

Legislature says, "The Supreme Court is your master, or the Appeal Court, when you are wrong." I consider it would be wrong for the Minister of Mines at any time to interfere with my administration of the Act. Of course, if I do anything wrong he can call upon the Government to remit the sentence or whatever it may be.

67. Has not the Minister under the Mines Act the right to see that certain things are done?—If you mean under section 76, if he sees that I have neglected my duty in not having the return sent in he has a right to call my attention to it; but that is quite a different thing to the question put by the Auditor-General. It is the way I interpret the section.

68. *Mr. Fraser.*] You draw a distinction between administering and interpreting the Act?—Yes.

69. *The Chairman.*] You told us a little while ago that the Receivers of Gold Revenue are appointed to sue for rent in arrear?—Yes.

70. And that you never in any way interfered with them in the discharge of that particular duty, because the cases might come before you when you took your seat on the bench, and you wanted to be free from anything you had heard?—Yes.

71. I want to know if the Mines Department have ever sent you a letter or circular calling your attention to the fact that any of the officers over whom you preside have caused delay, or have been responsible for any delay, in the collection of rents?—To the best of my recollection, they have not.

72. You have never received, as Warden, a circular or letter in that respect?—To the best of my belief, not at any time.

73. Have you received any correspondence from any of the local bodies who were entitled to the revenue derived from these leases?—I never have. I am aware that the local bodies had a correspondence with the Receivers, saying that they did not wish to be hard in pressing for the rents. The local bodies are like *cestui que* trusts.

74. The local bodies have brought up the question of delaying the proceedings with the Receivers?—I could not say from memory. I do say I am aware that Chairmen of local bodies have corresponded about such matters at Reefton; but I am kept so hard at work, from post to post and place to place, that my memory is becoming affected.

75. But if such a thing had happened you would have been bound to take notice of it?—Quite so; but my memory is so affected, and I have been so ill through overwork, having to go from bench to bench, and working sometimes seven days a week, and also at nights, that I cannot be sure of these things.

76. *Right Hon. R. J. Seddon.*] When a license is put before you to sign, if you refuse to accept the surrender, and the Receiver was afterwards to claim upon it, would not that have come to me before you?—If a person wishes to surrender his license the Mining Registrar puts it before me and I have to indorse it. I am compelled to do so.

77. Yes, and suppose you refuse, would it not be a judicial matter?—I should like to hear argument before I answer that question.

78. And if you refused to sign?—I should like to have time to answer that question.

79. *Mr. Duthie.*] You observed that you have been working seven days a week?—I only made that remark as an excuse for my memory being defective. The Chairman knows me very well, and is aware that, generally speaking, my memory is good.

80. Have you been worked at that pressure for long, or is it exceptional?—I prefer not to answer that unless you press it. I have no complaint to make. I am quite satisfied to leave it in the hands of the Government.

J. K. WARBURTON, Controller and Auditor-General, further examined.

81. *The Chairman.*] You have heard the statement made by Mr. Warden Stratford in reference to his declining to certify to the returns under section 76 of the Mining Act as requested by you: have you anything to say with regard to the position taken up by you in requiring him to do so?—The question is the dispute of the Audit Office with the Mining Department.

82. *Right Hon. R. J. Seddon.*] You said the Mining Department had made failure to comply with an Audit requirement?—That is the question. It was found when I was appointed to the Controllorship in September, 1896, that these circulars [see Exhibit G] of the 11th March, 1887, of the 25th October, 1895, and of the 30th March, 1896, had been issued; that these circulars had directed the attention of Wardens to section 76 of the Act, and pointed out that the work of auditing the accounts of Receivers of Gold Revenue was delayed owing to the returns not being sent as required by the section. The Audit Office then found that the Receivers of Gold Revenue who accounted for the rents issued under titles by the Wardens were also Mining Registrars and Clerks of the Court, that the same persons held the three offices, and that the abstracts under section 76 were sent in by one person, whether by the Mining Registrar, the Receiver, or in any other capacity did not matter. The person who occupied the position of Receiver was sending in the statement of titles issued by which the Receiver's statement of receipts was checked. That was clearly idle—to check what the Receiver ought to have received under titles by the Receiver's own statement of what he had to collect under the titles. But, as these abstracts from the Wardens under section 76 had been used for the purpose of auditing, I recognised that if the Wardens who had to cause these to be sent in were to sign, and thus give a certificate and be responsible for them, I should have something to audit the accounts of the Receiver by; and at the same time the Wardens, by signing these abstracts, would be relieved of the additional work of furnishing independent abstracts. I therefore wrote this memorandum to the Mines Department: "The abstracts which are transmitted to the Minister, on the form Mining No. 84, by the Wardens are so often signed by the Mining Registrar—that is, by the Receivers whose cash receipts the abstracts are designed to check—instead of by the Wardens,