

92. He is paid his expenses each trip, but he visits both mines. He may only visit Wellington and not go near either mine, but talk over matters in connection with both mines?—Of course, if the General Manager is general manager of the two mines, you would have to allocate that expenditure at the end of the year. If you have casual visits from an inspector, I should try to dissect that expenditure at the time.

93. He may be giving advice in Wellington and not go near either mine?—I am referring to his visits to the mines.

94. Do you not think it better that those expenses should be allocated at the end of the year, because those who had a knowledge of what had occurred during the year would be in a better position to allocate at the end of the year than at particular dates?—I always allocate as soon as possible, because at the time you remember the circumstances under which the expenditure occurred. I always make that a rule, though the tendency on the part of book-keepers is to postpone the allocation and do it at the end of the year.

95. How would you do with the expenditure on the General Manager?—You could allocate that at the end of the year.

96. How would you do with rents of offices—rents that are incurred in connection with the operations generally—rents for offices here and at Greymouth?—If they are general, I should allocate at the end of the year.

97. Take travelling-expenses—general travelling-expenses incurred by various officers, not particularly in connection with one mine or the other. How would you deal with those?—I should do those monthly, I think. You then know what work these officers are engaged on.

98. And printing and stationery?—If common to both properties, I should allocate that, I think, monthly, if possible.

99. And insurances, fire and accident?—That would not be a difficult matter to allocate, because you would know exactly what properties you were insuring, and you could charge it up direct at the time on the buildings at the mine, or whatever it was.

100. Well, there is the insurance on the offices?—That is general, but anything at the mines I should charge direct at the time.

101. Then there are general expenses, such as cleaning Head Office and small sundry small expenses in connection with the Head Office?—That you would have to allocate at the end of the year.

102. Stamps and telegrams?—At the end of the year, too.

103. Do you think these results would be materially different if the items were analysed monthly or yearly?—I think you would be more likely to secure accuracy by doing the analysis at short periods.

104. Is it usual, in connection with these general accounts, to keep a separate account for each branch at the time?—Yes, in the books. Take such a concern as the Gear Company, where, I suppose, the best system in New Zealand is adopted. Every department is charged at the time with every item of expenditure. The allocation at the end of the year is very little. The idea is that at a minute's notice you ought to be able to take out a profit and loss account for four months or five months, or whatever the period might be.

105. Reverting to section 108, do you think that the balance-sheet as submitted is an exact compliance with that section as it stands?—I think so; it is as near as you can get it.

*Mr. J. Allen:* I should like to ask Sir Joseph Ward whether he would have any objection to Mr. Biss having a look at the books, and giving us a short memo. stating whether he thinks there is satisfactory compliance with clause 108.

*Hon. Sir J. G. Ward:* I have not the slightest objection.

*Mr. J. Allen:* Mr. Biss may say that this statement that we have here is all right; but he has not seen the books.

*Mr. Biss:* The form in which it is drawn up is what I say is all right.

106. *Hon. Sir J. G. Ward.*] Do you consider that the balance-sheet complies with the Act, Mr. Biss?—Yes—the form in which it is drawn up.

*Hon. Sir J. G. Ward:* I should like to ask Mr. Heyes a question or two, as the outcome of a statement made by Mr. Allen. Has any Minister of the Crown at any time suggested to you, or directed you, or instructed you to prepare the accounts in any particular way?

*Mr. Heyes:* No, most definitely, No. I stated before that I never had the slightest indication as to how the accounts were to be kept. I was simply given my instructions at the start to open the accounts and prepare the balance-sheet in accordance with my judgment. No Minister or any other person interfered. The first time the accounts came before the Minister was when I submitted the balance-sheet for his signature.

*Hon. Sir J. G. Ward:* No alteration was made or suggested by him?

*Mr. Heyes:* No alteration was made or suggested by him.

*Hon. Sir J. G. Ward:* Or by any other Minister?

*Mr. Heyes:* Or by any person in authority. It was left entirely to my judgment and experience, and what I have done has been entirely from my own judgment and experience.

*Mr. J. Allen:* Has the Minister never at the 31st March in any way intimated how he thought the unexpended capital should be allotted?

*Mr. Heyes:* No suggestion in even the slightest degree has been made.

*The Chairman* (to Mr. Warburton): You may ask the witness any question that you may desire to ask, Mr. Warburton.

*Mr. Warburton:* The only question that the Audit Office considers in the matter is the legal question—the question of what section 108 means. I do not think I need ask Mr. Biss that question. I am prepared to explain to the Committee that there can be very little doubt as to the interpretation which the Audit Office has placed upon the section.

*The Chairman:* You can do that later on, Mr. Warburton.