

39. You had no information of the amounts actually chequed out; but you were informed that \$15,086.41 had been chequed out and had been applied?— Yes.

40. Who gave you that information?—I did not receive any written information; it was verbal. It may be as well to inform the Committee that not only formerly, but now as well, too many verbal instructions were, and are, given, throwing too much responsibility on officers of the Departments.

41. I did not ask whether your instructions were verbal or in writing; but who gave you those instructions?—I have no record of it, but I was informed that it was to be charged for that year.

42. Who gave you the information?—I cannot trust my memory on that point. I do not find any written record of it.

43. You cannot tell or recollect, and your search fails to disclose any written voucher or authority for that entry?—Yes.

44. Was there any authority for it on your own part, or on the part of the Deputy Receiver-General?—Yes. There was authority for it on my part.

45. But your own authority is the only official authority on record?— Yes.

46. And that was based on some verbal instruction conveyed by somebody, you know not whom?— Yes. The whole amount was charged in our books. The \$50,000 was charged to a special account, and the entry warrant was passed on my signature. A balance was left in the special account, and it was carried over into the Public Accounts.

47. What was the entry warrant; it seems that \$15,000 was charged, does it not?— When the Receiver-General was in Europe, I was authorized and required to place the sum of \$34,913.59 to the credit of the Secret Service Fund for the year 1867-8, and debit the new account with the special deposit for Secret Service, that being the amount unexpended on the 30th June, 1868.

48. Then you were authorized to open a fresh account?— Yes.

49. That was a different system from that previously pursued?— Yes; but the whole amount of money was charged and we never heard anything else about it.

50. It was charged as if spent; no information was, in previous years, conveyed to you until the close of the year, as to how much had been spent, but, under the different system introduced in this year of Grace, you were told so much had been spent and that appeared in the Public Accounts?— Yes.

51. Was that the course pursued in carrying forward unexpended balances?— The \$34,000 was treated as an unexpended balance. The present rule of unexpended balances lapsing is more modern. A great number of old balances used to be carried forward. They had been absolutely taken out of cash.

52. The rule of unexpended balances lapsing was adopted subsequent to 1868? Yes.

53. Was it not adopted during the existence of the old Province of Canada?—I think not.

54. I think the law is of earlier date?—I know it was adopted upon a special report of mine that it was very desirable that it should be introduced. When I first entered the office, balances were carried forward continuously for half a dozen years.

55. I know that, but I think it has been reformed?—It was altered on my report.

56. Is it not the fact that anterior to Confederation the general system of balances lapsing was adopted by law?—I suppose that was the case, but it was not the practice.

57. Then you regarded this as a special case, and it was carried to a special account; but, notwithstanding this fact, you issued a warrant authorizing it to be regarded as an unexpended balance to be carried forward?—Suppose they had asked for \$20,000 for one year, during the next year any balance existing would be considered as lapsed, and if I was then asked for money from that vote I would say "the balance has lapsed." But instead of following that course they took the whole of the money and put it into a special account. As far as our books were concerned this money was absolutely spent.

58. But it was brought back again?—No; the whole \$50,000 was entered, but