

126. Did the recommendation proceed from him voluntarily, or was it a request from the Government that he should make it?—Mr. Whitaker was acting for the Government at the time, and what took place between Mr. Whitaker and Mr. Wood I cannot say. I think Mr. Whitaker had recommended it, because we had agreed to include it as a provincial liability. We were clearly responsible so far as he had undertaken to recommend. Hon. Colonial Treasurer.
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127. Would the recommendation come from the Government?—From the Provincial Executive Officer. It was recommended by him, and we were satisfied that it was right, the Government having promised to recommend it to the House.

128. But it could not be paid unless the Governor approved?—It could not be paid under "The Financial Arrangements Act."

129. Did it come voluntarily from the Executive Officer, or was he moved thereto by the Government?—I should think he was moved thereto by the Government, because we had undertaken to recommend it as a provincial liability, but Mr. Wood would be appealed to to show why he recommended it.

Sir George Grey.] You had interviews with Mr. Rowe?—Well, I am not quite certain whether I had by himself, but I think he was one of a deputation. I think I saw Mr. Brodie and Mr. Macdonald at another time.

131. But the Waiotahi claim is totally distinct from that of the borough?—Yes; but they were all represented at the deputation.

132. Were you aware that Mr. Brodie was agent for the Shamrock claim?—He represented, I believe, several Road Boards. I think he was sent down by them.

133. Well, then, when you made this promise the expenditure had been incurred?—Yes; it was an overdraft.

134. Then it could not be said subsequently that it was approved by the Governor before it was incurred, as I understand the meaning of the Act?—I do not understand it that way.

135. It could not be said it was approved by the Governor before it was incurred?—No; the expenditure was incurred before the approval.

136. *Mr. Rees.*] How is it you did not make inquiries as to whether the money had to be paid, but took the *ex parte* statement of the men?—Well, I hardly know how to answer that. I was satisfied by the representations of the deputation that they made out a reasonable case, and upon that I agreed to submit it to the House for consideration. Subsequently it was recommended by the Provincial Executive Officer as a provincial liability, and I recommended it for the Governor's approval.

137. But did not you know that the Provincial Officer had been moved to include it by Mr. Whitaker?—I had no doubt about it; but I relied a great deal on Mr. Wood's judgment in these cases. I knew he was intimately acquainted with the Province, and that he would not make any recommendation he did not think right and just.

138. But you had already promised?—Yes; but we should have followed that up with a recommendation to the House, and the House would have made any inquiries it thought necessary.

139. May I ask on what were the grounds that the Waiotahi Road Board urged to have the money paid?—Well, the general ground was that they had been put to a very great deal of expense on account of the gold traffic. I am speaking now from memory of a conversation which took place a year ago and during a very stormy session; the general ground was that the province had not been in a position to assist the out-districts through being in pecuniary difficulties for so many years. The cases brought under the notice of the Government were exceptional, as the Thames Borough had to maintain roads in a gold field with very little assistance, and in doing this got into debt. That was the substance of what was advanced. It seemed to me a reasonable claim.

140. If you had learned by inquiry that the Waiotahi overdraft was incurred in order to make a road to a battery, the principal owners of which were Messrs. Whitaker and Russell, would you then have assisted?—I can hardly answer that. If you mean a road made for the benefit of private individuals, I should say "No."

141. But I simply asked the question in connection with the one I asked before as to making inquiries from other people?—I simply accepted the facts.

142. Then if you had heard the evidence given by Mr. Whitaker to-day, that one of the batteries was owned by Mr. Weston, and that of the other Mr. Whitaker himself was the principal owner, would you then have granted the money?—I might, or I might not. I should not have considered the question in relation to some of the principal shareholders, but whether it was a public benefit; undoubtedly, if the Government were asked to make a road in which some of their members were largely interested, we should look into the matter with very great care before granting anything.

143. As to whether you would pay the overdraft?—Yes.

144. You could have satisfied yourself by reference to the provincial authorities as to whether the statement made by Mr. Macdonald was a correct statement?—Yes, I should think so.

145. Then, may I ask, Major Atkinson, why you did not do so?—Why you did not make any effort to find out the facts?—It seemed to me from the character of the deputation that their representations were reasonable and true. No charges were made against anybody. There was the fact that the province was in difficulties; that an enormous extent of traffic had been carried on, and was being carried on; and that in order to provide for this part of the province it was necessary to incur this overdraft, and therefore we thought it was reasonable to pay it.

Mr. Stevens.] I understood you to say that the state of the law was such that by agreement between the Superintendent and the Governor certain money could be declared revenue; is that so?—Not certain money.

147. Well, what?—The Superintendent could estimate his revenue at what he liked, and, if the Governor approved of the estimate, that became the revenue for the purposes of the Act. If the Government thought it was an undue estimate, they made further inquiry. For instance, the Superin-