in support of the requisition; and, therefore, we issue money to pay particular vouchers we have already audited. But, with regard to an imprest, it simply comes up one voucher for the imprest, and we should have seen in a moment that this large imprest was not the usual imprest required for, say, the constabulary or the railways, the necessary amounts of which to be issued from time to time we know as well as the department, and we should have seen at a glance that it was intended to make all payments out of imprest. We should have remonstrated, and stated that that was not the intention of the Act, and that we should have to report the matter to Parliament.

73. It is your duty to see that the amount of the money is at the credit of the vote, and that it is issued for the purpose and expended under that vote?—Yes; and issued upon actual vouchers.

74. Would you have control over the moneys got out on the 31st May to see that a portion of one vote was not applied for the purposes of another vote, and that one vote was not exceeded in that way?—The votes could not be exceeded. Any excess would be charged to unauthorized.

75. With regard to this interpretation of what is meant by payment, has the Treasurer any control over these moneys when paid to the imprestee?—The imprestee has to account to the Treasurer. The imprestee discharges himself by sending up receipted vouchers for the way he has expended the money. He sends them up to his department in order that the vouchers may be authorized by the Minister. If the imprestee has expended the money wrongly, the Minister would refuse to send it on at all to us. We should know nothing about it. On our books then the imprestee would owe so much money, not lessened by the amount which the Minister had disallowed, and at the proper time we should order him to pay the balance back to the Public Account.

76. That is the ordinary way things are done, but, in that particular case, if the money was drawn out of these unexpended balances, and was authorized by your department, would the Paymaster-General, as imprestee, deal with it in accordance with the demands of each vote; would the Treasurer still have control over it in that particular case?—He would have to sanction the whole of the expenditure. The vouchers would all have to come up through him to support his credit requisition.

77. It would still be under his control?—Under the control of the department having the control of those votes on which the money was issued in the first instance, and would have to be sanctioned by the Minister in charge of the department.

78. *Mr. Wright.*] You stated that about one-third of the total payments were necessarily made in imprest?—I fancy it approaches to that.

79. Could you say how much of the large sum of £192,000 referred to was for payment necessarily under imprest?—No. I could easily let you know by referring to the books.

80. Had this payment been withheld, would not considerable public inconvenience have arisen, in so far as officers of the departments and men of the railway service would have been without receipt of their wages?—I should think so.

81. There would have been great public inconvenience?—Very great I should say. A great many people would not have got their salaries.

82. You stated that the issue of this £192,000, although not an infringement of the Act, was in your opinion an evasion of the law?—The issue was not actually contrary to law.

83. And there was no evasion?—I think it was an evasion, because it was an issue made for the purpose of doing an illegality.

84. Knowing that the Governor in Council could issue this money, was it not your duty to have refused if you felt that an illegality was being committed or was contemplated?—I think we should have been justified in refusing, although I think we were technically right in issuing; but, in fact, I did not think of the other process at the time.

85. As a matter of fact, could not the Government immediately after Parliament rose withdraw the whole of the unexpended balances of the votes?—No; there are two limits. In the first place we should not issue any money unless it was in the bank—cash in the bank; and in the next place we should not issue unless it was standing to the credit of the ways and means account of the funds. There are these two limits: the money in the bank, and the money to the credit of each fund; beyond that we would not go under any circumstances whatever.

86. But, subject to the fact of money being in the bank, could not the Government withdraw the whole of the votes unexpended by way of imprest, and not be limited to the balances unexpended at the end of the financial year?—That is so.

87. That being so, will you state how it is that you consider that the power of the Controller is avoided after the 31st May, and not avoided before that period, if the Government could withdraw the whole of the votes immediately after Parliament was prorogued. Practically you have no control at any time so far as to withdrawal by imprest, subject only to the fact of its being in the bank?—We should of course call on them to account for the imprest, call on the different imprestees to account, or the one imprestee to account. We could pass the accounts before the 31st May, relieving him, and charging the expenditure to the proper votes; but I do not know what we could do if he refused to account.

88. And yet you stated, in your opinion, you do not see in what way the Act could be amended?—Pardon me; I said I did not think it was part of my duty to suggest in what way it could be amended. It depends entirely on what Parliament thinks should be the limit of the restraint put on the Government. But I do not know what the intentions of Parliament are. There is no question at all that the whole purpose of the Act might be evaded at present by the imprest system.

NOTE.—Mr. Fitzgerald wishes to add the following to the answer given to the Committee:—"Except by compelling him to account by prosecuting him for the penalties provided by the Revenues Act."