

SECOND REPORT

OF THE

SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS.

Mr. Speaker:

Your Public Accounts Committee beg leave to report—

That they have examined into the following item which appears in the balance sheet of the Province as an asset, viz.:—“Shuswap and Okanagan Railway Company, (advance for expenses incurred in examining and reporting on promoter's scheme, \$737.95,” and find: That the same was paid out of the Treasury on the following dates:—

16th April, 1887	\$450 00
11th June, 1887	277 95
20th ,, 	10 00
	\$737 95

That the Statute provides that no part of the revenue shall be issued out of the Treasury except in pursuance of Warrants under the hand of the Governor.

That the Lieutenant-Governor's Warrant authorizing the payment of \$450 was not issued to the Finance Minister until the 5th of May, 1887, or nineteen days after the money was paid out of the Treasury.

That the Warrant for the sum of \$277.95 was not issued until the 15th of June, 1887, or four days after payment by the Treasury.

That the payment of the sum to the Shuswap and Okanagan Railway Company was not authorized by the Legislature.

That an Order, which was approved by His Honour the Lieutenant-Governor on the 30th June, 1887, recommended that the sum of \$737.95 be made a charge against the Shuswap and Okanagan Railway Company, to be repaid by the said Company to the Treasury Department; that there is no Warrant for the item of \$10 paid on the 20th June, but it is included in the Order in Council of the 30th June, 1887.

That the Honourable the Provincial Secretary on the 4th August, 1887, and the Honourable the Minister of Finance on the 28th December, 1887, asked by letter to Mr. Lumby for repayment of the above sum, but the only answer received was to the effect that he would place the matter before the Directors of the Company.

Your Committee beg to report from the above facts that, while under ordinary circumstances the payments out of the Treasury would not have been justifiable, the Act granting a subsidy to the Shuswap and Okanagan Railway Company contains a clause (4) suspending the operation of the Act until the Lieutenant-Governor in Council had by Proclamation given it force and effect. The object of this suspending clause was stated by the Attorney-General, when introducing the Bill to the House, to be to enable the Government to ascertain the correctness of the representations of the promoters of the measure with respect to the country through which the proposed line was to pass.

The payments referred to above would seem to have been made with a view to hastening the issuance of the Proclamation, so that the Company could approach the Dominion Parliament (from whom additional assistance was anticipated) with a definite and complete scheme before the close of the Session of 1887. The expenditure is one that should be borne by the Company.

Your Committee desire to express the opinion that the practice of advancing money to a Railway Company for expenses that should be borne by them is irregular, and should not be followed except in cases of emergency like the present, and then only after ample security for a refund having been obtained.

Your Committee urge the Government to take immediate steps to secure a refund of the sum paid out on account of the Shuswap and Okanagan Railway Company.

SIMEON DUCK,
Chairman.
