

of the Government which you joined, made a minute in reference to the case of Sir William Fitzherbert to the effect that the case ought not to be drawn into a precedent?" He replied, "In Sir William Fitzherbert's case there was no pretence that he was doing the work of the Commissioner of Crown Lands, because even when he was in the colony the duties were, I believe, for some time performed by a deputy; but when he went to England I am certain that they were done by a deputy." I then asked Sir William Fox the question, "Do you remember the circumstances sufficiently to give any information to the Committee?" To which he replied, "Yes, I entirely confirm the statements made by Mr. Gisborne. It was distinctly understood at the time he accepted Ministerial office, which he did at my personal request, that he should hold the position of Commissioner of Insurance, but that he should receive no payment for his services in that capacity while he held his Ministerial office; and I distinctly remember that it was agreed that the time he served as Commissioner of Insurance should count when he applied for his pension." You will notice that Sir William Fox goes further than you went, and says it was distinctly understood when you accepted Ministerial office that you should hold the position of Commissioner of Annuities?—A little confusion has, I think, arisen in Sir William Fox's mind with reference to the dates of my acceptance of Ministerial office and of my acceptance of the office of Government Insurance Commissioner. When I accepted Ministerial office there was no Government Insurance Office created by law, nor was it created until two or three months afterwards. Sir William Fox is quite right in saying that, when I accepted the Insurance Office, there was an understanding that the time would count during which I held the Insurance Office as well as the position of a Minister. There was no understanding with me when I first became a Minister. There may have been an understanding between the Ministers then in office (excluding myself) that, if such an office were created, I should have the offer of it. All that I believed was that, like some other officers, if a suitable opportunity arose, I should be allowed to hold an office in addition to the Ministerial portfolio, so that I should be able to count the previous time I had been in the service for the purpose of claiming a pension when the proper time arrived. There was no pledge or promise held out to me by any of the Ministers when in the Cabinet.

225. The Insurance Act was then in course of passage, was it not?—No. Sir J. Vogel, before the Stafford Government left office, carried some resolutions providing for the bringing in of a Bill for the purpose. I think the discrepancy between Sir W. Fox's evidence and mine is caused by the fact that he has confused the time when I accepted Ministerial office with the time when I accepted the Insurance office, five months afterwards. The time during which I held office as a Minister and also acted as Government Insurance Commissioner has not been counted in the computation of my pension.

226. The computation on page 14 of the papers, namely, £466 13s. 4d., is correct, is it not?—Yes, I believe so, exclusive of the time during which I was in the Cabinet, and which, as I have stated, has not been counted.

Dr. KNIGHT, late Commissioner of Audit, examined.

227 *The Chairman.*] The Committee have asked you to attend to-day, Dr. Knight, for the purpose of getting some information from you with regard to the pensions of Messrs. Fitzherbert, Domett, and Gisborne. I think you were not concerned in Dr. Pollen's pension?—Yes, that came before me; but when the question of Mr. Fitzherbert's pension came up I was in England. Consequently I know very little about that.

228. You did not hold, at any time, that the taking of political office affected the permanent office?—Yes, I did so in Mr. Gisborne's case. That was the objection which I previously raised in Mr. Domett's case.

229. Did you hold that taking a political office did not annihilate the claim?—It suspended the claim, but did not annihilate it.

230. You did not hold that the fact of a man's vacating a permanent office for a political one ended his claim to a pension, but merely that it took so many years off the time, when the computation was made for a pension?—Yes; that is the case.

231. Did you hold, in regard to any of these pensions, that the taking of political office and consequent vacation of permanent office caused the claimant to forfeit his right to a pension?—No; I maintained the very opposite of that; but that requires some explanation. What I maintained was that, when Mr. Gisborne accepted a Ministerial office, he virtually and really was no longer in the Civil Service, as the two offices—one in the Ministry and the other in the Civil Service—were incompatible. When he accepted office as Colonial Secretary, I understood that the Civil Service offices which he previously held were vacated, because the two offices were really incompatible. At the same time I believed that, under what may be called a Ministerial arrangement, he continued to act as Commissioner of Annuities without salary. I consider that if the office of Commissioner of Annuities were held by a Minister he was not entitled to count the time during which he held that office in claiming a retiring allowance. I understand the arrangement was made with the view of securing to Mr. Gisborne the office of Insurance Commissioner, if he ceased to be a Minister of the Crown. The Solicitor-General based the opinion which he gave on the question on an Imperial Statute. In England the officers of the Civil Service are entitled to retire on an allowance; but it sometimes happened that the Government in England were anxious to appoint persons in the Civil Service to offices in the colonies, or in England, in connection with which there was no retiring allowance. For the purpose of entitling such officers to a retiring allowance, an Act was passed to enable the Government at Home to transfer officers belonging to the Civil Service there to offices not entitled to retiring allowances, without prejudice to claims for pensions. The Solicitor-General argued that no such provision had been made in this colony to secure the rights of officers to a retiring allowance who accepted office after the Act of 1866 was passed. By the Act of 1866, which repeals the Acts of 1858 and 1861, and provides that nothing in that Act shall prejudice or affect the rights under those Acts of persons appointed to offices before the passing of the Act.

232. What do you consider to be the value of what you describe as a Ministerial arrangement, as bearing on the question of computation of pension?—I look upon it in this way: If a Minister of the