

estimates, because, if I am reading it correctly, it is a matter entirely pending negotiation at the time of writing—that is to say, the negotiation does not appear to have been closed at the time of writing the letter.

554. I understand you to mean that the Government usually puts sums of money on the estimates when the negotiations are closed, or as soon as they have decided to make the expenditure?—I should say so, generally speaking; but this letter does not disclose that they had decided. It is merely a negotiation pending.

555. *Mr. Macdonald.*] Will you read the letter of the 20th August. The final letter is dated the 12th September?—Well, speaking from memory, that would be late in the session.

556. *The Chairman.*] The supplementary estimates were sent in on the 13th September?—Of course, a great deal hangs upon that. If the supplementary estimates were sent down to the House on the 13th September the question would be whether there was time between the 25th July, when it was only a negotiation pending, and the 13th September, after the letter was written affirming the agreement between the parties—whether there was time to place it upon the estimates.

557. When a Government decides upon an expenditure—say, a sum of money is wanted for a bridge—you do not keep that off the estimates because the contract has not been signed?—But there may be a law governing those operations. You are, I think, speaking of payments out of Public Works Fund, and there are laws governing the appropriation of moneys there. In this instance it is a sum of money which would be paid in the ordinary way out of Consolidated. I should say, in the ordinary course, the money would be placed upon the estimates if there was a reasonable prospect of its being required to be paid within the financial year. As to whether it should or should not have been placed upon the estimates is entirely a Ministerial question. In the ordinary course of things a sum of money is placed upon the estimates if it is contemplated to be spent within the year.

558. Or any considerable portion of it within the year?—Yes; I may say that is the practice.

559. At all events, there is nothing to prevent its being done if the Government wished to do so. Having decided to spend the amount, as they evidently had done, there is nothing to prevent the sum being placed upon the estimates?—Well, it is perhaps dependent upon whether the Minister considered the negotiations completed in time to place the money upon the estimates. I should almost think, without being aware of the actual facts—I am taking the Commissioners' word for it—that the 13th of September was the day on which the supplementary estimates were placed upon the table of the House. If the Minister decided that he would not provide for the money until his negotiations had come to a more satisfactory conclusion there would not be time to get the money on the supplementary estimates without introducing further supplementary estimates, and they might consider that unnecessary. There are so many of these things governing a Minister's ideas and opinions.

560. If a Government so far decides to make an offer as they have done, would you not expect, under those circumstances, that the Government would put it down on the estimates for the current year, and not leave it to go over to the next year, and charge it to "Unauthorised expenditure"?—No; I should not think they would be inclined to put it down as an ordinary thing.

*The Chairman:* Mr. Heywood seems to me to have now contradicted himself.

*Mr. Heywood:* Not at all.

561. *The Chairman.*] What we would like to get clearly from you is, What is the ordinary practice when a Government contemplates an expenditure, and has given instructions that they are prepared, we will say, to purchase a block of land for £3,000: is it usual for them to make any reference to that effect in the estimates, or the supplementary estimates, for the year, or would they wait until the expenditure has been actually incurred before taking the House into their confidence as to what they intended to do?—I think they would provide for it on the estimates if they considered the expenditure was going to take place within the year.

562. Or any considerable portion of it?—Yes.

563. Suppose that in a number of such cases they failed to make provision for the items on the estimates for the year, would it not seriously embarrass the Treasurer in making arrangements for finance?—I think so, certainly.

564. *Mr. Baker.*] Whose duty would it be to put the amount on the estimates?—The duty of the Minister in charge of the department.

565. And he would get it from his Under-Secretary?—Yes. The only point in my mind is this: The conclusion of the negotiations must have bordered very closely on the 13th of September, when the estimates went to the House, so that the Under-Secretary may not have been able to send the information to the Treasury in time.

566. *Mr. Macdonald.*] Is it not a fact that the supplementary estimates are very often altered up to the last moment before they go the House—within an hour or so?—Yes.

567. So that if the estimates were sent to the House on the 13th of September they might be altered on the morning of the 13th?—Yes; they might be so.

568. *The Chairman.*] Can you tell us what date the last estimates did go down to the House?—Not from memory.

569. I may say that I got that information from the officer who was in charge at the Treasury when I called there?—Any information he gave you would be perfectly correct.

570. I think we understand now that in the ordinary course of things you would expect that sum to be placed on the estimates if there was a reasonable prospect of its being expended within the year?—Yes.

C. B. MORISON examined.

571. *The Chairman.*] You have acted as Mr. Love's solicitor?—Yes; I was acting for Mr. Love in defending an action brought against him for recovery of the Polhill Gully lands in the Supreme