

the provisions of the statute under which the stamp duty was payable, the Audit Office regarded this item as specific, and applicable only to cases which were known to have arisen for the remission when the item was placed on the estimates. The Audit Office therefore considered that the item could not be applicable to payment of more than the amount granted, and if there were any estate which was not known at the time when the item was placed on the estimates it could not be made applicable to such estate.

2. *Mr. J. Allen.*] Is that the whole trouble?—That is the whole trouble. If the item is not put down for a known estate it is inoperative in view of the provisions of the statute in regard to the payment and remission of stamp duty.

3. And was a remission of stamp duty made in regard to some estates other than the known ones placed on the estimates?—Yes. Here is one which goes far beyond the amount provided for in that item. This is a case in which it is proposed to remit stamp duty to the extent of £566 18s. 3d.

4. Was that one known at the time the item was put on the estimates?—I conclude not, or the item would have provided for that amount.

5. Then, the trouble was that not only was remission made on the known estate of a deceased member of a contingent, but others afterwards, and they exceeded the amount provided for in the item on the estimates?—Yes; they were more than the item of £100 which the Audit Office regards as specific.

6. Could it be made out of "Unauthorised," or how?—The Audit Office did not object to the amount coming out of "Unauthorised."

7. *The Chairman.*] Do you wish to say anything more, Mr. Warburton, in regard to this item?—No. I have explained myself fully in memorandum No. 16, on page 5 of paper B.—19A.

8. *Hon. Sir J. G. Ward.*] Was not that memorandum, No. 16, written after the Governor had determined the question?—Yes.

9. Do you think it is a good practice that, after correspondence which has been led up to by a dispute between the Audit Office and the Treasury has been submitted to the Governor, and he has determined the matter, further comment should be made upon his decision?—I think that the Audit Office objections should be stated. If the Audit Office finds an irregularity in a charge of this kind I think Parliament should be informed of it. In this case, the remarks of the Solicitor-General were not all sent up to the Audit Office, and it knew nothing of the application to the Governor until after the Governor had determined the matter.

10. Then, if the Governor has determined a matter, you consider that it can be commented upon by you afterwards?—When I see what I consider to be a misapprehension of the law, or a mistake, I consider it is my duty to inform Parliament of the matter, and Parliament is entitled to have my opinion upon it—my objections.

11. In this memorandum No. 16, of the 3rd April, 1902, I notice you use this expression: "Such was accordingly the judgment of the Audit Office, and such, consequently, the law." What do you mean by that?—I mean that the Audit Office interprets the law to a certain extent—that is, the Audit Office must be satisfied.

12. Do you regard the judgment of the Audit Office as superior to the interpretation of the law by anybody else?—Not by anybody else, perhaps, but superior to the opinion of the Law Adviser of the Government. I consider the judgment of the Audit Office in such a case as equivalent to a judgment of the Supreme Court in regard to the interpretation of the Public Revenues Act.

13. Then, you regard the judgment of the Audit Office as to the interpretation of the law as superior to the opinion of the Law Adviser of the State and as overriding it?—Yes.

14. Then, the Controller and Auditor-General is to finally decide?—I think it is so. I think the interpretation of the law lies with the Audit Office to a certain extent. The Audit Office must be satisfied. Of course, the difficulty may be overcome by the Governor's order. But that can be issued whether the Solicitor-General's opinion agrees with the judgment of the Audit Office or not.

15. When the law says the Governor's order shall finally decide you think it is still right to comment on the judgment of the Crown's Adviser?—I think I was right in informing Parliament of the opinion of the Audit Office—that is, of its objections.

16. The law says the Governor shall decide. You say afterwards, "Such was the judgment of the Audit Office, and such, consequently, the law." That is a comment upon what has already been decided. Is it not a reflection upon the Governor?—I do not think so. It was my duty to inform Parliament of what had taken place. It was no reflection on the Governor.

17. You commence your memorandum by saying, "The Governor having determined"; surely, then, you are reflecting on the Governor's action?—No. I go on to give an explanation of the matter.

18. That is followed by a memorandum by the Premier at the time, and a further memorandum by the Solicitor-General, and another from yourself, in which you objected to the decision of the Governor?—Yes; but I remark in my memorandum of the 10th April, No. 20, "Those remarks of the Solicitor-General, though they appear to the Audit Office to cast a reflection upon it, and may reasonably be deemed to have influenced the Treasury, were not forwarded to the Audit Office till after the Government had advised the issue of and obtained the Governor's Warrant." If I thought there was any information which would be required by Parliament it was my duty to supply Parliament with that information. I do not consider there was any reflection on the Governor in supplying that information.

19. But the whole question in dispute, together with the opinion of the Solicitor-General, had already been referred to the Governor?—In my memorandum of the 10th April I say, "The Minister referred to the remarks which the Solicitor-General made in his minute of the 18th March