

*Mr. Batkin.*  
3rd Aug., 1875.

92. According to your view, could that sum have been legitimately charged against that appropriation in making up the accounts of the Agent-General when they were received?—Yes.

93. Would the effect of so charging that sum have been that the reserve that was made of £50,000 odd would have been enlarged by that amount, and so brought it to about £160,000?—It would.

94. Was there a sum of about £80,000 spent by the Agent-General up to the 1st April, 1874, including the passages of ships which had been chartered to sail in April, which might also have been charged against the permanent appropriation up to 1873, as having been a liability then incurred?—Yes.

95. If, then, the actual expenditure of £110,000, and the liability of £80,000, before the 1st April, but incurred though not expended before 31st December, had been charged against the appropriation which was made and extended in time up to 31st December, 1873, would not the effect have been to make the present Indemnity Bill quite unnecessary?—Yes, that would have been the effect.

96. Then, supposing that the Minister was assuming that the Agent-General's actual expenditure up to the 31st December, 1873, and probable expenditure upon known liabilities up to 1st April, 1874, would be charged against that permanent appropriation when he was considering the return which the Treasury furnished him, as stated in your memorandum, would it not have appeared natural to assume that there was a sum of at least £180,000 available over and above that which afterwards turned out to be available by reason of these sums not having been charged to the appropriation?—It would. If the expenditure had been properly charged, the whole, or nearly the whole, would have been available. I have ascertained from the Immigration Department, with regard to the expenditure of the Agent-General from and after 1st April, 1874, that the sum of £196,100, or thereabout, has been charged in the accounts of the year 1874-75, which sum might properly have been charged against that balance of appropriation.

97. *Hon. Mr. Fitzherbert.*] If certain sums had been charged in the dates referred to in a question put by Sir Francis Bell—if they had then been brought to charge—there would have been no need for the Indemnity Bill. Why, then, were they not brought to charge?—Because the Treasury followed the direction of the Immigration Department, which was to charge them against the current votes.

98. Then, in fact, it was the Minister for Immigration who was to blame?—It was an oversight in the Immigration Department.

99. I should like to know whether the term "Immigration Department" means the Minister of the department?—The responsible head—the Under Secretary, I should imagine.

100. I should like to know, then, what the Minister has to do. Is the Under Secretary responsible for charging or the Minister?—I do not know that I am competent to answer that question.

101. I want to know whether the Under Secretary has that responsibility devolving upon him, and whether we are to hold him responsible for omitting to look after these things?

*Hon. Major Atkinson.*] The Colonial Treasurer, who was present, submitted that he was the proper person to answer that question, and the witness did not reply.

102. *Hon. Mr. Fitzherbert.*] At that time was the Under Secretary for Immigration responsible for this particular Act or omission?—Primarily I think he was.

103. Then, who was secondarily responsible?—I cannot say.

104. *Hon. Major Atkinson.*] You say that the Under Secretary for Immigration was primarily responsible. To whom was he responsible?—To his Minister.

105. The Treasury would never act upon the statements of an Under Secretary, but always on the decision of the Minister?—Yes. I understood the meaning of the question to be, with whom did the responsibility for this originate? There is another point which I think should be made clear. I have heard it remarked that these balances were not available when Sir Julius Vogel obtained that statement. They were available at that time and for a considerable time afterwards. They have become unavailable since through expenditure which might have been charged against those balances not having been so charged.

106. *Mr. T. Kelly.*] You say that these balances were available in 1874, when the return was furnished to the Minister for Immigration?—A large part of them.

107. Do the Commissioners of Audit concur in that statement of yours?—I am not aware.

108. *Mr. J. Shephard.*] Would it have been necessary, to make these balances available, to have included them in the Reserve Account. Should the Reserve Account have been increased by that amount to make the balances available?—As regards all expenditure incurred prior to December, 1873, they were available at any time.

109. But as there is no expenditure to charge to it, it is not available?—That may be.

110. *Sir F. D. Bell.*] Is the Committee to understand that, in your opinion, there remains now a sum of money available out of the unexpended balances of the permanent appropriation, under the Act of 1871, against which expenditure made prior to 31st December, 1873, may now be charged?—If it has not already come into the books.

111. Then, in your opinion, that appropriation has not expired?—If any expenditure incurred prior to December 31st, 1873, has not yet come into the Treasury accounts, the appropriation has not expired as respects that expenditure. At least that is my opinion.

112. *Mr. J. Shephard.*] Altogether irrespective of the amount shown in the reserve?—Yes.

MONDAY, 9TH AUGUST, 1875.

MR. J. E. FITZGERALD, Commissioner of Audit, examined.

*Mr. J. E. FitzGerald.*  
9th Aug., 1885.

113. *The Chairman* put the following question at the request of Mr. FitzGerald:—You have heard the evidence given by the Secretary to the Treasury, and are you of opinion that there was any inadvertence in abandoning the unexpended balances of the Act of 1871?—I understand the Committee desire to know how it happened that the unexpended balance of the appropriation under the Act of