

sheet for the half-year ending 31st December, 1867, arrived about the 3rd week in February. On the 29th of February I called at the office, and was told by the Secretary the accounts had gone to Mr. Watkin.

At the Board Meeting, on the 4th of March, a note was read from Mr. Newmarch, the Auditor, saying that he required a few days longer over the accounts, before sending them to the Board for approval. At the Board Meeting on the 18th March, I found proof sheets of the Report in the hands of other Directors; but I had never seen either the proof sheets, or the original balance-sheet, although the latter had probably arrived from Canada more than three weeks.

Soon afterwards I had a copy of the Report and balance-sheet, as I believe it was finally settled, sent to me, asking if I had any remarks to make on it. I at once went to the Secretary and pointed out a serious error of about £5,000, *i.e.*, £31,000 was charged as a debit in a suspense account, after the Company had paid themselves nearly £5,000 of the amount out of the Buffalo and Lake Huron share of revenue. Again the attention of the Board was called to this error by letter; but, nevertheless, the accounts in this erroneous form were presented to the Proprietors at the half-yearly general meeting, and I believe adopted. The correction of this error would have reduced the apparent balance available for equipment bond interest by nearly £5,000. (See page 4, Grand Trunk Report.)

One reason for my absenting myself from the General Meeting was my determination to take no responsibility as a Director of the Company, in respect to these accounts. I have tried very hard to see the account in manuscript, as sent over by Mr. Hickson; in this I have been unsuccessful; I cannot think that Mr. Hickson, whom I believe to be a good Accountant, can have committed such a blunder.\*

\* 5th June, 1868:—I have this day seen Mr. Hickson's manuscript account, and find the error has originated in Canada.