

paid off, and that it should be entered as one of the provincial liabilities, and consequently, I so entered it. There was no amount put down, because it was not known. It was late in the year when this conversation occurred. The last day of the year was a Sunday, and everything had to be sent in by Saturday. It was Friday afternoon, I think, the 29th, Sunday being the 31st. It was on the Friday afternoon that this was settled, and there was not time to ascertain the exact amount of the overdraft; and the words entered in the schedule of provincial liabilities were, "Thames Borough overdraft with the Bank of New Zealand on September 1." I saw no objection to it, as the Government had made the promise, and I therefore entered it in the list of liabilities and signed it.

164. *Mr. Montgomery.*] It was not a recommendation given by you from your knowledge of the circumstances?—It was a recommendation given by me in the way I have described, but if I thought it was wrong, I should not have done it. Supposing Mr. Whitaker had said that the overdraft of AB, a private individual, at the bank, was promised to be paid, I should certainly not have recommended that. But I knew this overdraft was incurred under peculiar circumstances. During the previous year there had been a great deal of distress in the Thames, and it was difficult for the Provincial Government to provide money to give employment to relieve the distress. Sir George Grey was Superintendent at the time, and he did everything that lay in his power to get the Government to make an advance for the purpose of providing employment. We succeeded in getting two sums of £4,000 and £1,000; and the sum of £500 was appropriated for the assistance of the Thames Borough. It appeared to me that in approving of this overdraft, I was assisting to carry out the very policy that the General Government and Provincial Government, during the previous year, had both of them approved of; and otherwise, I should have made no objection if the General Government had promised to pay the Thames overdraft, or the overdraft of any public body in the Province of Auckland for any public purpose, because my opinion has been, and is, that the financial arrangements of the colony pressed so hardly upon Auckland, that I would do anything I could to relieve this pressure. I saw the large Customs revenue of Auckland appropriated to the colony generally; and I saw the large Land revenue of the South localised for local purposes; I thought this very unfair to the Northern provinces that had no land fund, and I considered I was doing my duty in assisting to get funds for the Province of Auckland for any public purpose. These were the reasons that led me to do as I did.

165. *Sir George Grey.*] Did you recommend the payment of the Waiohahi Road Board overdraft?—I cannot recollect, but I believe I did.

166. But what was told you? Was it that the Government had promised to recommend Parliament to pay this?—No; they said nothing of the sort. They said a promise had been made that it should be paid. Mr. Whitaker told me the promise had been made, asked me to insert it in the schedule of provincial liabilities, and I did so.

167. *Mr. Rees.*] Do you remember under what section of the Act you were acting, in making up that list?—I looked the thing up at the time. I think it is in the Financial Arrangements Act, 19th clause (witness quoted the clause). I held the powers then of Superintendent, and everybody else in connection with the Provincial Government of Auckland.

168. Was it the 4th clause of the Provincial Appropriations Act Extension Act?—I think it must be in the Financial Arrangements Act (read the 19th clause). Perhaps it would be as well that the Committee should have a copy of the list of provincial liabilities, and then they would see the items of which it was made up. It is manifest, law or no law, that unless some such list were made on the 31st December, great difficulties would arise, contractors could not be paid, the hospital could not be completed, unless there was some understanding as to what was to be done, and what was not to be done, business would come to a standstill. Whether there is any special Act or not, I will not say; but this 19th clause, I think, is sufficient; and whether or not, any man of business would agree to some arrangement of this sort, when, on leaving office, he saw things left outstanding; which must be done by somebody, or public inconvenience be the consequence.

169. *Sir George Grey.*] I wish to ask Mr. Wood if he had known, in this particular case, that the Government intended to recommend the Assembly to pay the money that would not, in his view, be sufficient?—That would have come to the same thing. Then there would have been no necessity to put it in the provincial liabilities.

170. *Mr. Macfarlane.*] Mr. Wood, you have just stated you considered these two items were proper and right. Then, if Mr. Whitaker had not said anything, you would have put them in?—No; I should not, because I knew nothing about them, and if I had, I should not have included them, because I should have supposed the Government would have objected to them.

171. But I want to know who was the one to acknowledge them in the first instance, to recommend them to be paid in that way?—Mr. Whitaker informed me of them, and said they were to be included.

172. You considered them fair, or you would not have recommended them?—Certainly. The money was expended by a public body for public purposes, and I saw no reason why the overdraft should not be paid.

173. You thought you were not recommending an improper thing to the General Government?—No; certainly not.

174. *Mr. Johnston.*] Were you able to place before the Government the schedule of disbursements which exceeded the amount of your estimated provincial revenue?—Oh, no; I think we were flush of funds at that time, on the 31st December.

175. Well, you estimated you had sufficient provincial revenue to pay off this? I have no doubt about it; the money was actually in the bank. The Government sent us up a large amount of money, some three or four and twenty thousand pounds. We never had so much money before, but it came too late.

176. At what time was the schedule you made up, approved by the Governor?—We do not quite understand each other. What provincial estimates are you speaking about? I do not think I signed any. When I held the powers for the two months, I do not recollect having done anything of the sort,