

however, produce other letters, proving the correctness of my statement with regard to previous ships—(Copy of letter of authority, dated 19th December, 1859; also extract from letter, 17th June, 1859, from J. Gladstone and Co. to W. H. Reynolds, Esq.)

Mr. E. B. CARGILL, examined.

Mr. Cargill said—In reference to my evidence taken before the Committee of the Provincial Council, I may state that I hold a power of attorney from J. Watson and others, owners of the "Gala," to recover from James Macandrew and Co. the freight due on account of the "Gala." Messrs. Gladstone and Co. chartered the "Gala" to convey immigrants from Glasgow to Otago. They gave an authority dated 14th December, 1859, to the commander of the "Gala" to receive payment in cash for the balance of the passage-money due in Otago.

The commander of the "Gala" having failed to obtain payment from Mr. James Macandrew, power of attorney was sent out to me by James Watson and others to recover from James Macandrew and Co.

I make this statement for the purpose of showing that, up to the latest dates from Great Britain, the claim of James Watson and others, on account of the "Gala," has not been discharged.

JOHN HYDE HARRIS, Esq., examined.

Mr. Harris stated, in reply to the question whether the Board of Audit, during the time he was a member of it, verified on the last day of the financial year the correctness of the cash balance by counting the moneys in the Treasurer's chest, that as far as his recollection goes, the Provincial accounts were not audited on the last day of the financial year, but were subsequently, when convenient to the Provincial Treasurer, audited up to that date, and the cash balance was verified on the date of audit by counting the moneys in the Treasurer's chest. These moneys always agreed with the amount shown by the cash-book to be on hand on the day of audit.

Mr. MORRIS, examined.

On the 11th November, 1867, I paid £300 to Mr. Macandrew, which he stated he was going to pay to Mr. J. McGlashan to make up a deficiency of cash in his Provincial balance. I am enabled to state that the money was intended for Mr. McGlashan from the circumstances that I made a shorthand note in the cash-book opposite the entry. In this instance Mr. Macandrew neither gave a receipt for the money nor initialed the entry as he usually did. I charged Mr. Macandrew with the amount, and the charge has never been questioned.

His Honor the Superintendent, JAMES MACANDREW, Esq., examined.

1. It is requested that Mr. McGlashan's bond for the faithful discharge of his duties as Provincial Treasurer may be supplied for my information. Mr. McGlashan states that it is in the custody of the Superintendent? The Superintendent (Mr. Macandrew) never saw the document; and on inquiry of his clerk, Mr. Logan, it appears that it is not in the office, and was never seen by him; Mr. McGlashan, as Provincial Solicitor, must have prepared the deed, of which he will no doubt have a copy. Mr. McGlashan was in the office a few months before Mr. Logan, and most probably, as he was at the time virtually Superintendent, with everything under his charge, the document is in his own possession. When I assumed office there was no inventory or formal recognition or installation by the late Superintendent. I simply walked in, and took the office as I found it. Executive minute-book produced, copy of entry on 7th February, 1854:—"The Provincial Treasurer handed over to the Superintendent a bond by Edward McGlashan, Esq., M.P.C., for the faithful discharge of his trust, which was approved of. W. Cargill, Superintendent."

2. The original authority given by the contractors to pay J. Gladstone and Co. moneys due on account of immigration was virtually security for payment of services rendered, and could not be revoked by you in the case of the "Gala." It is necessary, therefore, that you should produce evidence to show that the sum of £1712, which you received from the Provincial Treasury, has been duly paid over, either to Messrs. Gladstone and Co. or to their order? Messrs. J. Macandrew and Co. produced to me a letter from Messrs. Gladstone and Co. under date 19th December, 1859, of which the following is an extract:—"The 'Gala' sailed from Glasgow last month with 214 adults for the Provincial Government. We will thank you to settle the balance of her freight in cash. It is at one-half of £14 5s per adult landed." The letter can be produced when required. (Letter produced and extract verified). I may state that in all cases previous under the contract the balances were settled by Messrs. Macandrew and Co. by drafts on Messrs. Gladstone and Co., at 30 days' sight. It will be observed that although £1712 was the sum due to the contractor, only £1524 was payable to the ship, which amount appears to have been paid by Messrs. Macandrew and Co. to the owners of the ship "Gala," a portion having been drawn by the master of that vessel, and the residue passed to the credit of the general account of the owners and that firm. It may be mentioned that the total transaction between Messrs. Macandrew and Co. and the owners of the ship "Gala," in respect of the voyage in question, amounts to £3000 or upwards, and that the whole of this amount may enter into the question now under discussion with equal propriety as any portion thereof. It may tend further to elucidate this matter to state that the difference between £1524 and £1712 was due to and appropriated by J. Macandrew and Co., in terms of their arrangement with Gladstone and Co., and that the former are in no way accountable to the latter for this sum.

3. The letter of Messrs. Crawford and Auld addressed to the Superintendent and dated 24th August, 1860, the duplicate of which was enclosed in their letter of the 15th September following, is requested? No letter of the date named, either original or duplicate, has ever reached me, which, as regards the duplicate, I am not surprised at (that being an occasional occurrence), but as to the original it must have miscarried.

4. Among the documents printed in the Report of the Select Committee on the Provincial Accounts is the copy of a letter addressed to Messrs. Crawford and Auld, Edinburgh, enclosing a Bill