

under "The Land Revenue Appropriation Act, 1858," the Commissioners being still officers of the Provincial Governments. It was not till 1869 that the appointment of Commissioners was removed from the Provincial Superintendents and vested in the Governor. Nor is a word to be found in the above, or any other Act, by which Receivers have been made more dependant on the Commissioners than they were when the two were officers of different Governments. On the contrary, the Receivers were made by the Act of 1858 not only independent of, but in one respect the superior officers of the Commissioners; for it provides that no Crown grant shall issue until the Receiver has certified that the land has been disposed of according to law—thus revising the Commissioners' action—and that the money has been paid; and the same provision is repeated in the Crown Grants Act of 1883. Indeed, so entirely was the Receiver of Land Revenue independent of the Land Office, that for many years the office of Receiver of Land Revenue was combined with that of Receiver of Customs.

3. The Minister states that the "alteration" of removing the audit to the Land Department "was first suggested by the Controller and Auditor-General himself." The only words to which such a statement can apply are those used by me in a letter explaining the cause of arrears of the work in the Audit: "Under the circumstances, I am compelled to ask for the appointment of a competent clerk to assist in the work" (the audit of the land revenue) "or, as an alternative, that I may be relieved altogether of the task of auditing the land revenue accounts." Whether the above words, urging that without additional assistance the accounts could not be audited in the Audit Office, can be truthfully interpreted into a suggestion to remove the audit into the Land Office, and to take a clerk away out of the Audit Office to do the work, I respectfully leave it to the Committee to determine.

4. The Minister says: "The Controller and Auditor-General's statement that the information was imparted to me by a subordinate officer of his department, without the Controller and Auditor-General's knowledge, is almost incredible and altogether untrue." Adding that I "brought Mr. Smith to his office, and personally introduced him in order that he might explain the intricacies of the matter then under investigation by him." I will not violate the courtesies of official correspondence by saying that what the Minister has written is untrue; but I may be permitted to show that he is strangely mistaken. It is perfectly true that I introduced Mr. Smith to the Minister "*to explain the intricacies of the matter then under investigation by him*"; that is to say, the trial for conspiracy to defraud the Crown of land revenue; but the information which I said had been conveyed to the Minister without my knowledge was, as is obvious by reference to my letters of the 3rd October, information "*as to the cause of the arrears into which the audit of the land revenue had fallen, or as to the efficiency or otherwise of the system on which it had been conducted, or as to what steps might be taken to provide against such failure in future.*"

That information on these subjects was conveyed to the Minister by my subordinate officers without my knowledge or consent is beyond dispute, and is evidenced not only by the action taken by the Minister but by every line of the Minister's letter under reply. And I must again respectfully assert that I was entitled, not only as a matter of official courtesy, but in common fairness towards the gentlemen in my department, to be taken into council—to be informed of the reasons, and to be made acquainted with the *information* upon which the decision was arrived at, to make so great a change in a department over which I had presided for twenty-six years. And I feel bound to place on record my strong conviction, that such a violation of the recognised relations which subsist in the English and all Colonial Governments between the Ministers of the Crown and the permanent heads of departments, especially in the case of such an office as that which I have the honour to fill, would, were it to become general, result in destroying not only all discipline, but every feeling of honour and loyalty in the public service of the country.

It is painful to me to be compelled to call attention to the fact that, in the paragraph of the Minister's letter commencing with the words, "*The so-called interim report,*" the Minister has stated to the Committee that I had expressed certain opinions to a subordinate officer of my department, and has made that statement without inquiring from myself whether I ever held such opinions, or whether the information conveyed to him by that gentleman was true or not. It is sufficient for me to state to the Committee that the information conveyed to the Minister is entirely untrue; although it may have arisen from a distortion of the truth that I have ever discountenanced and checked violent and positive assertions as to the dishonesty of a public servant until such evidence was before me as to substantiate the charge.

But I must be permitted to say that if private information as to the opinions of the head of a department are to be conveyed to a Minister of the Crown by a subordinate officer, and to be rewarded by exceptional advance in salary, the public Service of this colony will become one into which any person having any sense of honour or honesty will scorn to enter.

The only other charge to which it is necessary for me to reply is that upwards of £7,000 worth of land-scrip has passed through the Audit Office uncanceled, and capable of being again used in the purchase of Crown lands. I may explain that the scrip in question is attached as a voucher to the cash-book of the Receiver, which is sent up monthly to the Treasury, and by it to the Audit Office. After audit the cash-books are bound up in volumes and kept in the Treasury, the vouchers being firmly pasted into the cash-books. It is not the duty of the Audit Office to cancel the scrip. That should have been done by the Receiver of Land Revenue at the time he received it in lieu of cash.

From an inspection of the numerous volumes of cash-books of the Receivers of Land Revenue from and after the year 1880, I find that it was the uniform practice of the Receiver to cancel the land scrip by writing across it in red ink the word "Cancelled," or "Exercised," with the name of the Receiver. This was the case so long as the land revenues were collected by the Collector of Customs. But in the year 1883, a separate Receiver of Land Revenue was appointed at Auckland, and then, for the first time, scrip was sent up uncanceled. It is not unworthy of remark that this defect should have been coincident with the transfer of the Receivership from the Customs to the Land Department. I find the first uncanceled scrip was exercised in February, 1884.