

Therefore an item for the amount in sight at the time would be set down on the supposition that that would be a guidance, and that Parliament would agree that a refund of duty upon artificial limbs should be made, and should not be limited to the sum set down at that particular time.

66. *Mr. W. Fraser.*] You told us that you differ, as to the construction to be placed on the Customs Act about refunds, from the Auditor-General and Attorney-General?—Yes.

67. Can you explain the reasoning by which the Attorney-General comes to the conclusion that the refund of £675 is a specific item, whereas the refund of £11 is not specific? There has been a refund in both cases under the Customs Act?—I would not attempt to explain the reasoning of the Attorney-General on the matter.

68. You have read communication No. 7, I presume?—Oh, yes. I have stated that, with all respect, I dissent from his views.

69. You do not care to express an opinion then?—No.

70. Do you consider that a sum of money placed upon the estimates in payment of an amount prohibited to be paid by statute is specific or not—say, under section 3 of “The Public Revenues Act, 1900”: is that specific or is it general?—I should say if it were an item which was prohibited to be paid by any Act in the ordinary course authorising such payment it would be an item under section 3 of the Public Revenues Act.

71. And would that be specific or general?—That would be specific.

72. And it would not be competent to pay any sum in excess of such amount out of “Unauthorised”?—It would not be competent.

73. *The Chairman.*] Prior to the passing of the Act of 1900, had you power to put a sum of money on the estimates for the refund of duties?—It was done annually.

74. Was it ever demurred to by the Audit Department?—Not until 1898. I am speaking now from memory, you will understand. The Controller has been good enough to point out 1898 as the year in which they demurred to paying in this way.

75. What was done after they demurred in 1898 and before the Act of 1900 was passed?—I could not tell you without looking up the matter.

76. *Mr. Wood.*] I understood you to say that you thought this was a general and not a specific item—that is to say, that the amount placed upon the estimates was to apply to the whole of the artificial limbs?—That is my conception of the provision which Parliament made. I would like you to clearly understand that it is a matter of payments being made not prohibited by the original Act. That is my contention.

77. Your contention is the same as the Attorney-General's—that this is a general and not a specific item?—My opinion, I am afraid, is rather in excess of that of the Attorney-General. My idea is that the whole of the refunds referred to are simply refunds of revenue that are not prohibited by the Customs Laws Consolidation Act or Preferential and Reciprocal Trade Act.

78. *The Chairman.*] You do not regard the fact that the original Act is silent about refunds as implying prohibition of them at all?—I do not so regard it at all.

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