

Auditor General's Report.

department unwittingly, for interest, to contractors who have suspended payment. To obviate such a contingency, the undersigned would suggest that the matter be brought before the Treasury Board, with a view of having a Minute adopted to the effect that whenever a firm of contractors having a contract for the performance of work for the Government and having security deposited with this department, fails, notice thereof be immediately given to this department.

J. M. COURTNEY, *D.M.F.*

Order in Council, June 16, 1888.—The Board submit for the favourable consideration of Council the annexed memorandum from the Deputy Minister of Finance respecting the mode of treatment of securities deposited by public contractors, to the effect that the proceeds of all cheques and all deposits on account of contractors' securities be deposited in the Government savings bank.

JOHN J. MCGEE, *C.P.C.*

(Circular.)

FINANCE DEPT., OTTAWA, July 4, 1888.

SIR,—I have the honour to inclose herewith a copy of an Order in Council, passed on June 16, 1888, respecting the mode of treatment of securities deposited by public contractors, from which you will observe that hereafter the proceeds of all cheques and all deposits on account of contractors' securities are to be deposited in the Government savings bank.

I have the honour, therefore, to request that you will be good enough, immediately a contract is entered into, to send me all the securities for the performance thereof, in order that I may deposit the proceeds of the said securities in the manner prescribed by the Order in Council above referred to.

J. M. COURTNEY, *D.M.F.*

Small Balances Due to Estates.

AUDIT OFFICE, OTTAWA, June 12, 1888.

SIR,—It frequently happens that there is a small sum due to the estate of a deceased person who has left no will, generally for superannuation or salary, when the whole assets of the estate are so small that the cost of obtaining letters of administration would be a large part of them.

I suppose that in strictness the amounts due by the Government cannot be paid legally to any one but the administrator of the estate. However, the amounts are frequently paid, either on receiving a renunciation from all the other known heirs in favour of one, or on a bond approved by the Department of Justice, indemnifying against loss, should a person who has obtained the legal right to claim the payment make a demand for it.

I would suggest that payment, under the circumstances above set forth, should be made to a person who is not legally empowered to demand it, only when the assets of the estate are under one hundred dollars, and after the execution of a bond as above described, approved by the Department of Justice, with any additional safeguards which, in the opinion of the Department of Justice, the special circumstances of the case call for.

Yours truly,

J. L. McDOUGALL, *A.G.*

The Secretary, Treasury Board.

TREASURY BOARD, June 19, 1888.

SIR,—With reference to your letter of the 12th instant, respecting the payment of small sums to the estate of persons who have died intestate, and the whole assets of whose estate are so small that the cost of obtaining letters of administration would