116. And because the Minister failed to give you something outside what was required by law you reported him to Parliament?—Yes, I considered it a necessary duty.

117. Did you not intend when you sent your memorandum to the Mines Department that it should be tantamount to an instruction to the Mining Department to communicate the matter to the officer?—I would say it should be complied with by the Mining Department unless it could supply a good reason.

118. Is it not a custom with you to use the Mines Department as a vehicle of communication to its particular officers?—I have not said so. I have been using it as a reference to some acts of officers subordinate to the department. This is a letter addressed to the Minister of Mines [Exhibit D]. There was no request there that it should be referred to the Warden; at any rate, there was nothing in that letter calling upon the Minister to do anything further than ascertain. If he chose to refer the paper and make it a communication from the Audit Office to the Warden the Audit Office is not responsible.

119. Suppose the Minister did not do it, and later on you asked the Minister why he did not ascertain that?—I did intend him to ascertain it, and it did not occur to me that there could be anything wrong in his reference to any statutory officer respecting a failure, or what appeared to be a failure, to duly collect the public revenue.

120. Then, you did intend it to go to the Warden?—I did not intend my letter to go to the Warden. I intended them to write their own communication on the subject.

121. *The Chairman.*] You intended the Mining Department to write their own letter, and not to forward your letter?—Yes; it is very dangerous indeed to send out original communications sometimes. There is the danger of loss, to say nothing of more serious consequences.

122. *Right Hon. R. J. Seddon.*] Was the original sent in this case or a copy of it?—I believe the original was sent. I can conceive no conflict between a proper Audit Office requirement and the statutory duty of any officer, because the motive of the requirement is the care of the public revenue.

123. Can you show me what power or authority there is under any Act to put a query to a Warden that he was to ask the Receiver whether rents had been paid before he approved of a surrender?—No, but the statute appears to require prepayment. This is the Supreme Court decision as to the meaning of section 135 [Exhibit E]. In this case a surrender had been accepted without payment of arrears. The surrender had been indorsed by the Warden before the arrears on surrender had been paid. My answer to the Minister of Mines is: "The surrender under subsection (4) of section 71 of 'The Mining Act, 1891,' is subject to section 135, which prescribes that the surrender shall be 'on condition that all arrears of rent up to the date of surrender are paid'; and the granting of the surrender in accordance with the opinion that the Warden 'in his judicial capacity is simply carrying out the law' when he grants a surrender before 'all arrears of rent due up to the date of surrender are paid' is calculated to make the person who obtains the surrender without being informed of the liability feel ill-disposed towards the administration when the demand is made or the proceedings taken for such unpaid arrears. Of course, the Receiver can sue for the unpaid arrears whether the surrender has been granted or not; and I would respectfully submit that my references to you on the subject were prompted not in any idea of interference with a Warden in carrying out the law in his judicial capacity, but by a conviction that the arrears were by law payable before surrender, and that if they were so payable it was the duty of the Audit Office to ascertain why they had not been paid."

124. If a statutory officer in the colony were performing statutory acts without receiving the revenue which should be paid on condition of that performance it would be the duty of the Audit Office to make inquiry into the matter?—The Audit Office would be betraying its trust if it did not do so; but it does not occur to me, even if I had referred to any particular officer, that I could be interfering with his statutory or judicial function.

125. Then, as far as you know, there is no law that requires that the Warden should do so?—I think, from the decision of Judge Conolly, there is a law.

126. Your contention is that, judicially, in any case that may come before him he must see that that is paid?—That is my opinion—that the condition of surrender is that the arrears of rent should be paid first.

127. If a Warden has given a surrender without that being done he has given a wrong decision?—It is very difficult to answer these questions in the abstract. In my correspondence I merely asked the department why surrender was accepted without compliance with that condition.

128. *Mr. Fraser.*] When you report to Parliament, do you look upon it as the impeachment of an act by a Minister, or is it not rather your desire to have the laws altered in order to enable you more efficiently to carry out your duties as Auditor?—There is no direct idea in my mind of impeaching a Minister. I cannot satisfactorily certify the accounts in consequence of the failure of the department to comply with the requirement. Therefore my duty is to report on the accounts to Parliament, in order, I suppose, that Parliament may arrange either that the Audit requirement may be better effected or that I may dispense with an audit to the extent to which I propose to carry it.

129. Do you consider it essential to a proper audit that the Warden should certify to the number of licenses issued?—It is not so much to the number as to the terms of each license, and especially as to what the rent may be. There are two officers, the Warden and the Receiver; one is the collector of the rents under titles, and the other issues the titles. When I became Controller and Auditor-General I found that the persons occupying the position of Receivers and receiving rent were preparing and sending in these abstracts. That is to say, these persons checked their own receipts. I therefore pointed out that this was idle and useless work, and that we should have a proper audit, and a list from the person who issued the titles, signed by him, to check the Receiver by.