

7-8 EDWARD VII., A. 1908

that was the last estimate that was made out—\$73,000, or would have been \$73,000, but some time before that the company decided to make an advance to Mr. Davis on account of drawback of \$65,000. Instead of paying him the \$65,000 in cash a cross entry was made and the \$65,000 which he owed them was placed against it, therefore, bringing Mr. Davis' drawback down \$65,000. One offset the other. Instead of the Bridge Company owing a drawback of \$73,000 odd, they owed \$65,000 less than that and that settled it. It was just a cross-entry, not a cash transaction. If the \$65,000 had not been owing he would have received an advance of that amount in cash on account of drawback out of bond account.

By Mr. Monk :

Q. Was there a receipt given, is there a voucher for that?—A. Yes, by the engineers on the works, as is usually done. It is a common thing during the progress of a work for the engineer to report that the work has advanced to a certain stage and that a certain amount may be advanced on account of drawback. The directors in this case acted upon it and they made the cross-entry.

Q. Did you see any resolution of the Board of Directors of the Bridge Company?—A. Yes, I saw the entries in connection with it. I saw Mr. Hoare's certificate to the president and directors authorizing the payment of the \$65,000 of drawback.

By the Chairman :

Q. There was a statement filed by Mr. Ross the other day showing the amount due the bank of Montreal. There was a credit taken of \$2,000,000 in the amount. How was that worked out, why is it put in that shape?—A. As a credit?

Q. Yes, the statement says 'less \$2,000,000 repaid by the company under chapter 35 of the Act of 1907.' What does that mean?—A. To all intents and purposes this \$2,000,000 was paid to the Bank of Montreal but the transaction took place as between the Finance Department and the bridge company. That is the Finance Department turned over the \$2,000,000 to the Bridge Company. They paid off their debt, with it and received back a proportion of the guaranteed bonds which they handed over to the government as security for this loan of \$2,000,000. This they were authorized to do under the Act of last session. There was only a balance on the 30th April, 1908, of \$3,773,000. The debt of the Bridge Company to the Bank of Montreal was just reduced by that amount of \$2,000,000, leaving a balance of \$3,773,223 due. It is clearly set out in my report how the \$65,000 was dealt with. I thought Mr. Barker understood that.

By Mr. Monk :

Q. Was there a receipt given by Mr. Davis?—A. Yes.

Q. You saw that?—A. Yes, Mr. Davis acknowledged the receipt of the money.

The CHAIRMAN.—Is there anything else that you desire to bring forward, Mr. Monk, so that we can close up the evidence?

Mr. MONK.—I have no more witnesses that I would like to see summoned except one. Mr. Barker wanted to know the last amount claimed by the Phoenix Bridge Company. Mr. Bell could give that.

The WITNESS.—The last estimate returned on account of the Phoenix Bridge Company was estimate No. 36, to 31st July, 1907, \$3,376,450.09. Would you like the payments and balance?

Mr. MONK.—Yes.

The WITNESS.—The total payments to the 31st July, that is the total payments to date in fact, were \$3,061,372.81, leaving a balance of \$215,077.28. I see a note here 'No estimate has been returned for work done and material delivered during August.' You see the bridge fell about the end of August, although there was a great deal of material delivered and their estimate probably for that month would have been \$50,000 or \$60,000.