

Parliament intends to place in the hands of the Controller and the Ministers. I do not think that I should give any opinion on that subject.

30. It is with regard to having efficient control. I am not speaking of audit?—Yes; of control. There is no doubt that, as the Act stands, the power to issue is limited by the balances, and by nothing else. I give no opinion as to whether that is a right or wrong policy.

31. I am not speaking of policy. Does not the control over the public money cease on these unexpended balances?—To the extent of the unexpended balances. That is to say, if I had refused to issue the £192,000, Ministers still have power, under the 54th section, to issue by Order in Council, which would come to exactly the same thing. It would be simply relegating the responsibility from me to the responsibility of Ministers. I think it would have been better if I had refused to issue the requisition and allowed the Government to require its issue under its parliamentary responsibility under that section. The result would have been the same in both cases; but I should have freed myself from all responsibility in the matter.

32. Then, I understand that, if you had declined, as you read the Public Revenues Act, the Governor in Council could have authorized the issue of the money?—Yes.

33. And you state that it would have been better had you declined and left the responsibility on them?—Yes; I think it would have been better; because I think perhaps I might have said that this money is obviously going to be spent illegally—although the issue of it is legal at the present moment, yet it is going to be spent, and must be spent, in an illegal manner; and therefore I might have been justified in refusing to issue it, and leaving the Government to do so on its own responsibility. It would have made no difference as to the result.

34. You drew the attention of Parliament to the fact that, "As the point is one seriously affecting the manner in which the duties of the Controller and Auditor-General are to be fulfilled, I have the honour respectively to request that this memorandum, together with the requisition to which it relates, may be laid before Parliament as soon as it meets." What was your object in writing that? Was it as to whether the Revenues Act should be altered?—No; it was simply because I thought Parliament ought to know that what I thought was a questionable interpretation of the Act had been made use of by the Government.

35. Then, you think the Act is so clear in itself that it does not require amendment?—It depends entirely on what the intention of Parliament is. If the intention of Parliament is that no money should be issued or spent after a certain day, then, of course, as the meaning of those words has been doubted, it could be put into more forcible language; but, as I interpret the Act, no more forcible language is required.

36. "To issue and pay moneys during such two months, but no longer," how do you read that?—Perhaps it would be clearer to the Committee if they would allow me to read a memorandum which I have written on the subject, as follows:—I desire respectfully to lay before the Committee my reasons for thinking that the action taken by me, and the views expressed in my memorandum to the Hon. the Colonial Treasurer of the 31st May last, were strictly in accordance with the duties imposed on me, and in accordance with law. The words "issue" and "pay" used in the 9th section of "The Public Revenues Act, 1882," mean different things; and therefore public moneys can be lawfully neither issued nor paid after the 31st day of May. The word "issue" is derived from the ancient law and practice of the Exchequer from the earliest Norman times. The revenues of the Crown were paid into the Exchequer or accounted for therein; and were issued only by writ of the King under the Great or Privy Seal. Certain payments were, however, made without writ, by what was termed the "ancient custom of the Exchequer." Certain fixed payments were also made by writ of the King, by the Sheriffs, and other accountants which were allowed at the Exchequer, although not paid in money; but the term "issues" applied to moneys issued out of the Exchequer, both under writ and custom of the Exchequer; and the name has been used from the time of the Conquest to the present day, and is still used, in the accounts rendered to Parliament, in the same sense. By the Exchequer and Audit Act, 30 Vict., c. 39 (the latest Act fixing the practice of paying and accounting for public moneys), two distinct kinds of accounts are required to be kept. The one required by the 16th section is to be prepared "by the Treasury," and is "an account of the public income and expenditure of the United Kingdom, according to the actual receipt and issue of moneys on the Exchequer accounts at the Bank of England and the Bank of Ireland in the twelve months ending on each quarter-day." The second account is that required by the 22nd section of the Act, and is called "the Appropriation Account." It is directed to be prepared by the several departments, and to be an account "of the moneys expended for the services to which they may respectively relate." On the charge side is to appear the sums appropriated by Parliament for service, and on the discharge side (see section 24) "the sums which may have actually come in the course of payment within the same period; and no imprest or advance of the application of which an account may not have been rendered to and allowed by the accounting department shall be included on the discharge side thereof." In this, which is the latest Act on the management of the finances of England, the ancient system of the Exchequer and the distinction between issues and payments are preserved. Further, however, than to show that the words in question have a technical meaning, it is not necessary to go outside the provisions of the Acts in this colony, which are at present in force, and in which those words occur. It will be seen that the same distinction is carefully preserved. I first call attention to the title of Part V. of the Act. It is "*of the issue and expenditure of public moneys.*" Next I refer to the Governor's warrant (see section 40 and Schedule 3, "Public Revenues Act, 1878"), and find it is a warrant to the Treasurer to "issue out of the Public Account—moneys amounting to—, and to cause the same to be paid to such persons as may become entitled thereto," &c. The Controller is required to certify on the warrant that the *issue* is according to law; not that the *payment* is so. The provisions as to the *payments* are contained in the 41st, 42nd, and 43rd sections of the Act of 1878. First: The vouchers must be sent