

The table of investments which the Auditor-General gives shows a possible loss on mortgages of £7,577. From the evidence brought before us we should think the amount would reach nearer £20,000; but, admitting, for the sake of argument, that the Auditor-General is correct, why did he not make provision in the balance-sheet for this £7,577? Why did he allow Parliament and the public of the colony to remain under the delusion that the investments of the Public Trust Office were sound and satisfactory when he now admits to a possible loss of many thousands of pounds sterling? Why? Comment is needless.

THE PAYMENTS TO THE CONSOLIDATED FUND.

The Auditor-General excuses himself for authorising in the year 1888 the payment of £18,000 to the Colonial Treasurer on the ground that he was compelled by law to do so. The gravamen of the charge made against him by the Commissioners is this: that, had he exercised even ordinary care in the carrying-out of his duties in connection with the Public Trust Office, he would have known that it was necessary to make provision for probable losses; that, if such provision had been made, the Public Trust Office would not have had £18,000 available up to the present time as surplus profits; and that neither the Colonial Treasurer, the Parliament, nor the public would have been deluded into a belief that the colony was £18,000 richer than it really was. The Auditor-General was, to put it mildly, guilty of a grave error of judgment in this matter.

THE STATE OF THE BOOKS.

The Commissioners and the Auditor-General come into direct conflict of opinion upon this point. The Auditor-General complains that the Chairman of the Commission had evidently, before the examination of the witnesses commenced, made up his mind that the books had "been kept in a careless and unfinished manner." As the Chairman had spent some three weeks, from 10 a.m. to 5 p.m. each day, in laboriously examining every page in every book in the Public Trust Office, it would be a matter of the gravest astonishment if he had not made up his mind as to their condition. When the witnesses came before him it is not surprising that his examination was of a most complete and exhaustive character. The Auditor-General, as he states, came himself under the harrow of examination, he grew restive, he became irritating and offensive, and, as the evidence attached to our report details, he convinced the Commissioners that he knew comparatively little about book-keeping generally and about the relations of the Audit Department with the Public Trust Office.

As to his statement that because the Public Trust Office has received and disbursed some three millions of pounds sterling during its career, its book-keeping must be accepted as perfect, the Commissioners cannot say whether or not "a farthing" has gone wrong or been expended otherwise than "as provided by law." What they are aware of is this: that many thousands of pounds sterling out of the three millions has been lost to the beneficiaries entitled to receive it, and that the indifferent book-keeping, as well as the bad management, has been no inconsiderable factor in producing this result. For the Auditor-General, who admits that he had "not for some years personally inspected the books of the Trust Office," to put his opinion against that of the Chairman of the Commission, who had just given nearly four months special and persistent attention to the work, is an absurdity. On the one hand, there is banking, commercial, and public experience of a most extensive character, coupled with an intimate acquaintance with the books in question; on the other hand there is an officer, although high in the Civil Service, with no experience outside of his special department, and defective in that, and who has, by his own admission, practically no knowledge of the books of the Public Trust Office.

INVENTORIES OF PERSONAL EFFECTS.

This is the only matter in which the Auditor-General frankly admits that the Audit Department "has been in error in overlooking this duty," and it therefore needs no remark at our hands.

BUYING PERSONALTY OF INTESTATE ESTATES AT AUCTIONS.

Mr. FitzGerald has constituted himself the champion of the officers who have taken part in this improper and illegal practice. He says that it has not even been alleged that "any estate has suffered the loss of a farthing by this irregularity." Mr. FitzGerald has clearly not read the evidence. Let us look at one or two cases. When the heir-at-law requests that the personalty of an estate shall not be sold, when he states that he will pay all the debts due in connection with the estate, and when it is admitted that the estate is not only solvent but