

keep two distinct accounts—one for the vote of \$50,000, and the other for the other service, because they were managed under a different system; and I understood you to say that under Orders in Council this \$8,398.83 ought to have gone into the account opened for \$50,000. I want you to look at the account and see if this is the case?—I see an entry for \$50,000.

102. It has not gone into that account then?—Yes.

103. This \$50,000 intervenes as a special account, and the \$8,398.83 only appears as being charged against the original deposit of \$50,000 in 1866?—Yes.

By Mr. Cartwright :—

104. Look at the entry of \$50,000 for secret and detective service in schedule “A” for the service of 1867–8, and say whether that sum was the first \$50,000?—That is the amount.

105. Then that sum was properly said to be for the service of the year ending June 30th, 1868?—Yes, on the 5th of June of that year it was placed in a special account.

By Mr. Holton :—

106. You have stated that Sir John Macdonald indicated this fact, that there was a balance of this account remaining at his credit and in his hands, to you before he resigned?—Yes; it was either just before or just after; it was about that period at any rate.

107. Did you communicate that information to the new Minister of Finance immediately after his assumption of office?—I do not recollect that I did; I do not suppose that I did; I do not recollect saying anything about it.

108. Did you communicate the second intimation you received from Sir John Macdonald about it two years later?—My chief was then in England, I communicated it, however, to Mr. Mackenzie.

109. But about the previous communication, there had been no intimation made to any member of the present Government?—No; I knew nothing about the amount, I think Sir John Macdonald merely asked “what shall I do with this balance,” and I said “you had better deposit it.” He then stated there were unsettled accounts which he was trying to square up, and that was the last I heard of it.

By Mr. Blain :—

110. Was it during the conversation that passed between you and Sir John A. Macdonald on this subject before he resigned, that you first heard any mention made of this fund?—Without saying anything about the amount, he told me there was a balance. I asked, “what are you going to do with it?” And he replied, that after such unsettled claims as he was trying to close up were arranged he would deposit to the credit of the Receiver-General.

111. This was before he resigned?—It was about that period. I think it was before he resigned.

By Mr. Wood :—

112. On that fact coming to your knowledge, was it not your duty to communicate it to the Minister of Finance?—I had no knowledge of the account and Sir John Macdonald said that he had to arrange an unsettled claim. For all I know he might have had to pay it all away to settle that claim.

By Mr. Kirkpatrick :—

113. Does not a sum equal to the balance of \$8,398.83 appear in the account; Will you take the Bank of Montreal account and add up the expenditure for June and July, 1867, and tell us what the balance is?—That amount does appear, but not in the same way as in our books. It is there, however.

114. This money has been properly expended according to the account

Question not answered :