

			£	s.	d.
At 30th November, 1859, an apparent deficiency of	...	...	696	9	4
28th February, 1860	"	"	1037	1	3
30th April	"	"	1450	3	6
15th May	"	"	1877	16	11
18th June	"	"	1327	1	6
30th June	"	"	1073	15	4

We struck no balance between 30th June and 30th September: at the latter date the balances appeared to be all right.

Did the explanations of the Treasurer account satisfactorily for the apparent deficiencies? I did not consider them satisfactory.

As to Road and Education Accounts, what did you do? The Treasurer submitted them to us, and we examined them, previous to auditing the Provincial Accounts from 30th June to 30th September last. We found that there ought to be balances on hand on these accounts.

Were these balances produced to you? No; we requested them to be paid into the Bank.

Did the Treasurer make any statement to you as to any portion of the public funds being in the hands of any other person than himself? I do not remember of his making any official statement to me to that effect.

By Mr. Dick.—In examining the books, did you observe any of the cheques marked on Education or Road Account? I do not remember observing any; but some cheques were drawn in favour of bearer, instead of being numbered in the usual manner.

The PROVINCIAL TREASURER, examined.

By the Chairman.—Are you Provincial Treasurer? Yes, I am.

Will you state to the Committee the circumstances connected with the receipt for £1712 on Immigration Account per "Gala" being only signed by Mr. Macandrew, while the warrant is drawn in favour of Mr. Macandrew jointly with Mr. Reynolds? On the arrival of the "Gala," application for payment was immediately made, and a warrant in favour of Mr. Macandrew and Mr. Reynolds was presented to me by the former personally. He stated to me that Mr. Reynolds was not in the way, and his signature could not be got. (I knew this to be the fact, for I took the trouble of endeavouring to find Mr. Reynolds, but did not succeed.) It is quite usual, in cases of such payments, for the parties entitled to them to be very urgent; and as always on previous occasions Mr. Macandrew had received the money, I felt inclined to pay him on this occasion, considering his position, and more especially considering that on the immediately previous occasion, when circumstances of the same kind had occurred, and when I refused to pay without Mr. Reynolds' signature, Mr. Reynolds upbraided me for doing so, saying, "Why did you not give the money to Mac?" Of this I have a distinct recollection; and it mainly influenced me in paying the money on the occasion of the "Gala." The money was paid in presence of the Accountant, to whom I handed the cheque, and by whom it was handed to Mr. Macandrew at my request, Mr. Macandrew distinctly promising that so soon as Mr. Reynolds could be got he would be sent down to sign. Mr. Reynolds not having come to sign the voucher, I sent repeated messages to him, but he always made the excuse that he wanted to see Mr. Macandrew first. This he did many times, and at last he altogether refused to sign.

In a note appended to Council Paper containing the Auditor's Reports, the Superintendent remarks that the voucher in this matter was originally irregular, but "has subsequently been set right." Will you explain this? I presume the Superintendent refers to the fact that he has issued a new warrant for the payment on account of the "Gala" to Messrs. J. Macandrew and Co., and that Messrs. J. Macandrew and Co. have granted a receipt. It is necessary to add that the original contract was with J. Macandrew and Co. alone. I produce the original voucher (*vide* Appendix E 2 and E 3.)

Please explain the annotation on the original warrant and voucher now produced relative to J. Gladstone and Co. and J. Macandrew and Co's authority? As far as I recollect there was some arrangement made with the late Superintendent and Messrs. J. Macandrew and Co., in pursuance of which the payments on account of Immigration were made for a time on the receipt of Mr. Macandrew and of Mr. A. W. Morris, who afterwards retired, and then the payments were made to Mr. Macandrew and Mr. Reynolds on their joint receipts. What was the origin or cause of this arrangement, I do not know.

Do you, as Treasurer, recognize Mr. Macandrew's authority of his own accord to alter the parties to whom the Immigration money was to be paid, seeing that J. Gladstone and Co. were interested and had been recognized by the Government on the occasion of previous payments? I am bound to recognize the Superintendent's authority, as he alone is entitled to issue warrants; and the Superintendent having given a new warrant for the payment on account of the "Gala," it was my duty to file it with the original warrant.

Do you, as Treasurer, feel bound to pay whatever the Superintendent issues a warrant for, and to whomsoever he orders? No; and in last Session of Provincial Council I indicated an opinion that I was not bound to pay on warrants of the Superintendent, unless evidence were produced to me that the conditions on which the money was appropriated by the Council were fulfilled. I allude to a payment on account of a road to Anderson's Bay, which I refused to make on the Superintendent's warrant, unless there were filed with me evidence of an equal sum having been raised by private parties for formation of the road. Some members of Council, however, thought I was bound to pay on the Superintendent's warrant alone.

Was the original warrant presented on or about the date it bears; and when was the second warrant handed to you? The original warrant was presented at the date it bears. I was in hopes of Mr. Reynolds being prevailed upon to sign the original receipt up to the time of the Auditors making their report, and if I mistake not, Mr. Morris, one of them, entertained the same hope. When I found that Mr. Reynolds was resolute in refusing to sign, I reported the matter to the Superintendent, who stated that the refusal was a matter of personal pique on the part of Mr. Reynolds; and further