In reference to the petty cash, it appears that in each quarter the average amount issued is about £2500,—that it was regularly placed in charge of Mr. Street, the accountant. Was this the petty cash to which you allude frequently in your examination, or was there some other, and if so please to refer to the Bank-book and point out the items, where issued, and state what payments were made by you out of it? The practice was for Mr. Street to furnish me with notes similar to those now exhibited, and for me to give him for the sums in these notes a cheque, or cash, according to circumstances. In general I retained cash in my own hands to meet any emergency over and above the special payment of Mr. Street, and in case of necessary absence for a whole day, I usually handed cash to Mr. Street, who accounted to me for the payments he made out of it. It is impossible for me, from the great multiplicity of transactions and from my mind never having been pre-occupied with the matter, to give a more explicit answer.

The Superintendent's replies to questions Nos. 8, 9, and 10, having been brought under the notice of Mr. McGlashan, the latter answered:—That the statements by Mr. Macandrew are a tissue of untruths, in some parts interwoven with incidents that occurred, but are of no importance.

Thus the conversation he relates regarding my letter to him of 20th September, 1860, is a pure fiction. No such conversation ever occurred; nor did I ever withdraw that letter, nor was I asked to withdraw it. He seems to have forgotten that I had told Mr. Morris and Mr. Reynolds that he had the deficient money in his hands; that I had shown them his cheques; and that I told him I had done so. Whatever my peculiar temperament may be, the letter in question shows, I think, anything but intemperance or want of delicacy towards him. I left it to himself to state the circumstances to his Executive.

Mr. Macandrew's professions of benevolence towards me can deceive no one. The circumstances on which he claims credit for it are purely fictitious. In the real circumstances there has been displayed a feeling the very opposite: and there is a latent malignity in one of his statements, which is intended to wound where he knows my feelings are acute. If Mr. Macandrew made any statement to my brother that I was deficient in the public accounts, it was unauthorized by me, and was false. It is true that in the beginning of 1858 I was accommodated by my brother with a temporary loan of about £200, and that this was effected through the agency of Mr. Macandrew as a mutual friend. My brother was then, and subsequently, in the practice of accommodating him; and he proposed to ask my brother for a sum I then wanted. That is the only occasion on which I have any recollection of Mr. Macandrew acting as the medium between me and my brother. And here I beg to explain that I am owner and occupier of about 200 acres of land in the vicinity of Dunedin, as well owner of some live stock; and that having two sons in manhood I have not considered it incompatible with the zealous and faithful discharge of my public duties to engage, with the assistance of my sons and other servants, in the farming of my land, on which I reside, as a means of adding to the small income derived from office. From this cause I have occasionally required pecuniary assistance until crops were reaped or cattle sold; and hence the money transactions for my accommodation which Mr. Macandrew has thought fit to bring into view.

Occasionally I have consulted Mr. Macandrew when parties have wished me to give them information as to the purchase of land. About a year ago, a friend in Edinburgh authorized me to buy for him one of the "two thousand acre" sections then for sale at 10s. per acre, informing me of the immediate object he had in view in making the purchase, and authorizing me to draw upon him for the price (£1000). My own opinion being that the purchase would not be suitable for that object, I mentioned the matter to Mr. Macandrew, and think I showed him my friend's letter, and I consulted others also, and finally resolved not to make the purchase, and, of course, not to draw upon him, a course which my friend has since approved of. This is one of the cases which Mr. Macandrew refers to in proof of his statement, that I had private funds in my hands available for a loan to him, and without security. The other case he mentions is this:—A merchant in Dunedin (whose name the Commissioner may have) told me that he had some money to lend. Shortly afterwards, Mr. Jones, of Jones and Williamson, asked me if I could procure a loan of a few hundred pounds for a relative. I told him to write me, stating the sum wanted, and the particulars of the security offered, and I would send the letter to the gentlemen who wanted to lend on mortgage. That was done, and the proposal was rejected.

APPENDIX TO THE EVIDENCE.

Mr. Macandrew to Mr. McGlashan.

My Dear Sir,—

Will you meet me at my private office to-day at One, and bring all the documents with you.

Yours truly,

Tuesday. J. M.

Same to Same.

My Dear Sir,— Saturday morning.

I have not signed any of the Warrants for Salaries, &c., which were all written out yesterday, and I am going to the North Taieri to-day, they will not be signed till Monday, so that there is no use you going to town to-day.

I have made such arrangements as I think will put the other matter all straight upon Monday, irrespective of the documents now in Howorth's hands.

Yours truly,

John McGlashan, Esq. James Macandrew.