

15. Would this clause not enable the Treasurer to obtain money for one purpose and apply it to another?—Yes. It would not give him power to divert the money to other purposes, but it would give him authority to charge it to any vote he pleased, and thus relieve the vote to which it properly belongs.

16. Would its further effect not be to increase unauthorized expenditure?—Yes, I think so.

17. Are you aware whether or not it is always the case, that at the end of the year it is found to be impossible to charge the whole of the expenditure against the votes for the year, and that a considerable amount of money is not shown against the votes?—Yes; that arises from the Imprest system. Towards the end of the year, the greatest anxiety exists to get in the whole of the Advance accounts, but they come in so late that they are necessarily excluded from the accounts of the year to which they belong.

18. You understand this clause to mean, that where a difference of opinion arises between the Colonial Treasurer and the Auditor-General, whether the expenditure incurred has been authorized by Parliament or not, that clause gives the Colonial Treasurer power to determine that it shall be charged against a certain vote?—Yes, exactly so.

Mr. FITZGERALD in attendance, and examined.

19. Mr. Fitzgerald said, in reference to payment of Commissioners, that the first question would be whether payment, under any circumstances, was legal or not. If there was a difference of opinion on the subject, it was generally left for Ministers to decide. But, the House having passed a vote, they were certainly not able to alter it. Supposing that a million vote was all expended, and that Ministers had made a subsequent expenditure on any other vote, to meet charges which might arise, it would be competent to do so. I am taking, as an illustration, the million vote—it might be made use of for any other vote. I think, however, that was not at all within the intention of the Colonial Treasurer. At the same time, if there is the slightest apprehension that the clause may be interpreted so as to give undue latitude, the Committee would be wise to put in a clause to avoid that.

Mr. Fitzgerald.

21st Sept., 1872.

20. *Mr. Speaker*.] If you are going to examine into the Controller's construction of the clause, I may say it was not with that view it was suspended.

21. *Mr. Vogel*.] The view expressed by the Controller is in accordance with my own.

22. *The Hon. Mr. Gillies*.] That is in the next clause. Am I right?—Yes.

23. *Mr. Speaker*.] Has this vote not reference to money drawn out of the Treasury?—Yes.

24. Well, to put a question: A Minister sends certain sums of money to be voted for "Defence," supposing it should be charged against "Native Affairs," would that be right?—Yes; I think it would be in the power of the Minister to do so, supposing the expenditure to be lawful, and that he was prepared to see the service done for the money. The clause will enable him to do so, subject to an appeal to Parliament, if it is considered that the judgment of the Treasurer is wrong.

25. *The Chairman*.] I would like you to trace the expenditure on votes, say "A" and "B," on each of which Parliament has allowed Government to expend £10,000. On vote "A" that amount has been expended, and more is wanted. Would it be competent for the Treasurer to take the deficiency from vote "B"?—Yes; if the money has been expended.

Dr. KNIGHT in attendance, and further examined.

26. (In reply to last Question)—Yes; I think the Treasurer could, under the amended Bill, determine finally what vote any expenditure can be carried to.

Dr. Knight.

27. Under the explanation from the Controller, do you think it would be possible to refuse the money?—I think it could not be refused.

21st Sept., 1872.

28. *Mr. Vogel*.] The Native vote and the Defence are cognate; supposing they were mixed and a sum charged on the Defence vote which should go to the other, would that be paid—supposing the vote was not exceeded?—Yes, it would.

29. *Mr. Speaker*.] You assume the fact of Parliament having the complete control of the public money?—Yes, I do.

30. Will you allow me to ask you whether, in your opinion, it might not be a much more satisfactory mode to do this: that within all the votes granted by Parliament the authority of the Commissioners should be absolute and final?—These are my opinions.

31. May I ask whether it would not be a very much safer course to have an absolute control over the Treasury, and, on the other hand, to appropriate a sum of money yearly for which they should be responsible to Parliament, than to have so little control?—I think so.

32. Is it your opinion that under such a system as that a dead-lock could not exist?—I think not.

33. If the Commissioners did not look into all the votes of Parliament, the Treasurer would have undivided control?—Yes.

34. The present unauthorized expenditure is £40,000. Do you not think the Treasurer should have a supplementary vote of £100,000, and, on the other hand, the power of the Commissioners to be absolute, with respect to the votes granted by Parliament: would the sum of £100,000 be sufficient?—That sum would be more than sufficient.

35. With your experience of the public expenditure, what would be in your opinion a reasonable amount to give to the Treasurer?—I should say about £70,000.

36. Supposing that a sum of £50,000 is voted for Defence, and is expended before the financial year expires, but that at the same period there exists £20,000 to the credit of the "Miscellaneous" vote, could the Treasurer under the Bill as amended apply this £20,000 to Defence purposes?—Yes, he could.

37. If this occurred in the beginning of June, what period would elapse before Parliament was made acquainted with the fact by the Commissioners' report?—That would depend on circumstances. The report of the Commissioners should be laid on the table of the House as early as possible.

38. Would that be the case?—Well, I do not know; the Bill provides that the report should be laid before the House within ten days, but it does not provide that it should be laid by the Commissioners.