

89. And had you felt satisfied that any illegal expenditure was contemplated by the withdrawal of the £192,000, manifestly it would have been your duty to have refused the issue?—No; I only repeat what I said before. I think we might have been justified morally in refusing, but I do not think legally we were required to refuse.

90. Looking to the fact of the public inconvenience which would have resulted from your action, did not that influence you in passing this amount?—I should not have looked to that at all. It was no business of mine. I should like to mention a way in which frequently the control has been not only evaded but absolutely frustrated by the Government. A voucher is sent up to issue money for a certain purpose. We have sent down to object to it for some reason or other; the Government writes upon the voucher, "To the Cashier of the Treasury: Pay this." If we have even refused to issue money to the imprestee for some reason or other until we have made some further inquiries, the Government have evaded it, by saying to the cashier, "Pay the money."

91. And the cashier is bound to pay it?—Yes; he always has a small imprest of £1,000 or £2,000. In that way the pre-audit is frustrated.

92. I should be glad if you would explain the statement made in the early part of your examination, and that is, would there not be an irregularity in spending money under Vote 4, that was applied for and issued under Vote 3?—No; we might call it an irregularity. It is constantly done, and must be done, for the public service.

93. The Votes 3 and 4 being in the same branches of the service?—Yes; and even in different branches.

94. It is customary in the Public Works Estimates to take a vote for a very large lump sum in connection with railways for additions and alterations, say, for the Hurunui-Bluff. For instance, you may find in last year's estimates, I think, £212,000 voted without being specially appropriated to particular works. Do you think that a desirable practice?—From one point of view it is most undesirable. I think the practice followed in New South Wales, where the votes are very detailed, is a much better one; but in practice it has been found that, where the votes in the Public Works are not sufficiently comprehensive, the department has great difficulty in making up the accounts, and often makes them up at first wrong, and has to make a great number of adjustments to get them right. For instance, "rails." They have spent money, say, on rails from Christchurch to the Bluff, but on which small section they have been used is matter of very great doubt until the whole account comes to be cleared up; and I know that a number of transfers occur from one vote to the other subsequently.

95. On the other hand, do you not think it would tend to economy in the department if they were compelled to estimate beforehand their special requirements, and have the money allocated to particular works?—So it would. But there is a great difficulty about rails. Rails come out to a very large order from England, and they must be charged to some vote, and yet the department does not know at the moment where they will be used, and so, where there is a vote for each section, they may be charged to one vote, and have to be recharged to other votes when expended in other places.

96. Doubtless, so far as the rails are concerned; but, apart from that, is not great latitude given to the Public Works Minister in dealing with this large grant under the particular form of the appropriation?—Very much more than is necessary in other branches than railways. For instance, in the Miscellaneous Vote in the Public Works there is often included in one vote, say £2,000, for a bridge in Southland, with £3,000 or £4,000 for something at the Thames or Auckland. Under the Miscellaneous Vote the Government are perfectly at liberty to spend the vote in Auckland for works elsewhere. As to those miscellaneous votes, my opinion always has been that they ought to be broken up and made into separate votes. The Miscellaneous Public Works Vote is a most mischievous one.

97. *Mr. Barron.*] You have said that it would have caused considerable public inconvenience had the Government adopted any other course than that which they did take?—No; great public inconvenience if the money had not been paid.

98. Just so. Of course it is no business of yours to take into consideration public convenience. Your business is to see that the law is observed and complied with; and as to public convenience that is a question for the Government?—Yes.

99. And the breach of the law, as well as any public inconvenience—if any public inconvenience had arisen from observing the law—could have been avoided by the Government calling Parliament together earlier?—Perfectly.

100. *The Chairman.*] In Victoria, for instance, where they have no unforeseen or unauthorized expenditure, have not the Government power to transfer from one item to another item under the same subdivision or under the same vote?—They must have unforeseen expenditure. I forget at this moment exactly, but I will look it up and inform the Committee.

101. I think you will find they have power to transfer from one subdivision to another item in the same subdivision?—I think they have a vote for contingencies. I will look it up and let you know.

102. *Mr. Montgomery.*] There are recoveries in the shape of receipts paid to the credit of an account. Can these be again paid out without appropriation?—They are appropriated by the Public Revenues Act, and the estimated recoveries are abated on the votes in the estimates.

103. So that it is an appropriation, in point of fact?—That has not been done before this year. It is very large in the railways. I suppose the railways do £20,000 worth of work a year for other departments.