

He can give you fuller information. I am aware that it is under a general system of double entry.

James Pain, Accountant.

16. Who is the officer in charge of that particular matter?—Mr. James Bain.

Only on special occasions report made as to state of books.

17. Are you informed regularly from time to time of the general result shown by those books as it concerns the railway, or only on special occasions?—It is only on special occasions. There is no regular stated report made.

18. No monthly or periodical report?—No.

Certain moneys placed in Mr. Fleming's hands when surveys were commenced,

After a time book-keeper appointed and all the accounts brought ultimately under general system.

19. Was there any change made in the system of keeping the accounts relating to this railway?—When the surveys were commenced certain sums of money were placed in the hands of Mr. Fleming, and he had a staff of accountants keeping an account of the expenditure. After a certain period this system was changed and a book-keeper was appointed immediately in the Department, and, after a few months, all the accounts were brought in under the general system of books kept by Mr. Bain.

Expenditures on surveys.

20. When was that change made?—The expenditure on the survey commenced in June, 1871, and funds for that purpose were placed to the credit of Mr. Fleming up to 1875. A portion of such sum was expended in British Columbia through Mr. George Watt, Paymaster at Victoria, from the 1st of May, 1871, to the 1st of June, 1873. A further sum was paid through Mr. Wallace, Paymaster at Ottawa, from the 1st of June, 1871, to the 1st of March, 1873. From 1875 to 1877 the expenditure was made through an accountant (Mr. Radford) specially engaged for that purpose, and after that date by the Accountant of the Department.

Accounts kept by Watt reported satisfactory.

21. At the time of the change in the system of keeping the accounts are you aware whether the condition of the previous books was satisfactory to the Department?—The accounts kept by Mr. Watt have been audited by Mr. Taylor and have been reported by him to be satisfactory. He has accounted for the money placed in his hands.

22. I understand that there was a change, not only of Mr. Watt's accounts, but of all the accounts; that sometime in 1877 a new system was adopted?—Yes.

In 1877 when the new system was adopted, condition of accounts not satisfactory.

23. I am asking whether at that time it was the understanding, either with yourself, as Deputy Head, or some other party, that the condition of the accounts was satisfactory?—It was not satisfactory. The vouchers were still in a very informal condition.

24. Why was it not satisfactory?—Because the returns of vouchers had not been made sufficiently full.

25. Do you remember the amount which had not been properly vouched for—about the amount that was understood not to be properly vouched for?—I cannot state the amount.

26. Is there anybody who can?—Mr. Taylor can.

27. Do you understand that I am asking not only as to Mr. Watt's but as to other accounts?—Yes.

Impression in Department that money was properly applied but

28. Are you aware whether since the auditing of the accounts it is understood in the Department that this amount has been properly accounted for?—The impression in the Department is that the money