MINUTES preceding the passing, and written on Back, of above Voucher.

No. 57.

Where are these rails and sleepers, and the certificates for delivery and receipts?—J. K. WARBURTON, 2nd March, 1898.

Particulars and certificates now attached.—GEO. FELTON, Stores Manager, 2nd March, 1898.

Please attach papers.—J. K. WARBURTON, 2nd March, 1898.

P.W. 98/609 attached.—R. J. COLLINS, 2nd March, 1898.

FURTHER MINUTES preceding the passing of the Transfer.

Mr. Gavin. Audit Office, 3rd March, 1898.

THE papers indicate to me that it has been as much the consideration how the Working Railways could be accommodated as whether the requirements of the Public Works Department were such as to render the purchase expedient.

The immediate inference might accordingly be that the great bulk of this kind of the stock of the Department of Working Railways has been accumulated in excess of the departmental requirements; that the department is in the ordinary course of business under such circumstances realising the surplus stock for cash—cash which, as recoveries, is to go to the credit of the vote for Working Railways; and that the realisation is an act of administration with which the Audit Office would have nothing to do.

If, however, the department does not possess the stock so largely in excess of the requirements, and the great purpose of the realisation is a temporary pecuniary accommodation—that is to say, if the department will next year require to purchase again stock such as it is proposed to realise now—it is not clear that the Audit Office would be justified in allowing the operation by passing unchallenged the entries of the transfers as entries of pecuniary transactions contemplated or even authorised by the appropriations.

But if the operation could be regarded as justified by the appropriations the fact that the result would obviously be not only to enlarge the balance of the Consolidated Fund and to correspondingly enlarge the appropriation for Working Railways, but to do so only for the moment by means of borrowed money might not come within the scope of considerations that should influence the judgment of the Audit Office.

The question consequently arises whether, in view of the aspects in which the transaction appears to the Audit Office, the Minister for Public Works should not be asked to confirm his approval of the transfer, and whether with this approval the transfer should then be passed by the Audit Office without reporting the matter to Parliament.

J. K. WARBURTON,
Controller and Auditor-General.

Mr. Warburton.

I THINK the course indicated in the last paragraph should be followed, and the matter brought under the notice of Parliament, unless a satisfactory explanation of the transactions can be given. The papers submitted are by no means satisfactory, to my mind.

J. C. GAVIN,
Assistant Controller and Auditor.

3rd March, 1898.

FORWARDED for consideration accordingly.—J. K. WARBURTON, Controller and Auditor-General, 3rd March, 1898.

The Audit Office.

THE approval of the Minister for Public Works to the proposed transfer of £15,000 is given in the papers attached.

JAS. B. HEYWOOD.

3rd March, 1898.

The Treasury.

I WOULD ask that the Minister should confirm his approval, after reading these memoranda.

J. K. WARBURTON,
Controller and Auditor-General.

3rd March, 1898.

APPROVAL confirmed.—W. H. J., 3rd March, 1898.

FOR the Audit Office.—JAS. B. HEYWOOD, 3rd March, 1898.

IT is now requested that the papers of the Working Railways Department relative to this transaction may be attached.—J. K. WARBURTON, Controller and Auditor-General, 3rd March, 1898.

THERE are no papers in connection with this matter.—T. RONAYNE, General Manager, 4th March, 1898.

FOR the Audit Office.—JAS. B. HEYWOOD, 4th March, 1898.

The Treasury. Audit Office, 4th March, 1898.

IN the Department of Working Railways, the department which is realising the stock, there are no papers in connection with the proposed transfer or realisation; while the papers of the Department of Public Works, the department which is taking over the stock, record, as to the transfer, no communications up to the date, but those of which the following are copies:—