

the Civil Service, both when the Act of 1870 was in operation and since the present Act came into force. The only one which occurs to me at present is that of Land Claims Commissioner under "The Land Claims Act, 1856;" but, as I presume no salary, &c., is attached to the office, there is of course no disqualification on that ground; and, being held by a member of the Executive, comes within the view I have expressed as to the operation of the Disqualification Act. From the papers it appears Dr. Pollen resigned his offices one day prior to the passing of the Act now in force.

3. Was the memorandum as to departmental arrangements at Auckland legal, so far as agreement as to £300 for paying Imperial pensions was concerned?—I have read Sir Julius Vogel's memorandum of 6th January, 1872, which can hardly be called an agreement, but is rather a statement of arrangements made as to the conduct of Treasury business in Auckland, including the terms upon which Dr. Pollen undertook the payment of the Imperial pensions. The latter were: that, out of certain commissions allowed to the colony by the Imperial Government, Dr. Pollen should be allowed an annual sum of £300 in lieu of a like sum paid him by the Treasury. I do not think this arrangement can be looked upon in the nature of an agreement, because the commission was the money of the colony, and could be apportioned as it pleased, whether Dr. Pollen was a party to such apportionment or not. The Treasury could have cast the duty of paying these pensioners upon him, and paid him out of this commission without his sanction or knowledge. Indeed the main object was to relieve "the Treasury of some departmental expenditure;" and the fact that there was a kind of reservation of Dr. Pollen's rights in respect of departmental service does not, in my opinion, weaken his position. On the contrary, it was only such an equitable stipulation as an officer so situated might well make, and, so long as it did not contravene the law, was one within the province of the Treasury to allow. As to the latter point, Dr. Pollen's claim is made under the Acts of 1858 and 1861, and in these Acts there is no such limitation as in the Act of 1866, which provides that *that Act* shall not apply to offices to which salary is not appropriated by the colonial Legislature. Had Dr. Pollen become an officer of the Imperial Government, and been paid by them, of course he would have had no claim on the colony; or even if this commission had been specifically devoted by the Imperial Government to defraying the expenses connected with paying these pensioners, then, I think, his claim would have been untenable; but it is treated as the money of the colony, and by it devoted as it pleases. Dr. Pollen still remains an officer of the Colonial Government, and, in discharging his duties is, by the memorandum in question, assumed to be under the control and direction of that Government. For these reasons I think the arrangements made by the Treasury should not be allowed to prejudice any claim to retiring allowance which Dr. Pollen may legally establish. I may add that, when these papers were previously before me, the Treasury memorandum was not with them, and I have now expressed an opinion on it for the first time.

4. If Dr. Pollen is entitled to pension, up to what date must he claim?—I think this claim should be made upon the average salary of the offices held during the last three years of the period of service. This is the language of section 3 of the Act of 1861; and it does not, in my opinion, affect the claim, although the salary was not actually drawn. I do not think it necessary to go into the question, as to the right of a claimant to claim up to any date he pleases within the period of his service, and waive any portion of such service, because in this case it would not make any real difference.

5. Could he hold offices, and still act as Minister of the Crown?—This question is disposed of by my answer to No. 2, above.

6. As it appears Dr. Pollen did not resign his offices till 30th October, 1876, must not his pension count for the salary drawn during the three last years?—Also disposed of by my answer to No. 6, above.

25th June, 1878.

W. S. REID.

#### MEMORANDUM for the PUBLIC ACCOUNTS COMMITTEE.

THE process as to payment of Imperial pensions is follows:—

1. Money is issued on imprest for the payment of these pensions and debited to the Imperial Pensions Advance Account.

2. On the return of pension receipts the Imperial Pensions Advance Account is credited, and the Imperial Pensions Account debited.

3. At the end of each quarter the Treasury makes up a schedule of the pensions paid, adding 3 per cent. to the total, and sends it to the Postmaster-General, together with the pension receipts as vouchers.

4. The Postmaster-General gives his cheque for the total, which is paid into the Public Account. The amount of the pensions is carried to the credit of the Imperial Pensions Account, and the commission to the Imperial Pensions Expenses Account, out of which the expenses of paying the pensions is paid.

5. The balance in the latter account was not carried to revenue. The amount to credit of the account was treated as the limit of the expenditure.

6. The Postmaster-General transmits the list of pensions and commission to England, where the amount is credited to the New Zealand Post Office Account with the London Post Office for money orders.

7. All these accounts are suspense accounts, which are extinguished currently, without charge on the colonial revenue. They have been reported to Parliament for many years, included in the suspense and deposit accounts of the Consolidated Fund, and have been tacitly admitted by Parliament.

8. Since the 31st March last the system of account has been altered: the "Expenses Account" has been closed, the commission is now carried to revenue, and the expenses are to be paid out of a vote of Parliament.

There will still remain no legal authority for the original issue of the imprests out of which the pensions are paid.