

						£	s.	d.
Te Pokiha	...	...	...	...	...	4	10	0
Te Mapu	...	...	...	...	...	5	12	0
Ereatara	...	...	...	...	...	10	4	0
Ereatara	...	...	...	...	...	5	18	0
						£26	4	0
Mr. Young charged—								
25th November, Te Pokiha	...	...	...	...	...	11	18	0
" " Ereatara	...	...	...	...	...	15	1	0
12th December, Te Mapu	...	...	...	...	...	5	12	0
" " Ereatara	...	...	...	...	...	19	8	0
						£51	19	0
Leaving a difference of	...	...	...	...	...	25	15	0
made up thus:—								
Te Mapu, charged twice	...	...	...	...	...	6	12	0
Ereatara	...	...	...	...	...	15	1	0
Amount added to Ereatara's bill	...	...	...	...	...	4	18	0
" Pokiha's bill	...	...	...	...	...	1	16	0
						£27	7	0
Less reduction of Ereatara's bill from £21 to £19 8s.	...	...	...	...	...	1	12	0
						£25	15	0

I may observe that the fact of a large sum being still due to Mrs. Robertson affords an opportunity for a thorough examination of her accounts, and for the recovery of the overcharges above referred to, and of any others which may hereafter be discovered.

It is certain that many of the storekeepers at Tauranga exact a higher price from Natives than they do from Europeans for the same commodity; and Mr. Young appears to have encouraged the practice by accepting a commission on moneys paid for stores supplied under orders from his office. I discovered two cases in which considerable sums had been deducted from Mr. Young's private accounts as discount allowed on Government accounts paid by him. The practice of allowing him such commissions was probably general; but complaint was made to me by one storekeeper that very little Government business fell into his hands because he had refused to allow Mr. Young a commission on the sums paid. I may remark that, had the commissions in the two cases referred to been allowed in respect of sums paid for goods sold to the Government, I should have proceeded against Mr. Young for the amount; but as the sums paid were charged to the Natives as payments on their behalf, I did not feel in a position to adopt that course.

An examination of the accounts of storekeepers shows that both Mr. Young and Mr. Warbrick were constantly in the habit of giving orders in favour of Natives for sums of money of from £1 to £15, alleging that they were compelled to the adoption of that course by the difficulty of obtaining funds from Wellington to enable them to make necessary payments. With a view to determine the *bona fides* of the assertion, I made a careful examination of Mr. Young's bank account, and found that it was overdrawn on one occasion only—namely, from the 9th to the 24th of April, 1879—and then only to a maximum amount of £31 1s. 3d. I may remark that at the very time when this overdraft existed, there was a balance of £42 at credit of his No. 2 account at the National Bank, being the balance of the £290 placed to credit of that account on the 4th of February, 1879; which sum of £42 was, as already stated, partly applied, in January, 1880, in payment of Mr. Young's promissory note for £33 18s. 4d., given to Dunnett.

I have referred to the duplication of charges in the account of Mrs. Robertson for board and lodging supplied to Natives, and to the evident neglect to check such accounts against the orders by which they were supported. I now refer to the matter again, with the view to point out that the practice of charging as cash paid to Natives moneys actually paid to storekeepers, and supporting such charges by the receipts of the Natives as for moneys paid to them, enabled Mr. Young to dispense with all record of the storekeeper's account, and even with his receipt for the money paid.

It was essential to my inquiry that I should be informed as to the several accounts which had been paid by Mr. Young; and, as I was unable to find any such accounts in Mr. Young's office, I was obliged to obtain complete statements from the storekeepers themselves.

In the cases of Mr. Maxwell, baker; of Mrs. Robertson, boarding-house keeper; and one or two others, I was, however, unable to obtain any statement of past transactions; and the department is consequently in the position—owing to Mr. Young's peculiar mode of keeping his accounts—of having paid away many hundreds of pounds without having in its possession any statement to show what the payments were for, or any receipts from the payees for the money paid.

A no less objectionable result of the practice referred to was, that it enabled Mr. Young to carry on his transactions with storekeepers without bringing those transactions in any way under the notice of the department in Wellington.

It may be imagined, then, with what surprise the existence of the practice was discovered by the head of the department when inspecting the office in January last, and the alarm with which Mr. Gill learned that there were sums then due to storekeepers for goods supplied on the orders of Young and Warbrick to an amount estimated by Mr. Young at first at £600, afterwards at £1,000, and then at £1,200, but which ultimately proved to amount to about £2,000.

Amongst the accounts so due are two claims by publicans for beer and spirits, the amounts being respectively £30 10s. and £164; the amount in the latter case including an item of £77 11s. for rum and beer supplied to the Tauranga Natives on the occasion of a tangi held by them on the death of Mr. Young's brother.