

amount of the business does not account for the great reduction of profits stated in the balance sheet. Upon this point the Chief Commissioner has been requested to obtain and communicate, for the information of the Board, full explanations.

The *Depot Account* is even more unsatisfactory than that of merchandise, and shows that the system pursued at Fort Garry requires alteration. The total amount of the Depot transactions in Outfit 1876 reached the sum of \$1,364,794, of which supplies to the various Districts amounted to \$1,144,748; while in Outfit 1877 the transactions were \$877,993, and the supplies to Districts \$613,829. A portion of the latter amount consisted of additional advances of 2½ per cent. on English invoices to cover packing charges, the bulk of the amount being for supplies during the Outfit, with freight, duty, and charges added, but of which no details have been furnished. The Depot Account is charged with \$80,588 for customs' duties, with freight and other charges on the supplies, and there is an amount of \$20,217 at the debit of the account for "*Bills paid in London this Outfit on account of Fort Garry Depot.*" No corresponding entry can be found in the Depot Account for Outfit 1876, and we can find no trace of any entry on the credit side of the account whereby the outlay would be charged to different Districts; and as freight and duties appear separately, we are unable to explain the nature of the charge against which the bills were drawn.

This matter requires explanation and it is also necessary that explanations should be made why the charges against the Depot have been increased during the past Outfit. The following are some of the items:—

	Outfit 1876.	Outfit 1877.
Fort Garry, H. B. Mess	\$3,860	\$5,595
Mr. J. H. McLavish's Mess	1,168
J. Anderson	530	526
Men's Rations	3,080	2,746
Expenses	2,296	3,590
Offices, etc.	1,679	1,082
	<u>\$11,445</u>	<u>\$14,707</u>

showing an increase of \$3,000, notwithstanding the reduced amount of the Depot transactions in Outfit 1877 as compared with 1876. There is also an increased charge of \$1,400 on Servants' Accounts, connected with the Depot, the amounts being \$10,532 in 1876 and \$11,958 in Outfit 1877.

These increases in the expenditure are inexplicable when we see the amount of supplies furnished to the Department in 1876 put down at \$588,844 as against \$199,605 in Outfit 1877. Surely the labour and expense in connection with less than one-half the quantity of goods should be reduced and not increased, as stated in the present unsatisfactory account.

In a recent letter, the Chief Commissioner directed attention to the unfitness of the Company's shop and warehouses at Fort Garry for the kind of trade now carried on there, and the fact that the Town of Winnipeg had been extended in an easterly direction from Fort Garry. Looking to the results of the Merchandise and Depot Account for the past Outfit, he was not, however, prepared to recommend the Committee to incur the expense of erecting modern fitted buildings for the despatch of the Company's business on some suitable spot within the Company's reserve somewhat nearer the centre of the town. Further enquiries will shortly be made by the Chief Commissioner who has been instructed to report fully upon the matter, and, in the event of its being found that the business would be improved by the change, he will submit for the consideration of the Board estimates of the cost of new buildings. He has also been instructed to make arrangements as soon as possible for separating the business of the Depot at Fort Garry and the Accounts of the Northern Department, from Red River District, and placing the Depot under the charge of a competent officer, who will also superintend the Accountant's Department under instructions direct from the Board or the Chief Commissioner.