 1897.

SIR,—I have the honour to enclose herewith memorandum under date of 27th ultimo from the Minister of Public Works which has been referred to the Treasury Board in reference to your objections to pay the whole amount voted by Parliament for the purchase of Mr. D. H. Têtu's interest in the buildings, furniture, fittings &c, at the River Pentecost Telegraph Station, and I have to request that you will be good enough to let me know for the information of the Board the nature of your objection in this case and the reasons therefor, and also to state under what section and clause of the Audit Act you take your objection. I shall also be glad to have any remarks you may desire to make in reference to the matter. Kindly let me have an answer as soon as possible.

I am, sir, your obedient servant,

The Auditor General.

J. M. COURTNEY, *secretary.*

AUDIT OFFICE, OTTAWA, March 9, 1897.

SIR,—The Government is not legally liable for interest except under a special Act of Parliament. If the Government is liable in this case, it is because a special enactment has made it so.

The whole enactment in the case is in the words of the Supply Bill : “ For purchase from D. H. Têtu of land, buildings, furniture, fittings &c. at the River Pentecost Telegraph Station, in full settlement of all claims, \$508,64.” This being a broken sum it is argued by the Dept. of Justice that it practically permits the Government to spend the money as it chooses. Now why is this the case? I can see only one reason for the amount being a broken amount and that is, that instead of the requirements being undetermined as they usually are, in this case the work was done and the exact amount due by the Government had been fixed. No intimation had been given to Parliament that it was intended to make a payment from this sum which was otherwise illegal. No particulars of any kind were given, no audit was made and therefore it was assumed by the House that every item of the claim was allowable under the Statutes and the general principles which prevail. If under this appropriation the Government could pay interest which is otherwise illegal it could pay anything whether equitably due or not. Nothing can be clearer than this.

This application to the Board comes under sec. 32, subsection (a) of the Audit Act.

I am, sir, your obedient servant,

The Secretary, Treasury Board.

J. L. McDOUGALL, A.G.

DEPT. OF JUSTICE, OTTAWA, March 17, 1897.

SIR,—In reply to your letter of 13th instant stating that the Auditor General has objected to pay D. H. Têtu part of the money voted by Parliament for the purchase from him of land, buildings, furniture, fittings &c., at the River Pentecost Telegraph Station, upon the ground that part of the money is for interest, and that the payment of