
REPORT OF SELECT COMMITTEE

Appointed to enquire into the circumstances connected with the disappearance from the Treasury of voucher No. 1461, dated 21st December, 1872, for the payment of the sum of \$360 to Mr. Holbrook, as President of the Executive Council,

ALEX. E. B. DAVIE,
Chairman.

FRIDAY, 23rd March, 1877.

Present :—Mr. Douglas, Mr. Gallagher, Mr. Dickinson, Mr. Davie.

James Judson Young, Deputy Treasurer, stated, without being questioned, as follows:—

Some time in 1874 Mr. Walkem came to the Treasury and asked me if any payment had been made to Mr. Holbrook as President of the Council. I found out that I was not clerk in the Treasury while Mr. Holbrook was President, so I referred Mr. Walkem to the Auditor, Mr. Berkeley. The Auditor gave him the voucher, and on Mr. Walkem's coming through the Treasury I asked if he had what he wanted. He said yes, and he would take it up stairs for a time; I saw no more of it.

By the Committee (Mr. Gallagher)—I saw the voucher in Mr. Walkem's hands, but did not read it. I knew that it was the voucher because he stated he had got what he wanted. No object that I know of could be gained by Mr. Walkem in the destruction of the voucher. There is an entry of the voucher in the cash book. The entry in the cash book is as follows:—"December 21, 1872, No. 1461, H. Holbrook, travelling expenses officers on duty, \$360."

By Mr. Douglas—Mr. Walkem did not appear in any doubt as to Mr. Holbrook's having been paid, but simply asked for the voucher. The impression produced in my mind was that he thought it all correct. I think I was clerk of the Executive in those days. I told Mr. Elliott Mr. Walkem had had the voucher.

By Mr. Elliott, with consent of Committee—I think the way in which it was found out the voucher was missing was that some of the present Ministry came and enquired for it. I think it was in Mr. Humphreys' time.

By Mr. Douglas—The payment was made on 21st December, 1872, during Mr. McCreight's administration. I am not aware of any question being raised as to the legality of the payment at that time.

By Mr. Elliott—It has not been the practice of Ministers to take vouchers out in this way. I usually take a receipt and no objection is made to that mode by any of the Ministry.

By Mr. Dickinson—I have never seen the voucher since it was in Mr. Walkem's possession. I did not enquire for it because it was before my time. I was not in the Treasury when the money was paid.

By Mr. Elliott—After the Auditor has done with vouchers they ought to be filed away.

By Mr. Gallagher—It seems to me that the reason this voucher was required by Mr. Walkem was in reference to some case that had been raised as to a payment to be made, and the voucher was called for as a precedent in the case. Something of this kind was stated at the time.

By Mr. Douglas—Mr. Holbrook at one time was Chief Commissioner. This payment was not during the time he was Chief Commissioner.

By Mr. Dickinson—I am quite sure it was a payment for travelling expenses while President of the Council. I never read the voucher, and, therefore, cannot give details.

By Mr. Elliott—Vouchers were not kept in duplicate at that time.

By Mr. Dickinson—The Government Gazette states that Mr. Holbrook was made an unofficial member of the Executive Council on 15th January, 1872. The last time he signed a document as an officer was 20th December, 1872, as President of the Council.

By Mr. Gallagher—The voucher was for \$360.

Mr. Young states further, after hearing the above evidence read over, that it was when the payment to Mr. Brown was made that inquiry was made for the voucher by Mr. Humphreys and found missing.

(Signed) JAS. JUDSON YOUNG,
Deputy Treasurer.

W. C. Berkeley, Auditor, states, without being questioned:—

That somewhere about the end of 1873, or beginning of 1874, Mr. Walkem asked me for this voucher, which I gave him, and which he took away, saying, as far as I can remember, he wanted to take it upstairs, and that he would bring it back again, and since then I have not seen it.

By Mr. Dickinson—I have not seen the voucher since. I never inquired for it. It is usual sometimes, as in this case, when they are expected to be returned at once, to let them go, but it is very seldom that a voucher is called for out of the office.

By Mr. Douglas—Mr. Walkem was then Attorney-General. I had no definite idea why he wanted the voucher. About the time I speak of, viz., the end of 1873 or beginning of 1874, I do not find any similar payment. I do not know that there was an Executive Council being held at the time he got the voucher; my impression is there was not. In 1872 there was no Treasurer; the Provincial Secretary was in charge of the Treasury. Mr. Calder was Chief Clerk in the Treasury at the time of the payment; Mr. Holmes was Audit Clerk. All I know is the mere circumstance of Mr. Walkem having had the voucher.

Mr. Berkeley here states—

After I came down from Yale and subsequently took charge of the Audit Office, I looked after the vouchers as a rule. They were kept so that the officer in charge of the Treasury, as well as the Auditor, had access to them.

By Mr. Dickinson—As far as I can remember, the details of the voucher were travelling expenses incurred attending Executive Council.

By Mr. Davie—The voucher did not state the items of the travelling expenses, but so much per diem, and the rate was \$10 a day.

By Mr. Gallagher—The entry of the voucher was in print before the voucher was taken away.

By Mr. Davie—There could have been no object whatever in destroying the voucher.

(Signed) W. C. BERKELEY.

The above evidence was taken and read over before us this 23rd day of March, 1877.

(Signed) ALEX. E. B. DAVIE, *Chairman*,
J. W. DOUGLAS,
R. DICKINSON,
CHARLES GALLAGHER.

FRIDAY, 23rd March, 1877.

ADJOURNED MEETING OF COMMITTEE.

Present:—All the members.

