

to what I thought, or had been advised that, the law meant; but that would not be to direct them to follow my instructions. I should let them know throughout the colony what the law was advised to be, and what it was pronounced by its interpreters to be, so that there might be uniformity in administration and a better general knowledge among the officers of all that there was to guide them.

84. Suppose it was the case of a Returning Officer, who is also a statutory officer, could he be advised by the Government?—Well, there is no public office like a department charged with the collection of revenue in such case. The Postmasters rarely refer to the statutes. They rely on instructions from the department, and the responsibility goes, then, not to the officers, but to those who have a better means of carefully ascertaining what the law is.

85. *Mr. Montgomery.*] Do you propose to surcharge the collectors in other parts of the colony?—I cannot say. I have not come to a judgment on that point yet. I want to know what they are doing.

86. I presume you will if they are deliberately doing nothing?—I should surcharge, certainly, then. I think negligently failing to collect does not exclude negligence through want of knowledge or through ignorance of the law. It is a technical breach of the law.

87. Do you think a man is negligent who gives all his attention to the interpretation of the law, deliberately comes to a decision on it, and follows honestly what he believes is a correct interpretation of the law?—It is not negligence in one sense, but it is in the sense of the Public Revenues Act.

THE AUDIT OFFICE AND GOVERNMENT HOUSE.

FRIDAY, 16TH SEPTEMBER, 1898.

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

1. *Right Hon. R. J. Seddon.*] The question raised by the Audit Department is that, notwithstanding the House of Representatives may vote a sum of money for defraying the cost of lighting and firing the official rooms at Government House, and the same shall be in the Appropriation Act, the Audit Department will not pass the same, and bases its refusal on the ground that the Governor's Salary and Allowances Act makes it illegal to pay the same?—That statement of the question does not exactly express the opinion of the Audit Office. The Audit Office is bound by a statute in this matter, and could not regard a vote on the estimates not carried as an express provision into the Appropriation Act as overriding the statute.

2. It will be carried in the Appropriation Act, but not as a separate item?—The Appropriation Act merely provides a certain lump-sum, the total amount of the vote, without describing the item. It does not mention the item.

3. The several sums are put in the estimates, and the sum total goes into the Appropriation Act. The question has been raised on two occasions?—I am quite satisfied that the Audit Office objection is according to law. There is a statute expressly prohibiting it, and you cannot do it if you do not provide in another statute the express power to do it.

4. We took a vote for some furniture, and the Audit Department declined to pass the voucher. They said there were certain rooms the money could be used for, but that unless it was for these we could not do it?—The power of the estimates does not meet the power of the statute.

5. The statute says the Governor shall receive his salary and commuted travelling-expenses—£5,000 to be the total. Parliament says that, in addition to that, as the official rooms have been used and expenses for lighting and fuel incurred, we will continue the practice that has been going on for years, and vote a sum of money for the purpose. Then you say, "You cannot go on doing that—we shall stop it." Then we say we will take a vote for it, and you say that will not do. This is the minute of the Audit Office: "The Audit Office regrets that it will be unable to pass this claim, even in the event of the £200 in the estimates being passed by the House of Representatives. The passing of such an item could not be accepted as overriding the express enactment quoted above (the Governor's Salary and Allowances Act), because the estimates do not give the statutory authority necessary to meet the case, which they might do if they formed part of the Appropriation Act"?—There being a statute already prohibiting it, there must be another statute to relieve from the prohibition.

THE AUDIT OFFICE AND THE POST OFFICE ACCOUNT.

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

1. *Mr. Montgomery.*] You added a note to the balance-sheet of the New Zealand Post Office Account [F.-2., 1898] for the year ending the 31st December, 1897, Mr. Warburton?—Yes.

2. This is the note: "Examined and found correct, except that the payments charged to the Miscellaneous Expenses Account exceeded by £39,037 1s. 9d. the amount of the Imprest advances which the Post Office had received for the purpose, and out of which alone the payments could lawfully have been made, and that consequently the payments have been made to that amount out of Post Office funds not applicable thereto." What is your reason for adding this?—It was added because the Postmaster-General had used more money in the payment of claims upon the Government which the Postmasters may be directed by him to pay than the Treasury provided for him. Subsection (4) of section 74 of the Public Revenues Act affects the case: "It shall be lawful for any Postmaster to pay, out of any balances in his hands, any claims upon the Government which he may be directed by the Postmaster-General to pay: Provided that the total amount of such payments by Postmaster shall not at any time exceed the balance of moneys in the hands of the Postmaster-General imprested to him for the purpose of making such payments."

3. Can you explain how this comes to be done?—The Post Office Account up to the 31st December, submitted to me for audit, shows that the Postmasters had paid more for miscellaneous