suit the requirements of the Audit Office. Whether the original was amended or whether I had the whole thing rewritten, I cannot remember; but the signed balance-sheets are here, beginning on page 4. The statement referred to was merely a tentative memorandum, drawn up in order to see whether we could meet the Audit Office views or not. When that came back to the Advances to Settlers Office I wrote that I was quite willing to adopt the Auditor-General's construction, and I rewrote or recast the statement, and it is given here in the papers, signed.

Mr. J. Allen: What I want to get at is, is that the signed account referred to by Mr. Fowler on the 9th July?

Mr. McGowan: I have no doubt that it is.

Mr. Warburton: No, it is not.

26. *Mr. J. Allen.*] I would like to ask Mr. Warburton, after what Mr. McGowan has said, to look at Mr. Fowler's letter of the 9th July—"A signed account submitted as the statutory balance-sheet received." Have you looked through these papers?—Yes. I have now, I think. I do not see that statement.

27. Is that signed account referred to by Mr. Fowler among the papers?—I do not find that signed account here.

28. *Mr. W. Fraser.*] Have you looked through the whole of the papers?—Yes. That signed account is not here.

29. *Mr. J. Allen.*] It is upon that signed account that you base your report?—Yes, because the report on the amended balance-sheet is a different report altogether.

30. You audited the amended balance-sheet?—Yes; and made a special report on it.

31. This signed one you say you cannot audit?—I pointed out the objections it is open to, and explained how the statute required the account to be made up.

The Chairman: On page 11, the third paragraph, Mr. McGowan says, "I have no hesitation in saying that the accounts which have on this occasion been refused a certificate are much more in accordance with the requirements of the statute than those which the Audit Office has drawn up; and I contend, further, that, even if the law does bear the interpretation put upon it by the Audit Office, common-sense and the universal practice of accountancy should prevail, so that the intention of the Legislature may be given effect to." That is Mr. McGowan's whole position.

Mr. W. Fraser: Surely Mr. Warburton or Mr. McGowan can be perfectly clear beyond the possibility of doubt as to whether a particular statement was ever signed or not, and yet there seems to be hesitancy on both sides.

Mr. McGowan: There is no hesitation on my part. The first statement sent up was not signed.

Mr. W. Fraser: Where is the signed statement referred to by Mr. Fowler?

Mr. McGowan: It is given on page 4.

32. *Mr. W. Fraser.*] I will ask Mr. Warburton whether the statement on page 4 is the one referred to by Mr. Fowler?—I could not make the two reports on that statement.

33. Is it, or is it not, the statement?—It is not; certainly not. I am as confident as I can be of anything that that is not the account, and that the account sent up to me on which I made the report was signed.

Mr. McGowan: You referred to the thing as an unsigned paper, Mr. Warburton?

Mr. Warburton: Yes, and that particular paper which was unsigned was afterwards signed, and it is not the statement given on page 4.

Mr. McGowan: I know that I did not sign the first paper.

Mr. Warburton: What I was pointing out at first was that the Audit Office report is not intelligible without the statement.

Mr. J. Allen: I submit that the document ought to be produced.

Mr. McGowan: I can bring up all the originals. They are rather dirty, through going through the printer's hands, but they are presentable. Everything that has passed between us is clear, except the unsigned account.

Mr. J. Allen: The Auditor-General says that is not so.

Mr. McGowan: That is a mistake; the paper sent up first was not signed.

Mr. J. Allen: I submit that the signed report referred to by Mr. Fowler on page 7 ought to be produced. According to the Auditor-General, it is not amongst these accounts, and I have not yet heard Mr. McGowan deny that there is such a document.

The Chairman: What is the statement on page 4?

Mr. McGowan: The signed account which was first of all objected to, and afterwards passed. It was first of all objected to as not being in strict accordance with the statutes, and then we added the last statement there as being under subsection (4). From what I see of the copy that Mr. Warburton has, the statement under subsection (3) seems to have been amended in order to meet his requirements. On the 19th July I sent it up to him, and said that I was quite willing to adopt his construction of the Investment Account and the Management Account as set out. Whether it was recopied or not, I cannot say. There was an unsigned one and a signed one.

Mr. J. Allen: I move that the signed account referred to by Mr. Fowler in his memorandum of the 9th July, 1902, as the statutory balance-sheet, be produced.

The Chairman: Am I to understand, Mr. McGowan, that if the Committee carries this motion you will, in compliance with that resolution, then produce the statement which appears on page 4?

Mr. McGowan: Yes. I can get the statement in a few minutes.

The Chairman: What we have here is the printed version of the original?

Mr. McGowan: Yes.

[Mr. Allen's motion was put and carried, and consideration of the matter was postponed till the document could be produced.]