

Yes; but in this case the Administration, with a knowledge that the sum of £3,000 was to be used for unauthorised expenditure, directed that it should be paid out of moneys issued by way of general imprest.

63. I am not talking about the particular case. What I am asking is, would it be possible, under such a system as I have indicated, and which we are all familiar with, in the colony itself, for any Administration to carry on the financial payments necessary for the colony?—I understand you to be speaking with reference to this £3,000, or payments under the circumstances of this £3,000. Well, that payment was ordered by the Government to be made in London by the Agent-General. An officer in South Africa was ordered to draw on the Agent-General; and the Agent-General was, no doubt, ordered to pay the draft, because there is the telegram to me from the Audit Officer.

64. *Mr. J. Allen.*] The instructions came from the colony?—Yes; the Agent-General was instructed, according to the Audit Officer's telegram, to pay that £3,000. He had no moneys applicable.

65. *Hon. Sir J. G. Ward.*] He had a general imprest?—He had general imprest moneys, and it is implied by that telegram that the instructions were to charge General Imprest with the payment. Now, the moneys issued by way of general imprest were not charged to the Unauthorised Expenditure Account, so that there were no moneys in General Imprest which could be legally applied to the payment.

66. Do I understand you to say that out of the General Imprest Account in London no payments have ever come to hand that required to be charged to Unauthorised Expenditure after they reached the colony?—Very many of them.

67. In this case that course was not followed?—In this case the Auditor was not satisfied that General Imprest was chargeable.

68. It is a fact that after the statement of the Imprest Account in London from time to time comes to hand in the colony there may be, and doubtless have been, items chargeable to Unauthorised Expenditure paid for out of the Imprest Account?—There have been some very large amounts—amounts to which the Audit Officer, perhaps, ought to have taken objection.

69. At all events, whether they took objection, or whether they did not, it has been done?—Yes.

70. How long has that system existed?—I should say that it has existed for many years, not as a system, but rather that the accident has happened of a payment in London for unauthorised expenditure out of moneys there not issued as a charge to the Unauthorised Expenditure Account.

71. Would you contradict me if I were to say that under every Administration for the last twenty-five years it has occurred?—I could not speak as to that. I can only speak here as to the provisions of the Public Revenues Act, and as to what has happened in my own time as Auditor-General.

72. Of your own knowledge you do not know whether the system has occurred previously?—No; but I have no doubt that it has occurred. I would not say that I have no doubt it has occurred in such a case as that of the £3,000, where the Administration directed to be made out of moneys issued for authorised purposes a payment chargeable to Unauthorised Expenditure, but possibly that has been the case too.

73. Still, I presume you must recognise—and every one must recognise—that directions of some sort must emanate from the Treasury of the country in connection with financial payments, wherever they may be made; advices, of course, of some sort must go forward?—Yes, that is so; but section 63 of the Public Revenues Act provides that “All sums transferred to the Foreign Imprest Account shall be charged, so far as possible, against the votes.” Now, if the Treasury observed that strictly there would be very few payments to be made out of General Imprest. At present the arrangement of the Treasury is that by every mail—say, every four weeks—a sum of £5,000 is remitted by post to meet payments chargeable to General Imprest. Now, according to the Audit Office judgment of the law, those payments for which moneys are issued by way of general imprest are payments chargeable to votes, but are of such a contingent character that it is not possible to charge the necessary moneys to votes.

74. Would it be possible for the Treasury, under the clause of the Public Revenues Act that you are quoting from, to be in the position of directing to what vote every item paid by an imprestee was chargeable until the detailed statement of the imprestee's account came to hand?—This section contemplates a large number of payments chargeable to votes which it is not possible to charge to the votes.

75. As a matter of fact, I know, and every one who has had any experience with it must know, that in practice it must be an impossibility to give a direction as to what vote a payment under an Imprest Account is to be charged until you have the detailed statement before you?—But in the case of unauthorised expenditure, for which the Administration has to account to Parliament, and for which you obtain the sanction of Parliament afterwards, it is made necessary by the Act that the Administration should first adopt the course required by sections 47 and 48—that is, before an expenditure is made the Minister should approve of it, and that the Treasury should approve of it, and that a requisition charging the amount to the Unauthorised Expenditure Account should be passed.

76. If an Imprest Account had been given to Major Pilcher in South Africa, under which that payment had been made by him, that in the ordinary course would not have gone to Unauthorised Expenditure until the detailed statement of his Imprest Account had been received by the Treasury?—I should say that the Government would have issued to Major Pileher a sum of money chargeable to the vote for the purpose for which he required it.

77. Yes; and if under that imprest he had made a payment of £3,000 for the purpose of conveying the Coronation Contingent to England that had not been included in the vote the