46. *Mr. Dargaville.*] With reference to the sum of £100,000 allowed for unauthorized: from your experience of other places, is it not a large sum in proportion to our expenditure to be allowed as unauthorized during the year?—It is the same as New South Wales, but slightly different in form. There it is put in the form of an advance to the Colonial Treasurer. It is virtually the same sum: but in New Zealand it is £200,000 practically, because there is £100,000 in each financial year. If, after the 31st March, the Government desires another £100,000 as unauthorized, they can take it, and carry on until Parliament passes the Appropriation Act. After that the whole of the unauthorized spent up to that time is included in the Appropriation Act, and transferred to the proper votes. Then they get another £100,000 immediately after; so that during part of the year, up to the time of the passing of the Appropriation Act, there may be £200,000 of unauthorized expenditure outstanding.

47. And immediately after the rising of Parliament another £100,000?—Immediately after the rising of Parliament there is no unauthorized expenditure. The account has been closed by transfer to the votes just passed.

48. It is possible for the Government to draw as much as £300,000 within fifteen or sixteen months, as the law now stands?—No; there can never be more than £200,000 outstanding: the £100,000 on the former year, and the £100,000 after the 31st March.

49. With reference to the form of our Appropriation Act here, the votes are in large sums under each department. The practice in some of the colonies is that the estimates are affixed to and form part of the Appropriation Act. Does it not afford an additional control to have the estimates incorporated with the Appropriation Act in that way?—Yes. Of course, it would oblige us to keep a separate account of expenditure for each item, as well as under each vote.

50. And to see not only that the vote is not exceeded in amount, but the items as voted by Parliament are applied to the purposes for which they are voted?—Yes. The practice in other colonies varies. In one colony the votes are very much detailed: there are several hundred votes. In Victoria I think they take the whole vote, and items and sub-items too.

51. That is in New South Wales, I think. In Victoria I think you will find that the estimates are part of the Appropriation Act, but in New South Wales it is not so?—In some other colonies the estimates are part of the Appropriation Act, and it was so in New Zealand until within the last ten years.

52. Are you aware of any reason why that practice was departed from?—No, I am not. I think it was to bring the New Zealand Appropriation Act more in conformity with the English Appropriation Act. The estimates form no part of the English Appropriation Act.

53. It has transpired recently that on one occasion the Treasury was able, by the withholding of a certain account from London, to expend a larger amount than was appropriated for immigration purposes in the year 1875. Is there no provision under the Public Revenues Act by which the control could force these accounts to be charged against the vote?—Not at that time; but in consequence of this transaction the law was entirely altered in the same year. Such a transaction could not occur now. The matter was all before Parliament at the time, and Parliament altered the law in 1875. All imprest must now be charged to the vote when issued on imprest. The question is therefore settled for ever.

54. It was stated that, with the assistance of the Controller, the Treasurer was enabled to evade the law and to spend illegally £150,000, by the suppression of certain vouchers; that is to say, by withholding certain accounts to be charged against a vote. You say that, under the present Act, such an evasion as that is impossible?—Certainly.

55. Could you give us the particulars of the case?—The case was this: The Government, relying on a certain interpretation of the Acts appropriating the loans from 1870 to 1874, incurred expenditure in England on immigration which they considered to be within the appropriations. The Audit Office took a different view, and the issuing balance on the Immigration vote in the Audit ledgers would not cover the expenditure or permit of further issues. The Treasury, after much discussion, accepted the Audit reading of the Acts. At that time (1875) expenditure in England was not under control at all. The money was in England, and the Agent-General spent it under instructions from the Government. The Audit knew nothing about it till the accounts came out. In order to leave the balance in the Audit book as it was, available for future issues, the Treasurer determined not to send up the Agent-General's accounts to audit till Parliament met. The Audit could do nothing whatever in the matter. The statement, therefore, made by the Hon. the Colonial Treasurer in Parliament that, as reported in *Hansard*, "with the consent and assistance of the Controller public money was spent to the extent of £150,000, without the authority of this House," conveys the impression that the Controller was guilty of violating the law and neglecting to fulfil his duty. Such is not the fact, as the Parliamentary Paper, B.-6, Appendix, 1875, conclusively proves. I was, of course, aware of the course Government proposed to adopt, the whole matter being discussed for some time; but I had no duty whatever in the matter, and no means of obtaining the accounts in question. I only stipulated that the correspondence should be submitted to Parliament, which was done. The fact that the law was altered the same session, and the control extended to moneys in England, and the Controller's order made necessary to the issue of money from the London bank, so that any expenditure must be charged against the votes before it could take place, sufficiently proves that, in the opinion of Parliament, the over-expenditure did not arise from any default in the Controller, but from a defect in the law itself.

56. With reference to the operation of the 50th section: "If the Audit Office declines to pass any issue or credit requisition on the ground that the charges therein are not according to law, the matter in dispute shall be determined by the Governor in Council, having before him the opinion of the Attorney-General thereon; but the objections of the Audit Office shall, together with the opinion of the Attorney-General, be laid before Parliament. Does not that clause operate so as to supersede your control absolutely?—Absolutely.