

44. Then, all you have to state with regard to the Treasury not having supplied the Post Office with money on imprest is gathered from this memorandum, and you say the practice has been going on for years. That would not prove a want on the part of the Treasury to supply the money?—It would in the light of this memorandum. The fact is that the payments exceed the amount available.

45. But this letter of Mr. Gray's says: "When the imprest requisitions are not promptly satisfied, renewed applications are made to the Treasury. This is frequently done"—I should understand that to mean that applications are not complied with in due course, and that it is necessary in those cases for the Post Office to renew the applications.

46. At all events, it is on that you base your evidence as to the Treasury not having supplied the Post Office with moneys on imprest?—That and the accounts.

47. You said that the Postmasters are not aware whether there is sufficient money in the hands of the Head Office to meet the charges at the time they make the payments?—That is my impression.

48. Have you any evidence of that?—I was in charge of the Accountant's Office in the Post Office for many years—in fact, I set up the system of accounts there myself, or had a good deal to do with it—and I do not see how a Postmaster could know, when making payments, whether there was sufficient money to meet them or not in the hands of the Postmaster-General.

49. It is because you were in the Post Office many years ago that you cannot see how the Postmasters can know that they have the money there now?—I do not think so.

50. You say that has been going on for many years?—Yes.

51. Was it going on when you were in the Post Office?—I do not recollect, but I dare say there were cases of it.

52. Was the law the same then as it is now?—Yes.

53. Do you think James Edward FitzGerald was as careful in conserving the interests of the colony as you are?—I should think so.

55. He never called attention to this?—No; I think I was the first to call attention to it in this way.

56. You have said that there is no danger of fraud or loss to the State in any way?—I have said there was no danger of fraud, and I do not think there is; but the question is a question of mere law.

57. And an interpretation of the law?—Yes.

58. Might there not be a grave case of inconvenience arising in this way. Admitting that the Treasury has not supplied the Head Office with the money as demanded, a person comes to draw money out of the Post-Office Savings-Bank at a branch office, and the Postmaster says, "I cannot pay this because I have not received the money from the Head Office"?—The money for the business of the Savings-Bank should always be sure. If all the moneys in the hands of the Postmaster-General and his Postmasters were immediately required from him on all accounts, then, of course, he could not pay immediately the amounts he had overpaid for services for which imprests were required, and which he had paid out of trust moneys.

59. Now I see the danger. If every person on a given day drew out his money there would be a shortage, and it is for that reason you have called attention to this matter?—No; I have only inquired what is the law.

60. You said in principle it is dangerous to take trust money: does it necessarily follow that it is trust money? Is it all trust money, or what proportion of it is trust money?—All the money here is trust money. The Money-order Account, Savings-Bank, Telegraphs, Postal Revenue Account, General Account—every one of these accounts is of trust moneys. There is not one of these accounts that yields money which the Postmaster-General is authorised to use for the voted services.

61. That is not the question. The question is whether it must necessarily be trust money. You are satisfied that, at all events, the Postal Department has kept within its appropriation: there has been no breach in that respect?—I do not know of any.

62. And if the worst comes to the worst, the most serious thing would be when claims were put in that could not be met?—Yes; if the Treasury had not the means of supplying the imprest money required for services paid, of course there would be a deficiency on other accounts.

63. Has the Treasury taken sufficient to meet all hitherto? Has there been a deficiency on the part of the Treasury? If your interpretation of Mr. Gray's memorandum is correct there might be some little delay in meeting the requisition: has there been any case where the Treasury has not had sufficient power to meet the requirements of the Post Office?—The Treasury would, I understand, have sufficient power to meet, if it had the votes, all the payments of the Post Office.

64. The votes taken, you say, have not been exceeded—you have admitted that?—Yes.

65. Then, the Treasury has sufficient appropriation to meet all these payments—that follows as a natural sequence?—Yes.

66. There might be a little delay in meeting these requisitions, but it was only a matter of a little time?—Yes, I am not disputing that.

67. Then, supposing this contingency you fear might arise some day—these claims—it is only a question whether the Treasury would have power to meet it—there would be no deficiency?—It might happen that the votes have been overrun.

68. Have you ever known a case in the Postal Department where a vote had been overrun, or exceeded the amount of the appropriation, or where the money had to be found by "unauthorised"?—No, I do not know of any case. My motive in taking exception to the account was to show that there was a breach of the law.

69. It is rather a serious matter when you put these tags on documents sent to Parliament?—It would be a very much more serious matter not to take exception to what I deem to be breaches