41. *Mr. W. Fraser.*] Has this money been paid; and, if so, from what vote?—It has been paid as a charge to Vote 48, I think. I forget exactly.

42. I understand it was in excess of the £100 provided for in Vote 48. This amount is £566. How can you pay £566 out of £100? How did the dispute arise?—The item for the remission of stamp duty on the estates of deceased members of contingents was considered by the Audit Office to be specific, and not applicable to charges of more than £100. Therefore when an overcharge for £566 came in we refused to pass it.

43. *Hon. Sir J. G. Ward.*] The item was one item of a particular vote?—Yes.

44. And the vote was largely in excess of the £566?—Yes. The item was for £100, but the vote was for a larger sum.

45. *Mr. W. Fraser.*] Then, you objected to the £566 being paid out of Vote 48?—I did, because the item in the vote for £100 was a specific one, and the statute did not give the exemption which would have enabled the remission of stamp duty in this case to be made. The remission was in conflict with the statute, and the item was therefore considered by the Audit Office to be a specific one.

46. Is there power under the Public Revenues Act to transfer from one vote in the same class to another, or are they bound by the item?—I will give you an instance of a specific item. An item for the remission of Customs duty on certain articles in respect of which duty is payable is placed on the estimates. In that case the whole vote under which the item appears does not become available. It is like an item for a compassionate or specific allowance to a particular individual.

47. *Hon. Sir J. G. Ward.*] Is it the fact that the Vote 48, not the item, had ample money in it to enable that payment to be made out of it?—I think it had.

48. Previous to your questioning this £100 were there other payments of the same kind?—There were, and through inadvertence of the office they were passed, but when this one came under consideration it was thought necessary to remark upon it.

49. You think, then, it should have been paid out of "Unauthorised"?—That question was not raised, but we should not have objected to that being done.

50. The vote was ample, but you objected to the expenditure of this item?—I objected to the expenditure of this amount in the remission of stamp duty, although the item was comprised in a vote for a larger sum, because the statute required that the revenue should be collected, and did not provide for the remission in this item. The statute was against a remission beyond what was provided for in the item itself, and therefore the Audit Office looked upon this as a specific item.

51. If you had a vote for, say, £25,000 for road expenditure, and there were various items from £500 to £1,500: if the total vote was not exceeded, would you think it necessary to put the machinery of the Audit Office into operation to show that a particular item was exceeded?—Not unless it was a specific one. I am not speaking upon abstract questions just now.

52. *Mr. J. Allen.*] In a vote where there are separate items, would the Audit Office consider it right to question the excess paid over the amount laid down for the item unless paid out of "Unauthorised"?—If an item was not a specific item of the vote in question the Audit Office would not regard the item as more than determining one of the purposes to which the vote was to be devoted as a whole. If there was money in the vote available, I should allow the expenditure on the items without regard to their amounts; but if there was an item in the estimates for the remission, not coming under the statute, of a duty which it made payable, I would not allow the expenditure of the specific item to exceed the amount of such item.

53. But not if paid out of "Unauthorised"?—We should not have objected to its being paid out of "Unauthorised."

54. If paid out of "Unauthorised," could the amount exceed the item?—There are many items which are exceeded. The great majority of them can be exceeded, if there is sufficient money in the vote; but this would not apply in the present case. Section 3 of "The Public Revenues Acts Amendment Act, 1900," provides: "In any case where any payment of an item is provided for in the estimates as passed by the House of Representatives, and is included in the total of the vote in the Appropriation Act, such payment of the said item may be lawfully paid, anything in any Act to the contrary notwithstanding; and the said payment shall be deemed to be irrespective of any appropriation or limit contained in any such last-mentioned Act: Provided that in no case shall the amount so paid exceed the total sum of the item voted: Provided further that this section shall apply only to payments which could not be lawfully made if this section were not in operation." If taken out of "Unauthorised," that section will not apply.

55. Then, the payment cannot be made except out of "Unauthorised"?—We took no exception to "Unauthorised," and therefore we did not consider that section.

56. *Mr. Guinness.*] Did you act under the provisions of "The Public Revenues Act, 1891," or under the amending Act of 1900 in making this objection—under section 53 of "The Public Revenues Act, 1891," or under section 9 of the amending Act of 1900?—We did not act under either of those sections.

57. Did a dispute arise between you and the Colonial Treasurer as to whether this money should be paid?—I cannot say that there was any dispute as far as the Audit Office is concerned.

58. Did the Colonial Treasurer act under section 9 of "The Public Revenues Acts Amendment Act, 1900"?—Yes; but it is a question of law.

59. Did the Colonial Treasurer determine the question as set out in section 9 of "The Public Revenues Acts Amendment Act, 1900"?—The Colonial Treasurer did not determine it. The section provides, "In case any difference of opinion arises between the Audit Office and the Treasury as to the vote, appropriation, fund, account, or other authority to which any expenditure ought to be charged, or as to the proper head of revenue, fund, or account to which any receipt should be