

93. Well, what does it provide?—It provides for the determining of the dispute and the settling of the charge. If the Solicitor-General said it was plainly not according to law, the Governor could still make the order, and it would be a good order.

94. I will put it in this way; do you mean to say that if the Governor heard both sides, and gave his decision under this clause, then it would become law?—I cannot go beyond the section of the Act.

95. I am trying to see what is really in your mind with regard to it?—It would, perhaps, make it quite clear if I pointed out that section 44 of the Public Revenues Act will settle the matter. The last words of that section, before the subsections, are: “and the Audit Office shall pass such voucher, and send it to the Treasury, being first satisfied”——

96. What has that got to do with section 9 of the Act of 1900?—We must be satisfied.

97. You must be satisfied, and if you are not satisfied section 9 says, “Provided that if in the opinion of the Audit Office the question involves matter of law, then it shall be determined by the Governor.” That is a matter of law. Then that question is to be decided by the Governor—that is, the law question?—No.

98. If a dispute crops up and the Audit Office say it is, in their opinion, a question of law between them as to the payment of the particular item, then the Governor decides that question?—No. When the Audit Office is not satisfied it becomes a question for the Governor to decide, not the law, but the charge of the particular payment.

99. What does he decide?—That the particular item in dispute shall be charged as he is advised.

100. Then, whether it is lawful or unlawful, he decides it?—Yes, by section 9.

101. Then, when he has decided it you say it is lawful?—I say it is lawful then for the Audit Office, not being satisfied, to pass the charge.

102. But before the Governor decides it you say it is unlawful and the Treasury say it is lawful, and the Governor has to decide the question whether it is lawful or unlawful?—No.

103. The plain meaning of the section is that it shall be determined by the Governor—that is, the question of law?—No.

104. He determines the dispute, does he not?—Yes, but not by interpreting the law.

105. He determines the dispute between you and the Treasury?—I presume so. The section says so.

106. And your dispute is as to whether it is lawful or unlawful?—No.

107. Is not that the dispute?—No. The section says that if it is not a question of law the Treasurer can decide it, and if it involves a question of law the Governor shall; but he does not interpret the law.

108. He decides the law without interpreting it at all?—Yes; he decides the question.

109. Well, is not his decision final?—He enables the Audit Office to pass what it would not otherwise pass.

110. *The Chairman.*] With regard to the case before us, I understand, Mr. Warburton, that a dispute having arisen as to this three-thousand-pound draft—whether it should be charged to General Imprest or not—the opinion of the Solicitor-General was taken on the point, and he gave his opinion that the Treasury were right and the Audit Office wrong; is that not so?—That is as I understand it.

111. The Governor then, under section 9, was appealed to, and gave his decision and issued the order?—Yes.

112. Supposing that a draft, under similar circumstances—not necessarily for the same amount, although it might be, and for the same purpose—to this was sent through, would you, in the face of the Governor’s decision, again set up the contention that you have set up in regard to this draft?—I should require another Governor’s order.

113. You read the proviso in the section quoted by Mr. Palmer in that way—that after the Governor has once settled as to what is the correct interpretation of the Public Revenues Act, under those circumstances, each time a dispute arises you require another Governor’s order to settle it?—I do not regard the Governor as settling the interpretation of the law.

JAMES B. HEYWOOD, Secretary to the Treasury and Paymaster-General, examined. (No. 2.)

114. *Hon. Sir J. G. Ward.*] You are familiar, Mr. Heywood, with the circumstances of the authority given for the three-thousand-pound draft on London to Major Pilcher in South Africa, and the payment of it in June last?—Yes.

115. Could you have, at the date referred to, advised the Agent-General in London of the exact amount that was going to be used of the £3,000 authorised?—No.

116. It not being possible to know to what extent the three-thousand-pound authority was to be used under the ordinary circumstances of the administration of the Treasury, how would provision be made for the payment of the £3,000 in London?—The Treasury could have sent money Home by cable requisition to the Agent-General for any round sum, merely estimating the amount to meet the expenditure, or they could have asked the Agent-General to pay the expenditure out of General Imprest moneys.

117. Which course was followed?—The course followed was to ask the Agent-General to pay out of General Imprest moneys.

118. Was there anything unusual in following that course?—No; nothing particularly unusual.

119. After the draft reached London a difficulty arose in connection with the payment of it in consequence of the Audit Department here holding that the amount should have been charged to Unauthorised Expenditure and not to General Imprest?—Yes.