

imprestee, and according to which the payments are charged to the Unauthorised Expenditure Account, are passed subject to the objection already raised by the Audit Office, that it was contrary to law for the imprestee to use in making such payments money which had not been issued to him by way of imprest for the purpose of being expended under section 47 of the Public Revenues Act without the appropriation of Parliament; and, as the Treasury is understood to contend that it was not contrary to law for the imprestee to do so, the Audit Office proposes in the circumstances to take exception to the payments in question having been made by the imprestee out of money of which the issue to him by way of imprest had been charged to votes for authorised services.—J. K. WARBURTON, Controller and Auditor-General"—was written, no further action was necessary?—So far as that memorandum is concerned, no further action of the Audit Office was necessary with regard to the entry as it then stood.

3. After the memorandum was sent to the Colonial Treasurer on the 25th March the point in dispute between the Audit Office and the Treasury, to enable that amount of £3,000 to be made against the interest in London, had not then been settled. You see this memorandum of yours dated the 25th March, 1901, addressed to the Colonial Treasurer. The last point up to which you had acted was the 18th June?—Oh, that is 1901. These memoranda are merely put in as examples of objection. That memorandum of the 25th March, 1901, is a paper attached to No. 8 to show that the Treasurer was not correct in stating that the Audit Office had never objected. This was put in as evidence that we always did and were objecting.

4. It was after that audit that the matter was referred to the Governor, of course?—It was referred to the Governor in June, 1902. This was the case mentioned which happened the other day. It was only after the order was obtained that we knew anything of the advice of the counsel of the Crown. I only desire to inform the Committee as a witness.

5. Would you, Mr. Warburton, if you had had the advice of the Crown in this case dated the 21st June, 1902, have prevented it going to the Governor for settlement?—No; but I should have made before the Governor's order the statement of objections coming after the Governor's order. That is the objection that I understood was made.

6. You have had the Solicitor-General's opinion before it has gone to the Governor?—I think in every case I have been justified in saying something. If we were freely informed of the proceeding and of the advice of the Solicitor-General—that is, the opinion of the counsel for the Crown—then we should have less reason to say anything after the Governor's order. I think we should know the intended proceeding, and be afforded every opportunity of stating our reasons before the Government goes to the Governor.

*The Chairman:* Gentlemen, I must call you back to B.-19A; we have drifted away to B.-19B.

7. *Hon. Sir J. G. Ward.*] Does the Auditor-General consider it was right to comment upon the final decision of the Governor in a matter that had been the subject of dispute?—The Auditor-General says he had not the whole of the information placed before him before the matter was referred to the Governor.

[At this stage Mr. Fisher had to leave to attend another Committee, and Mr. Guinness took the chair.]

*The Chairman:* Now that Sir Joseph Ward has got this information from the Auditor-General I think it would be advisable that we should proceed. We have dealt with the first paper, B.-19, and now we are going to B.-19A.

8. You have given evidence on this paper as to the repayment of duty on the estate of deceased troopers, Mr. Warburton?—Yes.

Mr. JAMES B. HEYWOOD examined. (No. 3.)

9. *The Chairman.*] I propose to ask Mr. Heywood to give evidence on B.-19A. Have you given evidence on paper B.-19 yet, Mr. Heywood?—No.

*The Chairman:* I move, That the consideration of B.-19 be postponed until Sir Joseph Ward reports to the Committee as to whether he can see his way to recommend an amendment—to meet the case—of the Public Revenues Act.

The motion was carried.

*The Chairman:* Now B.-19A. Mr. Warburton has given evidence on it. You have nothing further to add, Mr. Warburton?

*Mr. Warburton:* No.

10. *The Chairman.*] We will now take your evidence, Mr. Heywood. What is your name in full?—James B. Heywood.

11. You are Secretary to the Treasury?—Yes.

12. As far as I can see, Mr. Warburton's statement of the position from the Treasury point of view is contained in these papers. Have you anything further to add, Mr. Heywood?—I do not know that I need add anything for the information of the Committee in respect to the matter. I would like to point out an error which is due to the printer, or the typist, in connection with the paper B.-19A. I think Mr. Allen asked me last time I was here the meaning of the words in the Bill "*Re Campbell and Parkinson, deceased.*"

13. It was Mr. Palmer?—The name of the deceased is Campbell Parkinson. The word "and" should be left out. I might tell the Committee I find that the item was charged with six payments in respect of refunds for stamp duty. These were allowed to pass by the Audit Office, and overdraw the £100 voted to the extent of £66 15s. 7d. before the Audit Office discovered it. Of course, that was merely an oversight on the part of the Audit Office and upon which I lay no stress at all. Then, it has been subsequently charged with £566 18s. 3d., £3 10s. 6d., and £7 9s. Of course, the Committee will understand that I have nothing to add to the arguments already used in connection with the matter. The Audit Office dictum is the law, whether it is good, bad, or indifferent; and, if it does not agree with the law which is said to be the law by the