been in no way altered by the action suggested; for the 50th section only empowers the Governor in Council to "settle the matter in dispute," which would have been whether the requisition should be passed and the money issued, but would have left untouched the question of the subsequent illegal use of the money. I desire also to add that my request to the Government to lay my memorandum before Parliament was a mere act of courtesy on my part, and that I regret that, if such was considered irregular, I was not informed of it at the time, so that I might have reported direct to the House. As to the matter being one of small importance, I think it right to point out to the Committee that the balances on which the Government might, had they chosen, have operated amounted on the 31st May to more than £867,000, and that they could have drawn the whole of that sum, or, at least, so much as was available in the bank both here and in London, upon exactly the same grounds as those on which they drew the £192,000 which is the subject of this minute.

37. *Mr. Dargaville.*] With reference to the 44th section, do I understand that, as a matter of policy, the Act cannot be deemed to require alteration?—I think that the effect of the Act is to sanction exactly what has taken place. The control is powerless after the 31st May. Whether it is desirable it should be so or not I express no opinion, but, strictly, it is powerless after the 31st May.

38. The control is powerless after the 31st May?—Yes; that is to say, within the limit of the balances.

39. You have also said, in your memorandum, that payments after the 31st May, by your reading of the Act, are clearly and distinctly illegal?—That is my view. The illegality, I think, is always covered by the resolution subsequently passed by Parliament. I considered myself bound to pass all the credit requisitions since the House passed the resolution.

40. But not to pass them without that?—Not without that, because I should have had no parliamentary authority for the expenditure.

41. You do not say that the present system is a satisfactory one, which allows the issue of a large sum of money, say £800,000, on the last day money can be issued, although you consider the paying of money after the 31st May is illegal—do you not think the Act requires alteration?—I did not say that. I said I expressed no opinion on the subject. It is a matter entirely for Parliament to say what restrictions it thinks right to place on the Government. I look upon it that that is the effect of the Act as it now stands.

42. With reference to the 44th and 45th sections of the Act, providing for unauthorized expenditure: "The Audit Office shall, upon such requisitions, from time to time issue orders for the payment of vouchers in excess of or without the appropriation of Parliament." If an attempt is made under that section to induce you to pass an account which is not only in excess of or without appropriation of Parliament, but contrary to an existing statute, would you feel that it was your duty to pass that?—It has always been a matter of doubt upon my mind that has never yet been decided. I should be very glad to have it decided. The practice hitherto has been that the Audit has no control at all over the unauthorized expenditure. The Government may do what they like with it. The meaning of the unauthorized expenditure is virtually that the expenditure is relegated to Parliament for its authority. It is taken out of our hands and relegated to Parliament; but I am not prepared to say that the very strict interpretation of that would not entitle us to refuse to issue, even as "unauthorized," when there is a distinct prohibition on the part of the law to the payment of money in a particular way. I do not express any opinion on the subject, but I think it is one of the doubts which had probably be better cleared up.

43. You think the Act might, with advantage, be made more clear on that particular point?—Yes; that is to say, if Parliament would wish to restrict the Government to that extent, I think words should be put in to that effect; but, if it does not, I think the Act may stand as it is.

44. *Hon. Major Atkinson.*] Would you give us an instance of what you mean by the payment of money being forbidden? In the case of a member of Parliament being a member of a Waste Lands Board, if the law forbids, as it does now, a sum exceeding £50 in a year, would you have such moneys on requisition under this clause to be charged against unauthorized?—As far as the control is concerned it would be a great godsend to us if Parliament would put its views into much more distinct language. Nothing gives us more annoyance than that one question with regard to members of Parliament and Commissions and Waste Lands Boards. The words of the Act are that these gentlemen shall be allowed the money "actually expended" in travelling expenses—actually expended. Well, they practically do not take the trouble of keeping their under bills—of course, if we limit them to actual expenditure, we require vouchers for all expenditure, and this is a great annoyance to them. Therefore they always endeavour to convert it into an allowance of, say, £1 a day. Commissioners and members of Land Boards want to have so much a day for travelling expenses. That is clearly not in accordance with the law. The law says, "travelling expenses actually incurred." We have fought against it as far as we possibly could, but we are obliged to pass the payments. At the present moment the question of payments to members of Land Boards is a constant irritation and annoyance. As to the question of payment to members of Parliament, the whole matter has been relegated to the Speakers of the two Houses, and we never inquire into it at all. If the Speaker says that the expenditure is according to law, we do not question it. It is not only an annoyance, but amounts almost to public indecency, being brought into constant collision with members of Parliament. There was one case I remember—an exceedingly hard case—in which we were obliged to refuse expenditure incurred through a member being kept four days by the rising of the rivers when going to the West Coast. He had no bills, no sub-vouchers, and we could not pass the account. I expressed my opinion very strongly that he was entitled to the money, but he could not show that he had expended it; he had no bills, and he never got the money. I think that is an actual prohibition—providing that actual travelling expenses only shall be paid.

45. In your opinion the Act ought to be made more clear on that?—I wish it was all commuted into travelling allowance, and then there would be no dispute at all.