G. A. Walkem—I have read the evidence of Mr. Young and Mr. Berkeley. Before I referred to this matter at all in the House, Mr. Young made nearly a similar statement to me to that in his evidence. I told him I had not a vestige of recollection of getting the voucher from the Treasury, nor have I now. I have such confidence in Mr. Young's character for veracity and honour, that when he is so positive as he is in this matter, I must believe him to be correct. The same remarks apply to Mr. Berkeley. I know

that a voucher respecting this matter was before the Executive Council and the question involved in it fully discussed. This must have been in 1872, or beginning of 1873, when Mr. McCreight was Premier. The matter was discussed with him and a conclusion arrived at by the Executive Council. The question was subsequently discussed, but on what date or on what occasion I cannot say, as I was in the habit of taking Lands and Works papers to the Executive room to save time (as I had almost more work than I could do) and there doing the work of the office, and seldom offering opinions until called upon by His Excellency. With respect to the document itself, it must have been mislaid, as I am sure there could have been no object in destroying it, as the entry of the payment to Mr. Holbrook was made in the cash book and printed in the public accounts. As to the second time the voucher was before the Council, I really cannot state the circumstances with any degree of accuracy. I see the voucher is for 36 days, at \$10 a day. My own impression of the understanding, outside of any Executive meeting, was that this amount was allowed in consequence of representations made about July or August by Mr. Holbrook to the members of the Government, to the effect that he really could not afford to attend the Executive meetings as requested and pay out money from his pocket for trips up and down in the Enterprise and expenses in town. I do not know whether he claimed any more than \$360; I do not think he did. This covered a period of nearly twelve months, and I am aware that he made several trips up and down from New Westminster while he was President of the Council. He came to Victoria to attend Executive meetings when requested to do so. The claim was principally allowed on account of actual expenses in travelling. It may have been a trifle more or less; at least that is my impression. While Attorney-General I had a vast number of documents passing through my hands; hence my memory as to getting this document from Mr. Young may be defective. I feel certain of one thing, that while the document was in the Executive, as it was, it was in the hands of other members of the Government. In the usual course of things it would reach and remain with the Minister of Finance, who was a member and also Clerk of the Executive Council since Mr. Young joined the Treasury. I do not know whether it did or not. I should be very sorry to think that any of those gentlemen destroyed it from the mere fact of its being missing or seen last in their hands, as there was no reason for its destruction. I was in the habit, at one time of going pretty often to the Treasury, both as to the accounts and estimates, during the year Mr. McCreight was Premier, and during the succeeding year, and as to the introduction of the new system of keeping accounts now in force and the reconstruction of the department.

(Signed)

GEO. A. WALKEM.

The above evidence was taken and read before the Committee this 23rd day of March, A.D. 1877.

(Signed)

ALEX. E. B. DAVIE, *Chairman*,
 J. W. DOUGLAS,
 R. DICKINSON,
 CHARLES GALLAGHER,
 WM. SMITHE.

FIRST REPORT

OF THE

SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS,

FROM 1ST JANUARY, 1876, TO 31ST DECEMBER, 1876.

Mr. Speaker:

1. Your Committee beg leave to Report, that in reference to the Loan of \$350,000 authorized under the "British Columbia Loan Act, 1876," we find that the Government have issued to various persons Debentures, amounting to \$86,000, at par, bearing interest at 7 per cent. per annum. That the balance of Debentures, viz.,—\$264,000, bearing interest at 7 per cent. per annum, were deposited with the Bank of British Columbia on 3rd of July, 1876, under the following conditions, viz.:—That the Government were at liberty to overdraw their account with the Bank of British Columbia to the extent of \$240,000 up to 1st February, 1877, against the deposit of \$264,000 of 7 per cent. Bonds as collateral security, the interest on the overdraft to be charged, in the usual course, at the rate of 8 per cent. per annum.

2. In default of payment on or before the 1st February, 1877, the Bank to be at liberty to realize the Bonds in their possession, and the Government to make good the amount of any deficiency that may arise in such realization to meet the liability to the Bank on the said 1st February, 1877.

3. That the Government were also to be at liberty to withdraw, from time to time, up to 1st February, 1877, any Bonds deposited as aforesaid with the Bank, provided that the margin of 10 per cent. on the amount of Bonds as compared with the aggregate of the Government indebtedness to the Bank is maintained, the limit of overdraft being accordingly reduced as Bonds are withdrawn.

4. That the overdraft of the Government on the 31st December, 1876, at the Bank of British Columbia was \$279,925 50, bearing interest at the rate of 8 per cent. per annum.

5. That the amount of interest paid on overdraft from 1st June to 31st December, 1876, at 8 per cent. cost \$9,030.

6. That in reference to the payment made on the 4th August, 1876, of \$16,590 34 to William Fraser Tolmie, Esq., M.P.P., and Roderick Finlayson, Esq., as purchase money and interest at 10 per cent. per annum on a portion of Lot 22, Esquimalt, for Graving Dock purposes, your Committee do not find any special Order in Council explaining it, or Governor's warrant specially authorizing this particular payment; but they do find that the amount was paid under authority of a requisition from the Lands and Works Department No. 1 for January, 1876, and following month, requesting authority, amongst sums for other public works, for the Department to draw from the Treasury \$100,000 on Graving Dock account.

7. That requisition No. 1 amounted to \$278,070, was approved on 2nd June, 1876, by the Governor in Council, that the payment was made on an order from the Lands and Works Department by two cheques issued thereunder from the Treasury on the Bank of British Columbia for the sum of \$8,295 17 each, signed by J. Judson Young, Deputy-Treasurer, and countersigned by the Honourable A. C. Elliott, Provincial Secretary.