

For such latter case the Public Revenues Act fully provides in the 70th and subsequent sections; and the creation of the special machinery thereby provided seems sufficiently to indicate that the powers vested in the Audit Office were not intended to apply to such a case.

The Controller and Auditor-General therefore does not think he should proceed in this matter; and he has the less hesitation in coming to this conclusion because his reluctance to act in no way prevents the Government from taking proceedings in the Supreme Court, which, as the representative of the Court of Exchequer, has far greater powers than those of the Audit Office. There are only two possible methods by which the Cashier can be relieved of the debt with which he is at present charged—(1) by Parliament voting the money; (2) by recovering the money, under process indicated in the 70th and succeeding sections of the Public Revenues Act, from one or all of the late Ministers, and paying it in to the credit of Mr. Best's imprest account.

For these reasons, the Controller and Auditor-General respectfully requests that his objections, as stated in this memorandum, to instituting any proceedings for the recovery of the money paid to Mr. Rees, may be laid before Parliament, in order that its final decision in the matter may be taken.

9th April, 1880.

JAMES EDWARD FITZGERALD,
Controller and Auditor-General.

By Authority: GEORGE DIDSBUXY, Government Printer, Wellington.—1880.

Price 3d.]