

time previous, the Financial Agents in England had not forwarded the coupons and bonds. I have since however received several boxes, which are in process and are nearly written off, and as soon as the present press of work is over, I trust to hand them at once over to you. Of course I will take good care to give you early notice of the same.

Your obedient servant,

J. M. COURTNEY,

*Deputy Minister of Finance.*

The Auditor-General.

With reference to a large proportion of the expenditure made in England, there is no doubt of the legality of the exact payments; that is, for the maturing debentures, the instalments of interest, commission for management, &c. The payments on appropriation account, although not large during 1878-79, and the expired portion of 1879-80 (so far as the facts are known to the undersigned,) are made against the provisions of the Audit Act. The payments are made without any reference to the undersigned. As, however, it is nowhere laid down as a part of the duty of the Auditor General to notify the Agents of the Government, and even Canadian bankers holding Government moneys, of the restrictions of the Audit Act in making disbursements on Government account, and as such notice might lead to inconvenience, the undersigned has taken no further action in the matter than drawing the attention of the Government to the subject as above set forth.

The following letter was addressed to the Deputy Minister of Justice:—

AUDIT OFFICE, 2nd May, 1879.

SIR,—Please give your opinion on the accompanying correspondence between the Deputy Minister of Finance and myself, so far as the case of Mr. Dixon goes, and return the letters to me.

I have the honor to be, Sir,

Your obedient servant,

(Signed) J. L. McDOUGALL,

*Auditor General.*

Z. A. LASH, Esq.,  
Deputy Minister of Justice.

To which was received the following reply:—

OTTAWA, June 10th, 1879.

SIR,—The question submitted by you as to the payment of the increase allowed to Mr. Dixon, a clerk in the Public Works Department, raises a very important question as to your duties and responsibilities as Auditor General.

The broad question is, whether you should, or indeed whether you have the right to enquire into the right of the Government to pass an Order in Council authorizing the expenditure of public money, or whether your duty and power as Auditor General is limited merely to seeing that any moneys, the expenditure of which has been authorized by Order in Council, or departmentally, according to circumstances, have been voted by Parliament to be used for the purpose intended.