

80. He did see me, and I sent him to you to see what should be done. Do you think that is the sort of minute the Audit should write to the Government on a matter that requires immediate attention?—It is quite a matter of opinion.

81. *Hon. Mr. Dick.*] Is that minute of such an urgent character as the one you wrote in reference to the drawing out of the £192,000 on the 31st May?—I do not exactly remember what minute that was.

82. The one you laid before Parliament?—I thought this minute would have sufficiently suggested to the mind of the Treasurer the whole objection to the transaction, which I had expressed very freely to the Under-Secretary.

83. *Hon. Major Atkinson.*] When was it you expressed your opinion to the Under-Secretary?—On Friday or Saturday—Friday probably.

84. Not yesterday?—No.

85. *Hon. Mr. Dick.*] But, comparing this minute with the other, would you think this pointed out the urgency of the matter to the same extent as that one did?—Perhaps I had not in that minute expressed my opinion as to the impropriety of Ministers personally holding public money at all. I merely suggested the way in which the money should be placed under the operation of the Act. What I should earnestly desire Parliament to decide would be whether it is right that a Minister should hold public money at all, should be accountable to the Audit, and should be liable to be fined £20 if he did not account in the right way. I think the proper course would have been that the money should have been at once paid into the Public Account or the Receiver-General's Deposit Account, and dealt with in the ordinary course of law.

86. *Mr. Barron.*] I understood you to say that if this money had been paid to Mr. Kelly, member for the district, it would not have been public money; but as it has been paid to Mr. Johnston, as Minister for Public Works, it is public money, because the colony would have been responsible?—Yes.

87. And what the Minister for Public Works does is done under the responsibility of the country?—I understand the money is paid to his account as Minister. If the money was a deposit paid to the Government for public purposes it is made by the Act public moneys. It is a deposit for public purposes. The words of the Act are: "Moneys received by way of deposit on account of Customs Duties or of Land Fund, moneys paid into Court in virtue of any statute, rule, or authority whatever, and all moneys deposited with any person in the public service pending the completion of a transaction whereby the same may become payable to the Government or repayable to the depositor or other person, shall be deemed to be public moneys within the meaning of this Act." This money was, so far as I was informed, paid to the Government, and it would be either repayable to the depositor or used by the Government for public purposes. It comes under that definition. It was undoubtedly in my opinion a deposit of public money for public purposes.

88. But the point is, that had it been paid to a member of the House itself it could not have been construed as being public money?—No.

89. But, being paid to a member of the House, because he was a Minister, it becomes public money?—If it was paid for public purposes, and not for private purposes.

90. *Mr. Dargaville.*] This minute is dated the 28th August; it remained for two weeks unanswered, as I understood it—the minute to the Minister for Public Works. It was sent to the Treasurer on the 28th, and it remained for about a week unanswered?—It was not answered at all.

91. Prior to the time of your conversation with the Treasurer?—Yes.

92. At that conversation you gathered that it was not the intention of the Treasurer to interfere in the matter, but to rest content with the situation as it was?—Certainly.

93. Then, I presume you felt it your duty to ask Parliament to review the circumstances, and to decide whether or not this was public money, and should be dealt with accordingly?—Yes; and, more than that, I was very anxious that Parliament should decide the question of whether it is a right thing that Ministers in their ministerial capacity should hold public moneys at all.

94. *Mr. Peacock.*] I understood you to say that the money should have been paid into the Public Account at once. Do you mean by the Chairman of the Board?—By any one into whose hands it came.

95. But the Chairman of the Board in placing this money to the Minister for Public Works' account—do you mean that he should have placed it at once to the Public Account?—Yes, or into some deposit account.

96. The Chairman or the Minister?—Either one or the other.

97. But if the Chairman of the Board is ignorant of the manner in which the money should be deposited, and the Minister was ignorant in not placing it to the credit of the Public Account, that is reason why it should not be done?—No doubt.

98. I understand you to say that it was not really illegal for the money to be deposited to the account of the Minister for Public Works: it was not illegal, only improper?—Yes.

99. And he would still have to account to you?—Yes.

100. If you had understood when the Secretary of the Treasury called on you that he asked you what you wished done in the matter you would have withheld the memorandum. I understood you to say, in answer to the Treasurer, that you could not recollect what the nature of the conversation was which took place between the Secretary and yourself when he waited upon you on this matter?—I should probably have told him that the matter should be placed in a legal position. All I thought was that it was a very improper thing for a Minister to be personally holding money at all. I thought the money ought to have been placed to the credit of the Public Account, and dealt with in the usual way.

101. If you had understood from the Secretary of the Treasury when he called on you that he wished to know what was to be done with a view to having it done, would you have withheld your memorandum?—I think I should not have addressed the House then.