

27. Q—How long have they been so kept by double entry? A—For several years.

At the conclusion of the Colonial Treasurer's evidence the Auditor-General attended.

Paper marked A, put in by the Colonial Treasurer, was shown to the Auditor-General, and the following questions were put :—

1. Q—Have you seen this paper before? A—No.

2. Q—From this it appears the actual cash balance is £20,717. Do you consider it correct? A—I have no reason to doubt its correctness.

3. Q—Can we treat the balance here as available? A—That portion of the balance which consists of Land deposits is available only for land purchases.

4. Q—On what principle is it only available for land purchases? A—It is considered that land deposits are not available for general purposes but only for land purchases, because the land not having been surveyed the deposits are liable to be repaid. I consider it a special fund, which may only be applicable for the purchase of native lands.

5. Q—Is this land fund exclusively of the Province of Auckland? A—Yes.

6. Q—Are not the land deposits of the other Provinces applicable in the same manner? A—They are small. The transactions, on account of which £26,000 have been deposited in the public chest at Auckland, are incomplete. It is, however, considered improbable that more than a very small amount will have to be refunded. It would be wasteful to keep such a sum in the Treasury unavailable for land purchases.

7. Q—Are any references made to you before sums are taken out of this fund for the purchase of native lands? A—Yes; references are made. I cannot say whether there are in all cases; at least such is the practice, and it is generally followed. But my recommendation is or is not concurred in by the Government. For instance, during the period under consideration, I strongly and repeatedly urged the Government not to exceed the sum of £20,000 in the purchase of lands from the natives, that being the amount of expenditure on which the whole financial arrangements of the Colony had been based.

8. Q—Do you know any cases in which advances on impress had been made without previous reference to you? A—I have known such.

9. Q—In the surplus revenue account it appears that December 31st there was due to Auckland about £7000? A—Yes.

10. Was there also due—

			£	s.	d.
To New Plymouth	..	..	1296	15	10
To Wellington	..	..	74	19	0
To Otago	..	..	1437	11	7½

A—Yes.

11. Q—Are there any balance due to Provinces for the period ending June 30th, 1855? A—I have not received the whole of the accounts up to the 30th of June. Until they reach the Audit Office, and the accounts are made up, I cannot furnish a correct statement of the balance.

12. Q—Is any money due to the New Zealand Company? A—There must be a considerable sum due to the Company.

13. Q—Is the Colonial Secretary's statement that £10,000 is due correct? I do not think so much is due.

14. Q—Mr. McLean states that there are outstanding liabilities due on account of purchases which are incomplete from the surveys not having been made to the amount of £8000. Is it so? A—I have no means of knowing. I do not think the £8000 alluded to would be considered by a public accountant as a liability on the receipts of the year ending 30th June, 1854, and therefore not a charge on the balance on hand on that day. These outstanding liabilities would be considered a charge on the Revenues of the period when they become payable not on the period when the contracts were made.