

MINUTES OF EVIDENCE.

(In the matter of the Thames Borough Overdraft.)

TUESDAY, 21ST AUGUST, 1877.

Mr. J. E. MACDONALD, called and examined.

1. *The Chairman.*] I understand, Mr. Macdonald, that you are Mayor of the Borough of Thames?—*Mr. J. E. Macdonald.*
Yes.
2. And you occupied that position during the year 1876?—Yes.
3. About this time last year I understand that the Borough had an overdraft at its Bankers?—*21st Aug., 1877.*
That is correct.
4. At what Bank did the Council keep their account?—At the Bank of New Zealand—the Grahamstown branch.
5. Can you tell the Committee in round numbers what was the amount of that overdraft?—Some where about £6,000. I can give you the exact amount from a telegram from the Town Clerk, received by me in answer to one I sent asking for the information. [Memo. handed in.]
6. There are two amounts here—namely, £6,282 14s. 7d. and £443 12s. 9d.?—The second item refers to the Waiotahi Highway District, with which I have nothing to do. It is distinct from the Borough. The Town Clerk happens to be Secretary to the Waiotahi Highway Board, and hence was in possession of the additional information afforded.
7. In what way did that overdraft arise—in the ordinary expenditure of the Borough?—The overdraft existed when I became Mayor, and increased while I was Mayor. The expenditure of the Town Council was increased, owing to the burden of the goldfields traffic within the Borough. The whole history of the matter, from the point of view at which I looked at it, was set out in a letter which I addressed to Sir Julius Vogel in the month of June, 1876. The only excuse which the Borough Council had for having so far exceeded their income was their endeavour to facilitate the gold-producing business by maintaining the roads for goldfields traffic; and the expenditure on those roads is given by the Town Clerk as stated in this letter; the amount expended on such roads exceeding the amount of the overdraft.
8. Do I understand you to say that a portion of the expense was for work outside the Borough?—Oh, no; a portion of the goldfields is in the Borough, and nearly all the goldfields roads are on the flat. [Plan of the Thames goldfield produced, and the boundaries of the Borough of Thames explained by witness.]
9. *Hcn. Mr. Stafford.*] Is there much of the land over which the Native title extends?—In the Borough there is a large portion of the land let by the Natives on leases of 21 years, and to a considerable extent the freehold has been acquired by different persons. Other portions remain in the hands of the Natives as lessors.
10. *The Chairman.*] At the time you made application to the Government in the letter just read, was any pressure brought to bear upon you by the Bank for the reduction of this overdraft?—There was no pressure brought to bear personally upon me, or I should not have done it.
11. But upon the Borough?—It was put to me by Mr. Murray, Manager of the Bank of New Zealand at the Thames, in much the same manner as I mentioned at the meeting. There the thing stood. We owed them so much money, and unless something was done in the shape of looking after it, we should not get it at all; and he advised me to go to Wellington and look after it. I came almost in a professional capacity. I did not want to come, for two or three reasons. In the first place, there was the loss of my time; secondly, I did not believe I should be able to do any good; and thirdly, whether I did or not, I knew there would be any amount of kind friends to say that I was taking a holiday at the expense of the burgesses, and all that sort of thing. So far as pressure from the Bank is concerned, I may state that it was mentioned to me by members of the Town Council, who urged me to go, and the arguments used by Mr. Murray, as I have mentioned, were all I had said to me from the Bank in the shape of pressure.
12. Then I understand the ground upon which you made that application to the Government was that a portion of the Borough funds was expended in making or maintaining roads—goldfields roads?—Maintaining them mostly, and making also. I used no arguments other than what are contained in that letter, except to some objections raised by Major Atkinson.
13. Did you receive any answer from Sir Julius Vogel?—None, sir. He went out of office before anything was done.
14. When you did come down, who was in office as Colonial Treasurer?—I do not know, unless Major Atkinson. I saw no one but him.
15. When did you come down?—I think I left Grahamstown on the 13th of August.
16. *Hon. Major Atkinson.*] I did not come in as Colonial Treasurer until the 1st of September. I did not know Major Atkinson by sight until two or three days before I left, when I was introduced to him.
17. *The Chairman.*] From him did you receive a written reply to that letter?—I did not, nor from any one else, except an acknowledgement of its receipt.