

Ques. 20. Did you then consider that you was purchasing the \$250,000 of notes on the same terms as the public, that is to say at par. *Ans.* We did not consider the Bank as occupying the same position as the public. The public could take or not as it saw fit. We agreed absolutely to take and pay for \$200,000 of the notes, besides being obliged to advance in much larger amount.

Ques. 21. Did you consider the purchase of these debentures as distinct from the other portions of the agreement, or was it not in fact understood that in other respects the agreement conferred advantages upon the Bank and made your inducements for the purchase of the notes. *Ans.* I do not consider the purchase of the notes as distinct from the other portions of the agreement, but it was optional with the Government to take the Exchange for the advance or not.

Ques. 22. Please to state whether the Bank took the further sum of Four hundred thousand dollars as provided in the agreement, and also, whether any and what advances were made thereon. *Ans.* We received the \$400,000 of the notes on which we were to make advances and gave \$200,000 on account, when the Government informed me that it did not want any more Exchange.

Ques. 23. Will you please to refer to the letter from Mr. Starnes, Manager, dated 10th December, and state whether the sum of £40,540. 10s. 8d. sterling [say \$200,000] was not remitted to the Receiver General under the agreement for an advance upon the \$400,000. *Ans.* From the contents of the letter it seems that the Exchange transmitted with it, was on account of advances.

Ques. 24. How was the advance of \$200,000 spoken of repaid by the Government, and when? *Ans.* By deposits made at different times, as appears by the account.

Ques. 25. Was the advance wholly covered by the 31st December, 1862? *Ans.* I cannot answer this question without referring to the Bank books.

[By the Hon. Mr. Howland.]

Ques. 26. WILL you please furnish the Committee with a statement of the daily balance between the Bank of Ontario and the Receiver General, from the 1st of October past to the present date? *Ans.* I will direct the Manager to furnish it.

[By the Hon. Mr. Galt.]

Ques. 27. HAS the Finance Minister kept an average credit of not less than \$100,000 with the Ontario Bank without interest, according to the agreement? *Ans.* I cannot say but we intend to have the benefit of such a deposit.

Ques. 28. Do you consider that the Bank is entitled under the agreement either to have the deposit of \$100,000 or an equivalent in interest from the Government? *Ans.* Yes.

Ques. 29. Did the Customs' officer at Montreal deposit one-half of his receipts with the Ontario Bank, and if so, when did such deposit commence and is it still going on? *Ans.* I cannot answer the question, but I believe that a portion of the Customs' Deposits were made with our Bank, but I do not know when they commenced or when terminated. I am confident however that they were not transferred to us in consequence of the agreement with the Government about the notes.

Ques. 30. Were such deposits made under the agreement or were they the subject of a previous understanding, and if so, be pleased to state its nature? *Ans.* There was no agreement with the Government about the previous deposits, but different amounts were left with us.

Ques. 31. Is the agreement still subsisting between the Bank and the Government, and if not, what changes have been made in it, and at whose instance. *Ans.* The agreement is still subsisting. The Government notified us that it did not need any more Exchange and we told the Receiver General that we did not desire to get any further deposits.

Ques. 32. Have the Government then withdrawn the deposit, or do you consider they are still bound to maintain a credit deposit of \$100,000? *Ans.* The Government has a balance at its credit with us and we consider we are entitled to the deposit of \$100,000 until the maturity of the Government notes,

