

(ii.)

In the Montreal Department the average advance is $8\frac{1}{2}$ per cent. on cost on goods at the Depot, the highest being 25 per cent. on the supplies of Abitibi, and the others at a lower rate.

A portion of the supplies for the Northern Department are sent by the Company's vessel to York Factory. Here the freight and duty, &c., are added to the cost of the goods intended for the trade of York Factory District and the Coast Posts, which are charged with a further advance of from 5 to 8 per cent. according to their distance from the Factory.

The total amounts added for inland transport in Outfit 1876, are as follows:

Northern Department	\$65,000,	on goods valued at	\$377,000
Southern	" 6,800,	" "	41,000
Montreal	" 7,500,	" "	90,000
	<u>\$79,300</u>		<u>\$508,000</u>

The Inventories, besides the European, Canadian, and American goods, contain country-made articles, live stock, amounts expended on buildings, improvements, and outstanding debts.

We find that at the most of the Districts, Medicines, Stationery, and articles in daily use, as well as damaged and unsaleable goods, are enumerated, but not valued in the Inventories.

Deductions are made from the live stock of 33 per cent. in the more remote Districts where the cattle are exposed to considerable danger during the winter; in other Districts the deductions are not so great.

The cost of new buildings and such repairs as are valued, are spread over five years, 20 per cent. being written off in every year in usual cases.

With reference to the system of valuing outstanding debts, we have not found it to be either uniform or entirely satisfactory. Arbitrary percentages of deductions are applied in different Districts. In some cases three columns are introduced for good, doubtful, and bad debts. At Edmonton, the principle is as follows:—One-third is written off from the doubtful debts; the remainder, i.e., two-thirds of the doubtful debts; are added to the total of the good debts; and one-third is then deducted from that total. It is impossible to understand the principle of this proceeding.

In McKenzie River and Athabasca, the Inventories contain only a few items classified as Outstanding Debts in respect of accounts with missionaries. If goods have been supplied to Indians, and therefore have been taken from the Inventory, they remain an asset of the Fur Trade; but they are not valued, and the Furs received in return for such advances would swell the profits of the ensuing year.

In Saskatchewan District, neither the bad nor the doubtful debts are valued at all, and one-half is written off from the good debts. In the Inventory of this District for Outfit 1875, no less a sum than \$16,000 has been deducted from the Inventory value on debts classified as good. This is clearly inadmissible; either the debts should be classified as doubtful, or so large a sum should not be deducted. Prior to 1874, the debts in the Saskatchewan District were not valued at all. In Outfit 1874 Freeman's Balances were for the first time valued upon Inventory at 50 per cent., and the same system appears to have been followed in subsequent Outfits, not only for Freeman's Balances but for other debts, a long list of which is given at the close of the Inventory of the Saskatchewan District.

The attention of the Chief Commissioner has been called to the matter, with the view of having it placed on a more satisfactory footing.

In an account called "Fort Garry Customers' Balances," the classification of the debts is set out as good, doubtful, and bad. One-half of the doubtful, and the whole of the bad debts are deducted from the total amount outstanding.