

General the right to examine witnesses and call evidence, is as follows: "The Controller and Auditor-General is hereby empowered, by the precept under his hand in the form set forth in the Second Schedule, to require any such person as he thinks fit to appear personally before him at a time and place to be named in such precept, and to produce any accounts, vouchers, books, or papers in the possession or control of such person; and the Controller and Auditor-General shall have full power to examine such person upon oath touching the receipt, expenditure of, or otherwise dealing with any public moneys, and touching all other matters necessary for the due execution of the powers vested in him by this Act." The 82nd clause, which imposes the penalty for neglecting an Audit Office precept, is as follows: "If any person refuses or neglects to attend at the time and place required of him by the precept of the Audit Office issued under this Act, or to produce any accounts, books, vouchers, papers, or money in his possession or under his control which he is so required to produce, or refuses to answer any lawful question asked him by the Audit Office, he shall be liable to a penalty of one hundred pounds." Mr. Dufaur, who appeared for the defendant, took certain technical objections, some of which were overruled by the Magistrate, but on others he reserved judgment until to-day.

NOTES ON EXAMINATION OF MR. YOUNG.—25TH FEBRUARY, 1880.

IN charging to Natives moneys paid to storekeepers, the sums due by each were made up, according to instructions, from an analysis of the storekeeper's account made by Mr. Warbrick in conjunction with the storekeeper [Showed Mr. Young my analysis of Horne and Reid's account]?—Can give no explanation. Did intend, in charging each Native with the sum set opposite his name, to make a settlement of his account. Did not in every case, but did in some cases obtain the acquiescence of the Native as to the accuracy of the sum charged to him. The items composing the account sent to the Treasury were indicated by Warbrick.

2. By whose authority did Warbrick issue orders to storekeepers?—By mine in cases where Natives to whom moneys were payable were concerned; in other cases by Warbrick. In some cases I or he examined the orders against the accounts; in others not. When goods were obtained, the storekeepers supplied a blank form of receipt signed by the Native, sometimes singly, sometimes in duplicate. Duplicates were retained in the office.

3. Is not personally aware of the existence of any agreement to pay for the spirits, &c., obtained from Whitcombe. Did not know till on the ground that any spirits, &c., were obtained for the tangi. Found out afterwards that they were ordered by Warbrick, with whom the Natives had agreed that the cost should be deducted from land-purchase money. Is aware that each Native had received £1 as well as spirits. Payments were made, under a practice of his predecessors, to Natives supposed to be owners, before the Court had adjudicated. After that event payments were made to Natives not grantees because in some cases they were admittedly owners, though not declared so by the Court; and in other cases because they were useful to the department in carrying out its operations. Was acting under general instructions to use his own discretion. The practice of the storekeepers getting vouchers signed by Natives was by Young's directions to the storekeepers. The signatures were not witnessed by Mr. Warbrick, except in cases where he attended and gave the order.

4. Other items in Whitcombe's bill were obtained partly under orders issued by me and partly under those of Warbrick.

5. Had general instructions from Mr. Gill, about the 26th of December, that all orders to storekeepers were to cease. Considers the orders to Menzies (publican) as personal liabilities, recoverable from the Natives.

6. The No. 2 accounts of Mr. Warbrick, at the National Bank and at the Bank of New Zealand, were public accounts, inasmuch as they were opened for public purposes and were maintained with public moneys.

7. The No. 2 account, in the name of J. C. Young, at the National Bank, I have no knowledge of.

8. Mr. Young, having an official account at the Bank of New Zealand, what occasion was there for the opening of the two No. 2 accounts at the National Bank?—Mr. Warbrick opened the No. 2 account at the National Bank without my previous sanction, but I assented to the proceeding subsequently by paying in public money to satisfy his drafts. The No. 2 account, J. C. Young, at the National Bank, is an account on which I have no right to operate for private purposes.

9. The No. 2 account at the National Bank being unknown to you, it is of course useless for me to question you as to the items?—I can say nothing about it as far as the items are concerned.

10. Did you take the trouble to ascertain that the public moneys placed in Mr. Warbrick's hands were applied to the purposes for which they were so placed?—I accepted from Mr. Warbrick vouchers showing that he had paid sums to Natives, but I did not go through the account in detail to see that the payments were correct.

11. £191 4s. 3d. appears to have been paid to the National Bank on the 31st of March to balance the account?—Can give no explanation.

12. On the 31st of March you drew cheques amounting to £386 14s. 3d. Of this sum £191 4s. 3d. was paid to Warbrick's No. 2 account at the National Bank. Can you explain how the balance was disposed of?—Can give no explanation of the discrepancy.

13. Of course the moneys should have been paid to the Natives to whom they are entered?—They should.

14. Cheque No. 15,043, October the 14th, favour of A. Warbrick?—(Noted on butt of cheque as "Left in National Bank to be drawn against.") It was placed in the hands of the bank to guarantee the drafts of Mr. Warbrick on the No. 2 account. Cheque was not cashed: it was handed back to me when I squared up the account with the Bank, and I destroyed it.

15. The cheque is dated the 14th October: Mr. Warbrick's first operation on the No. 2 account is 24th of October—ten days after. You stated just now that the No. 2 account, National Bank, was opened by Warbrick without your sanction or knowledge: how do you reconcile that statement with the fact above referred to?—I have not the slightest recollection of making any arrangement with the manager of the National Bank till after he had opened the account.