

which the Public Trustee *did* pay these moneys to the Superintendent. Comment on such contradictory statements is superfluous.

2. Referring to the "Sinking Fund," the Controller and Auditor-General says the fund "is not an asset of the Superintendent. It is a fund which shall be invested not by the Superintendent, but the Public Trustee. . . . which the Colonial Treasurer may direct the Public Trustee to pay over to the Superintendent for reinvestment on mortgage, and pending any such direction the fund shall be held and retained by the Public Trustee." The fact is that the Public Trustee, in compliance with the direction of the Colonial Treasurer, *has* paid over the fund to the Superintendent, who *has* invested it on mortgage as provided by subsection (3) of section 55 of the original Act of 1894, and this has been the practice from the origin of the Department and has not been questioned. It is difficult to understand the object of these innuendos and contradictory statements, which appear to be simply a play upon words.

The Controller and Auditor-General's remarks are summed up in paragraph 1 and the last clause of paragraph 7, and these, together with all the details referred to, were completely answered by me last year.

The whole of the receipts and payments of every account are fully and clearly stated in the statement of accounts presented by me.

The balance-sheet has been audited and found correct, and there is no suggestion that the balance-sheet and statements do not present fully and faithfully a true statement of the financial position and the results of the operations of the Department. All authorities in accountancy are agreed that these accounts are in correct form and comply with the requirements of the Act.

P. HEYES, F.S.A.A., Eng.,
Superintendent.

Wellington, 19th July, 1906.

Approximate Cost of Paper.—Preparation, not given; printing (1,850 copies), £5 10s.

By Authority: JOHN MACKAY, Government Printer, Wellington —1906.

Price 6d.]