

thing could have been avoided if the Audit Office was so anxious to get the information. The Auditor-General has power to issue his precept. Why did he not bring Mr. Stratford up before him under section 90 of the Public Revenues Act: "If any person refuses or neglects to attend at the time and place required of him by the precept of the Audit Office issued under this Act, or to produce any accounts, books, vouchers, papers, or money in his possession or under his control which he is so required to produce, or refuses to answer any lawful question asked him by the Audit Office, he shall be liable to a penalty of £100." He had ample power to bring Mr. Stratford before him without invoking the aid of the Minister of the department.

121. *Mr. Montgomery.*] Do you not think that the Auditor is justified, whenever he considers that the accounts are not so checked that he can audit them properly, in asking the department—whatever department it may be—either to make arrangements to have them checked or to get such information as may be necessary for him to audit them?—Yes; that would be so if it was an order or departmental instruction for which there was no specific section of an Act, but in this case—

122. My point is this: Do you not think the Auditor is justified in asking the department to have a sufficient check made, or in default of the check to have certain information given?—The Auditor has the machinery at his command without coming to the department.

123. Is he not justified in asking the department?—He is justified in asking the department, and the department would comply with his request; but there is a statute in the way, and the department would not presume to issue an instruction to any officer as to the manner in which he should administer that section.

124. If there is not a sufficient check, surely the Auditor is justified in asking a sufficient check to be given?—Yes; and it would be given.

125. And when he did ask this all that was done was to forward his letter on to Mr. Stratford, which was rather like pouring kerosene on the fire. But the department did not attempt to get this check made?—Not after what had occurred. They left it to the Audit Office and the officer.

126. They did not give the Auditor-General any facilities at all?—We gave him every facility by communicating with the officer and sending his requests on.

127. You say very properly that he should not communicate with the officer, and then you proceed to send his communications on?—As I have said before, the Audit Office and Treasury communicate direct with all revenue officers; but the point is this: you want to bring the statutory officer in.

128. You said he should not have communicated with Mr. Stratford direct?—Yes; he ought to have put his check on the Receiver.

129. Then you proceed to encourage this communication by sending the Auditor's letter to you straight on to Mr. Stratford: you encourage that personal communication—personal altercation it nearly came to?—I did not want to be involved in it.

130. Do you not think the department should make all communications themselves direct with Mr. Stratford, and not bring the Auditor into conflict with any one?—I should be sorry to do anything of that sort with the communications we get.

131. Do you not think the department should communicate direct with its own officers?—What do you mean by "direct"?

132. Do you not think that if any information is wanted by the Audit Office they should have the right to ask for it?

133. *Mr. Fraser.*] Had the department any power to ask Mr. Stratford to comply with the request of the Auditor?—No.

134. *Mr. Montgomery.*] You have a power to request a Warden to do anything that may facilitate the audit?—There is only the general power of administration.

135. I do not say you can enforce it, but you have the power of request?—I was not going to put myself in the position of requesting. Anybody can make a request, of course.

136. And instead of endeavouring to get the information, or to get some proper check, you encouraged this personal altercation by sending the Auditor's letter straight on?—There was no idea of encouraging anything, but I would not take upon myself to interpret the memoranda of the Auditor, but sent them on in order that Mr. Stratford might interpret them for himself. Some of these letters are most involved, and I would defy anybody to understand what is meant.

137. The point is that the department should send the Auditor's letters on, and not other people's?—That is practically followed in every department. You turn up the papers and minute them. We do not do it with the public. Amongst the departments the question is left to the head of the department as to whether he refers the papers on or writes a memorandum; and I say it would be impossible for one to write an intelligent memorandum in reference to some of these letters.

138. Has not Mr. Stratford taken offence at the Auditor's communication being sent to him?—He was not offended with the department.

139. All I suggest in this case that might have been done is that the Mines Department might have written to Mr. Stratford saying that the Audit Office wanted some further check than the statement of the Receiver, and if he could not arrange to sign the abstract, to suggest some further means of check being given to facilitate the audit. If that had been done we should not have been sitting here now?—My particular reason was that, knowing what had occurred between the Auditor-General and the Warden, I would not issue any instruction to him to obey the request.

140. *Hon. the Chairman.*] You could not issue an instruction?—That is the whole point. I refer the Committee to enclosure 9, page 5, B.-20, Sess. II., 1897. I wrote to the Warden: "In order that you may be aware of my position in this matter as between the Audit Office and yourself, I send the file of correspondence for any remarks you may think it desirable to make in respect to the Audit requirement that you should sign the abstracts of licenses which Wardens are required by clause 76 of 'The Mining Act, 1891,' to cause to be transmitted each month to the Minister. I thought my