

Mr. J. E. Macdonald.

21st Aug., 1877.

57. Did you have any conversation with him about this matter?—I did.

58. You went to Mr. Murray too, I understand. Can you remember what he said?—I saw him several times. The fact was that Murray and the Councillors and others were talking about it for a month. I did not want to go.

59. Did Mr. Murray hold out any hope that the Government would make any arrangement?—He did not indeed.

60. Did he express any opinion about it?—No. He said to me, "Go, and do what you can; I cannot tell you what to do." That was in relation to something I had said about not being up to this business, because I was perfectly ignorant how the thing was to be done.

61. What did you say to Major Atkinson in reference to the right of the Borough to get this money from the Government?—I commenced by saying that, as Mayor of the Thames, I should not be such a fool as to come here simply to tell you that the Borough of the Thames has been extravagant, and we want you to "pay the piper." I will explain to you, as briefly as I can, the grounds upon which the request is made, and then I showed him that letter which has been laid before the Committee.

62. That is the one which was sent to Sir Julius Vogel?—Yes. We went through that, and Major Atkinson thought once he had cornered me, but I managed to corner him on a particular point. He could not understand how we should be so much more largely indebted than the Highway districts; but I pointed out that they had very much less goldfields traffic, and the extent of indebtedness was in proportion to the amount of goldfield traffic.

63. Is the Waiotahi Highway District overdraft paid as well?—Oh, yes; at least I believe so, but I do not know officially.

64. But you know personally that the Thames Borough overdraft is paid?—Yes; it was about two months ago. It may be more than that, but I know it was a long time after the December communication, with reference to which I may state that I desired to get something in writing to show that the promise had been made.

65. Do you know the exact amount of the money which was paid?—Precisely what is mentioned in the memo., I believe.

66. I understand you to say that the only errors in your statement at the Thames as regards the interview with Mr. Whitaker arose from colouring the facts slightly. Substantially what you have been reported as having said here is correct?—Yes.

67. Mr. Whitaker asked you not to say a word about the money, lest others should want the same, and then you would get none?—I do not know whether he said that exactly. I did not pay close attention to what he did say.

68. *Mr. Montgomery.*] I understand the newspaper report makes Mr. Macdonald represent Mr. Whitaker as saying that if the circumstance became known the Borough would not get a shilling?—That was the impression conveyed to my mind—that I had better say nothing about it, because if I did, and it became generally known, the end of it might be that we should get nothing at all.

69. *Mr. Stevens.*] Did you understand that the reason of this money being granted to cover the overdraft was the fact that the expenditure which the Corporation had been put to was so largely in the nature of maintaining roads to the goldfields?—Solely on that ground.

70. *Hon. Mr. Reynolds.*] I think you stated there were two Murrys in connection with the Bank of New Zealand?—Yes. T. L. Murray is the agent at Grahamstown; the other's name is John.

71. It was to Mr. Murray at Grahamstown you spoke, I understand?—Mr. Murray at Grahamstown sent for me about the overdraft, saying he could not allow it to go any further, but if I liked to go and see the Inspector in Auckland I might. I did so, and the accommodation was extended. That's the only communication I had with Mr. John Murray on the subject, and that was long before any mention was made of going to Wellington. The confusion may have arisen out of that speech of mine at the Thames.

72. You drew out this memo.?—I did.

73. And it was presented by Mr. Rowe?—I have no doubt it was. I gave him a copy.

TUESDAY, 28TH AUGUST, 1877.

HON. F. WHITAKER examined.

Hon. F. Whitaker.

28th Aug., 1877.

74. *The Chairman.*] It is within your knowledge, Mr. Whitaker, I believe, that a certain overdraft incurred by the Borough of the Thames at the Bank of New Zealand was paid off by the colony?—Yes.

75. About £6,000?—Yes; I believe it was about that.

76. Was that sum paid by the authority of the Cabinet?—I believe it was. Yes.

77. Will you be good enough to inform the Committee by what authority of law the payment was made?—The payment was made as a Provincial liability under the authority of the Provincial Appropriations Extension Act and the Financial Arrangements Act, as I understood it.

78. Mr. Macdonald, the Mayor of the Thames, came down to Wellington on the subject during the session of 1876?—He did.

79. Did he have an interview with you on the subject before the matter came under the consideration of the Cabinet?—I cannot say that, because he was here before I went into office. The matter had been mooted with Sir Julius Vogel. At the interview he had with me he had a list of things he wanted, amongst others some legal matters he wanted attended to. He shewed me this list, and I went into the matter with him. We came to the question of this overdraft. I said I knew nothing about it. It was a matter for the Treasurer; if he wanted to talk to anybody about it, he must talk to the Treasurer. I asked him whether he had had any conversation about it whatever, and he said he had seen Sir Julius Vogel. I said very well; he had better go on with it to the Treasurer; I had nothing to do with it.

80. Did you have any conversation with Mr. Macdonald after the matter had been decided by the