

13. That is the obvious answer. But weeks before the paper B.-2 was laid on the table Mr. Pirani, in a speech in the House, referred to the £187,964, and I heard Mr. Seddon challenge him as to where he got his information? What is the explanation of that?—On one occasion Mr. Seddon told me, and I think he will confirm what I say, that Mr. Logan, Superintendent of Telegraphs, was very unfair in prompting Mr. Pirani; but I ascertained afterwards that Mr. Seddon's observation was not well founded, and I think afterwards he granted that it was not correct. When, therefore, I consider how lightly such words are uttered, I see no reason to notice them.

14. If a member of Parliament said that he had information direct from the Audit Office respecting the £187,964 credited to Working Railways, in regard to the sale and transfer of stores, would that statement be correct?—I do not know it to be correct. I could not otherwise answer that question. I do not believe he had. I do not believe any member has obtained information from the Audit Office. With my knowledge of the office, being such a close office, I do not believe any member could get it.

15. Upon all matters of importance connected with the Audit I presume you consult Mr. Gavin?—Not unless there is a particular case in which references arise out of the division of the work. He takes the expenditure branch of the Audit Office, and these are vouchers for expenditure. When an important question arises he comes to me or addresses me.

16. Do you, as a rule, consult him verbally or in writing?—It has been the custom to do it both ways for many years—to consult him both in writing and verbally. In an important matter the consultation is in conversation and in writing.

17. He sits in an adjoining room to you, I suppose. Why is it necessary to consult him in writing?—It is very difficult after a long period to get the correct version of a conversation that takes place. It is far better to put it on record when opinions of importance have to be expressed.

18. And if you consult Mr. Gavin in writing for your own information and guidance, why is it necessary to send to Parliament his memoranda which are addressed to you?—I regard it as a safer method of conveying what takes place. I do not think I could report what took place better, or give a more comprehensive report of all the circumstances.

19. Now, I have looked up the reports forwarded to Parliament by your predecessor, Mr. J. E. Fitzgerald, and I find that he takes the whole responsibility of these reports upon himself. He did not require to be fortified by minutes from the Assistant Controller and Auditor. What is the reason for your adoption of this new method?—It seems to me to be a completer method. My method of certifying to the Public Accounts is not similar to his method. I took exception to the Post Office Account, and that was the first exception, although the accounts were open to the same exception for years.

20. You are well acquainted with the Public Revenues Act. Has the Assistant Controller and Auditor a right to report to Parliament?—That is my report to Parliament, not the Assistant Controller and Auditor's.

21. You said in your previous evidence that there was a transfer of £13,000 which you did not question. Have you refreshed your memory since you gave your evidence on Friday last as to the date of that transaction, which you considered a proper transaction?—I have a copy of the voucher. I find there was no exception taken to it.

22. *Mr. J. Allen.*] What is the date of it?—It was passed by Mr. Gavin on the 18th January, 1898, and it was dated the 13th January by the Treasury. I produce it. [Exhibit A.]

23. *Mr. Fisher.*] Of your own knowledge are you aware that transfers similar to the one now challenged have been made in previous years—under your predecessor and under the same law—and have never been questioned?—I am not aware. Possibly.

24. How many challenges per day or per week have you deemed it your duty to make since your assumption of the office of Controller and Auditor-General. How often do you challenge on the average?—I could not answer that question. I keep no record of the number of challenges I make.

25. In what state did you find the Audit Office, as to its methods of auditing accounts, when you assumed the office of Controller and Auditor-General?—In respect of what?

26. Was the business conducted in a regular and orderly manner; was there any laxity or deficiency in the performance of the duties by the late Auditor-General or his subordinates?—I have no complaint to make on that head.

27. Was the office in an efficient state when you assumed the position of Auditor-General?—I found no fault and have no fault to find with its efficiency. I think I could improve it; but it lies with the Administration to support me in any arrangements I may propose, and to give me the necessary assistance.

28. In the first six months, or the first year, did you find it your duty frequently to challenge accounts presented to you for audit?—I do not know that I challenged accounts more frequently then than I do now. I do not recollect. There is no impression on my mind of more frequent challenges than at present. There have been some ordinary challenges, but in respect of these it seems pretty much the same as it was. I have challenged the accounts on some very important points. There was this very question already referred to the Public Accounts Committee—the payments without appropriation.

29. In answer to a question having reference to your memorandum to Mr. Gavin of the 5th March (page 3, B.-22, 1898) in your evidence on Friday, you said, "If I had reported then it would have appeared that I was reporting too much against the Government. I held it over as not being sufficiently important to report." What gave you that qualm? Had you been reporting too much against the Government?—No; I reported the other important question of payments without appropriation, and I felt that the calm consideration which this question required of the doubt respecting the legality of the transfer might, if I had reported it at the same time, have been