

74. Would you suggest that in cases of this sort the report should be given whether it is allowed or disallowed?—If disallowed the Receiver has to pay.

75. I am only speaking of the report. The report has to be made if disallowed. Would you suggest that the report should be made if allowed?—There are a very large number of small surcharges which the Receivers pay. The business of the Receivers of Gold Revenue has been taken up lately. It has fallen somewhat into disorder. Some of the Receivers do not appear to have attended to the business very well, and the Audit Office is proceeding very slowly in the matter.

76. Is it your intention to make a report upon this matter?—I shall make a report if the Minister disallows it, in accordance with the Act.

77. If he allows the appeal, and decides against the Auditor, will you report?—The Receiver has to pay unless the appeal is allowed. If he does not pay I might then consider whether I should report. If the Minister does not disallow the surcharge the Receiver must pay.

78. *Mr. Duthie.*] In your opinion, as the law stands, is it beyond what is necessary for the due collection of the rents?—No. I think section 32 of the Public Revenues Act, which requires me to surcharge a Receiver who has wilfully or negligently failed to collect revenue, is sufficient.

79. It is not more than necessary?—No.

80. Arrears that exist are due to Receivers not enforcing the laws?—I believe in the case of Mr. Moresby he did not understand the law. It is due to the Receiver not understanding the law.

81. *Right Hon. R. J. Seddon.*] This is revenue of the local bodies, is it not?—In this case it goes to the Natives, but as a rule it goes to the local bodies.

82. With the exception of rents at Thames, the money goes to local bodies?—I think so.

83. Are you aware that, rather than run the risk of suing, the local bodies are advised to let it go as being dead-money?—I do not know that. I have a letter here [Exhibit F] which was addressed to the Warden's Clerk at Whangarei in reply to repeated applications for rent. The total amount is £68 10s., and this occurred only the other day, the 6th August.

84. *Mr. Tanner.*] In the course of the correspondence which has reached you on this subject, have you formed any opinion whether there is any widespread discontent in the mining community regarding this question?—I have it that there is wide discontent with the Receivers that they should be proceeding for arrears of rent of land abandoned long ago.

85. Does that mean to cover the whole question of recovering rent, or does it refer to this new departure?—The only departure that is new is the putting of the law into operation.

86. Which they have not been accustomed to?—Which they have not been accustomed to.

87. *Right Hon. R. J. Seddon.*] Have you power to withdraw surcharge after it is once made?—Not except by practical payment of the money.

88. Then, you are the sole judge as to whether it is due to neglect on the part of the Receiver?—Yes; when I make the surcharge it must be on my judgment that the time has arrived. It is provided for by the Public Revenues Act.

89. Then, the Minister is in the position of an Appeal Court. His power of sustaining, or otherwise, your surcharge puts him in the position of being arbiter between the two?—It does not appear under section 32 that there is any power but to disallow and thus insist on payment of the money.

90. *Mr. Montgomery.*] Has any surcharge been disallowed since you have been Auditor-General?—No.

91. There have been a number of surcharges?—Yes. There are small surcharges made in other departments, but they are answered by payment of the money.

92. Who pays it?—The person responsible for the collection of the revenue.

93. In this case mentioned of £60 odd, will the gentleman referred to have to pay it?—The Receiver of Gold Revenue ought to have collected it. He will be surcharged, and will have to pay it, or take proceedings for it. He will have to pay it himself, if not getting it by one legal course or another; or if he should not pay it—

94. What I want to know is this: Can these surcharges come out of "contingencies" or "unauthorised expenditure"?—They can come out of "unauthorised"; but if they came out of "unauthorised expenditure" they would have to go before the House.

95. Have you known instances where surcharges have been paid out of "unauthorised expenditure"?—I do not know any.

96. Then, they have all been paid by somebody?—They have all been paid in my time except this one.

97. This will have to be paid?—It will have to be paid unless Government disallow it.

98. *Mr. Duthie.*] In your opinion, in your experience of these cases, do you consider the law is beyond what is necessary for the due collection of revenue, or whether it is sufficient?—I think it is sufficient. I do not think it is beyond what is necessary.

99. *Mr. Fraser.*] Do you include all cases overlapping?—Where arrears are payable in overlapping cases they are payable according to law, and the answer I have given is that the law is sufficient for the purpose of collecting what the law requires me to collect.

100. I understand Mr. Duthie to mean whether it was excessive—the collection of rent. Do you think, in cases overlapping, it does not press unduly upon the people charged?—I understood the question to be whether I considered the law for the purpose of recovering what the law requires to be recovered sufficient.

101. It is necessary for the Auditor-General to have control over this matter?—I think section 32 of the Public Revenues Act provides sufficient guard, but not more than necessary.

102. I asked you whether you considered the law did not press unduly in cases of overlapping?—I could not answer whether it is equitable or inequitable.