

period since Confederation. Upon the receipt of Mr. Blakely's report, it, together with Mr. Munro's, was then submitted to the Auditor for re-examination. This examination by the Auditor was only brought so far to completion on the 9th instant as to enable him to report definitely the amount of the existing discrepancy, which, as stated in his report, is \$14,680. Most of this is made up of book-keeping errors, but there is part of the difference which apparently seems to involve errors of a graver character. It appears that during the years 1875-6-7-8-9, cheques to the amount of \$5,883.11 are charged as paid by the banks which do not appear entered in the Treasury books, nor are the cheques found amongst the returned cheques on file in the Department. There are only two ways that may be suggested as accounting for this—either the banks have erroneously charged these amounts, or some one has fraudulently cashed unauthorized or forged cheques; circumstances lead me to the latter conclusion. First, the erroneous charges or cheques appear in connection with, not one bank, but with all the banks with which the Province did business, and run through the same years. Secondly, during the years in which these erroneous charges occur, the preparation and filling up of the cheques was done by an officer of the Department who was discharged from the service of the Government since that time for incorrectness in dealing with money matters entrusted to him.

Mr. Sproule's statement also shews that between 1872 and 1879, the total deposits are short of the receipts by \$2,213. These are not yet definitely located. Further examination which is now proceeding, I hope will shew that this discrepancy will be accounted for without imputing anything more serious to the officer responsible than careless inaccuracy. I should have preferred that these latter discrepancies should have been definitely located before reporting to the House, but as before stated, the Auditor was only able to report definitely the amount of the discrepancy on the 9th inst., and having discovered the inaccuracy in the balance heretofore carried into the Public Accounts, both he and I considered it our duty at the earliest moment to bring this to the attention of the House, and place the true bank balances in the statement of assets, as I have now done.

Mr. MEREDITH.—Between what years did the hon. gentlemen say these wrong entries were made?

Hon. Mr. Ross.—In 1875-6-7-8-9.