money to the Treasury, not a control over the individual payments; it is only a control over the exchequer issues: that is, from the money voted, say, for the army, the control is bound to issue the money for the army to the full extent; but it does not know till afterwards how it is spent. With us control is extended not only to the issue of money but to the payment by means of pre-audit; so that the abandonment of pre-audit would involve the abandonment of control as well.

11. But it is evaded to a very large extent by the system of imprest?—Not to a very large extent; very rarely. It is evaded necessarily in this way: a sum of money is drawn against, say, Vote 3, for payments under Vote 3. It is issued under Vote 3; but practically it may be, or part of it, spent upon Vote 4. When the credit requisition comes up, supported by the voucher showing how the money was spent, Vote 3 is recredited with the whole of the issue, and Vote 4 is debited; removing, in fact, the issue from Vote 3, which originally took place, to Vote 4. But, then, by the recent Acts, the moneys issued on imprest have to be charged to the votes at the time they are issued on imprest. The consequence is that Vote 3 would stand limited by the extent to which money has been issued against it, and might thereby be exhausted. But when the credit requisition comes up, and it is recredited again with money spent on Vote 4, it would be in funds again.

12. *Mr. Barron.*] I observe in your memorandum you say, "From one of pre-audit to the old system of audit after payment, a system which it was the whole object of the Revenues Act to abolish?—I should have said Revenues Acts. It occurred much earlier than the Act of 1878; I think as early as 1874 or 1875.

13. I understand you have no suggestions to make as to amendment of the Act?—No; not as to the question of control or imprest. I have no amendment to suggest.

14. You think the Act sufficient to enable you to have a thorough system of control and audit, if it is strictly observed?—Yes; I think as strict as it is necessary or desirable.

15. Further, you say that what has been done discloses a mode in which the clear intention of Parliament is being, and may be at any time, evaded?—That is, that particular clause in the Act of 1882.

16. But your opinion is that, if the Act was strictly observed, no such system as that you object to in your memorandum could be?—No; the words of that clause, to my mind, are perfectly satisfactory. As far as I am aware of what the intention of Parliament was—what I judge to have been the intention of Parliament by the wording of the Act *(sic)*—it intended to define the latest period at which Parliament should be called together. I think that is effected by those words as nearly as it can be.

17. I suppose you have had a great many years' experience in connection with putting proper interpretation on Acts coming before you?—Yes; I have been seventeen years in office.

18. As one having seventeen years' experience, you would, no doubt, know the proper construction to put on the clause?—I can see only one meaning in the clause.

19. And that, if any system of accounts is followed, such as you refer to in your memorandum, that system would be a clear evasion of the true meaning of the Act which regulates it?—That was the view which I took.

20. You say that this system which you object to has been growing?—I do not object to it. The system of imprest payment has necessarily been growing by extension of those services in which direct payments are impossible; that is to say, those departments in which the large bulk of the expenditure is in wages, and in small expenses which must be immediately met, principally wages. I should say almost all—with very few exceptions—the staff of Government salaried officers are paid direct and not by imprest. Imprestees are specially debarred from paying their own salaries out of imprest accounts.

21. In a postscript to the memorandum you say, "It may be the duty of the Audit Officer to refuse to recognize such payments, or to relieve the Paymaster-General, without the express sanction of Parliament"?—I did refuse to recognize them. I never saw an account. I refused to receive any account until Parliament passed the resolution.

22. *Mr. Montgomery.*] It seems, from the 9th section of "The Public Revenues Act, 1882," that the unexpended balances of any votes besides the unexpended balances of particular votes, could be issued and paid a certain time before the end of the year?—For two months.

23. All unexpended balances before the end of the year could be issued; so that the unexpended balance of the ordinary revenue account could be issued?—No; the £192,000 was the balance at the end of the two months on certain votes.

24. Then, that could be withdrawn from your control on the 31st May?—Yes; and five times as much.

25. That is, the total amount of balances of the ordinary revenue account could be withdrawn on the 31st May. Could the amount standing to the credit of the Public Works Account be withdrawn also?—Yes; the amount that might have been withdrawn is £867,000 altogether.

26. The balances standing in the Audit books unexpended on the 31st May, £800,000, could have been withdrawn from under your control?—Yes. I mean to say that if the £192,000 could have been withdrawn the £867,000 could.

27. Altogether, coming to nearly a million?—No; the £192,000 is included in that.

28. This resolves itself into this: that the whole of the balances upon the ordinary Revenue Account and Public Works Account, £800,000, could have been withdrawn from your control on the 31st May, under the provisions of the Public Revenues Act?—Yes; certainly.

29. And do you not think that such an Act as that is defective, and wants alteration? If this large sum of money could be withdrawn from the control of the Controller, who is appointed by Parliament to control expenditure, should not that Act be altered?—I do not know that I ought to give any opinion on that subject, which is one merely of policy: a question entirely of what power