It is for these reasons that the Treasury is expected, when it sends a requisition to the Audit Office, to point out the charges which are not according to law in what may then be known to be the judgment of the Audit Office.

J. K. Warburton,

Hon. the Colonial Treasurer.

Controller and Auditor-General.

No. 21.

The Audit Office.

The Treasury, Wellington, 30th October, 1901.

It is only necessary to remark, in reply to your memo. of yesterday's date, that the Treasury has all along been of opinion that the charges were in accordance with law, and such opinion was confirmed by the Solicitor-General, who interprets the law. For this reason the Treasury could not be expected to point out something which had no existence, nor to attempt to foresee what the judgment of the Audit Office might be in this or any other case.

R. J. SEDDON, Colonial Treasurer.

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