

1905.
NEW ZEALAND.

PUBLIC ACCOUNTS COMMITTEE

(REPORT OF) ON PAPER B.-19 (CORRESPONDENCE IN A CASE UNDER SECTION 9 OF "THE PUBLIC REVENUES ACTS AMENDMENT ACT, 1900," RELATIVE TO REFUNDS OF CUSTOMS DUTY UNDER "THE PREFERENTIAL AND RECIPROCAL TRADE ACT, 1903"); TOGETHER WITH MINUTES OF EVIDENCE.

(MR. R. McNAB, CHAIRMAN.)

Report brought up on the 17th October, 1905, and ordered to be printed.

ORDERS OF REFERENCE.

Extracts from the Journals of the House of Representatives.

WEDNESDAY, THE 28TH DAY OF JUNE, 1905.

Ordered, "That Standing Order No. 218 be suspended, and that a Committee, consisting of twelve members, be appointed to examine into and report upon such questions relating to the public accounts as they may think desirable, or that may be referred to them by the House or the Government, and also into all matters relating to the finances of the colony which the Government may refer to them; five to be a quorum: the Committee to consist of Mr. J. Allen, Mr. Colvin, Mr. E. G. Allen, Mr. Flatman, Mr. W. Fraser, Mr. Graham, Mr. T. Mackenzie, Mr. McNab, Sir W. R. Russell, Hon. Sir J. G. Ward, Mr. Wood, and the mover."—(Rt. Hon. R. J. SEDDON.)

WEDNESDAY, THE 5TH DAY OF JULY, 1905.

Ordered, "That Paper 60 B., copy of correspondence between the Audit and Treasury Departments relative to the charging of refunds of Customs duty, under 'The Preferential and Reciprocal Trade Act, 1903,' be referred to the Public Accounts Committee."—(Rt. Hon. R. J. SEDDON.)

R E P O R T.

THE Committee to which was referred Paper B.—19, 1905, being the correspondence in a case under section 9 of "The Public Revenues Act Amendment Act, 1900," relative to refunds under "The Preferential and Reciprocal Trade Act, 1903," has the honour to report as follows:—

That it has carefully considered the correspondence referred to, and has examined Mr. J. K. Warburton, Controller and Auditor-General, and Mr. J. B. Heywood, Secretary to the Treasury.

That the facts of the case are as follows: Vote No. 43 of the Appropriations for the Consolidated Fund Services, Class IX., Customs Department, 1904-1905, Miscellaneous Services, contains an item (No. 13) of the following nature: "Refund of duty, under 'The Preferential and Reciprocal Trade Act, 1903,' on artificial limbs imported, £11." Amounts of £3 12s. and £1 16s. were charged to this item. They are not challenged. An amount of £9 was then sought to be charged as a refund of duty paid on artificial limbs per s.s. "Ventura." This would have caused the vote to be exceeded by £3 8s.

That the Controller and Auditor-General holds that section 3 of "The Preferential and Reciprocal Trade Act, 1903," which provides for the levying of certain duties upon certain articles, prohibits the refund of any of that duty after it has been levied, and the only authority for refund is contained in section 3 of "The Public Revenues Act Amendment Act, 1900." That section limits the amount of duty to "the total sum of the item voted." The excess of £3 8s., being held to be a prohibited payment, could not be charged to "unauthorised."

That the Secretary to the Treasury contends that "The Customs Laws Consolidation Act, 1882," and "The Preferential and Reciprocal Trade Act, 1903," make provision for the levying of duties, and, being silent on the question of refunds, these statutes do not prohibit the refunding of amounts, and that therefore the excess of £3 8s. can rightly be charged to "unauthorised."

That there exists no tribunal to which the dispute between the Controller and Auditor-General and the Secretary to the Treasurer can be referred to obtain a decision binding upon both, and the only course which the Controller and Auditor-General can adopt, holding the views he does, is in accordance with the provisions of section 9 of "The Public Revenues Acts Amendment Act, 1900," to submit a copy of the correspondence to the House of Representatives.

That the difficulty can best be met in future by postponing the payment of any excess remissions over the item voted until a new vote has been obtained or by legislative provision for payment of remissions.

17th October, 1905.

ROBERT McNAB, Chairman.

MINUTES OF EVIDENCE.

TUESDAY, 10TH OCTOBER, 1905.

J. K. WARBURTON, Controller and Auditor-General, examined. (No. 1.)

1. *The Chairman.*] Will you explain the position, Mr. Warburton, with regard to this matter contained in Paper B.-19, for the information of the Committee?—Item 13 of Vote 43, for “Customs Miscellaneous Services” of last financial year, provided, as shown by paper No. 1 of this correspondence, for a refund of duty under “The Preferential and Reciprocal Trade Act, 1903,” on artificial limbs imported, £11; and the Audit Office declined to pass an expenditure of more than £11 in repaying to claimants the amount of such duty paid by them.

2. *Mr. W. Fraser.*] What was the amount claimed?—Nine pounds.

3. *The Chairman.*] Was it not a further claim of £9 that brought the previous claims in excess of the £11 voted?—Yes.

4. *Mr. W. Fraser.*] Then it was £20—£11 and £9?—The claims would have made the payment exceed £11. In 1898 I pointed out that a general item for the refund of revenue gave the Audit Office no legal power to pass a claim under it. I said, “It does not appear to me that the item of £50 carries a power sufficient to authorise the Audit Office legally to pass claims in general to the repayment of Customs duty not repayable under the Customs laws.” Then, on page 6, in paper No. 11, I stated generally that an item for the refund of stamp duty on the estates of deceased members of contingents, £100, was not sufficient to authorise any payment whatever if the item was general in its terms. On page 2, paper 4, of this correspondence, in answer to the Customs Department’s minute that item 13 was general in its terms, I remarked, “The repayment of Customs duty not repayable under the Customs laws is not, by an item on the estimates, authorised to an amount beyond that of such item. The item is either specific or not specific. If specific, it authorises expenditure not exceeding its amount. If not specific, it authorises nothing.” In paper No. 7, the Attorney-General states that “this is a general and not a ‘specific’ item. . . . There is nothing in the item to show that it was intended to be confined to any particular artificial limbs,” &c. Now, after 1898, when I stated that an item of £50 for the refund of revenue in general would not authorise the Audit Office to pass claims for refunds under that item, the Public Revenues Act of 1900 was passed, section 3 of which 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 a vote in the Appropriation Act, such payment of the said item may be lawfully made, 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 lawfully be made if this section were not in operation.” “The Preferential and Reciprocal Trade Act, 1903,” provides in section 3, “From and after the passing of this Act there shall be leviable,” &c. There is no authority in that Act or in the Customs Laws Act to refund the duty so leviable. To refund Customs duty so leviable is thus to contravene the provisions of that Act, and special statutory authority is therefore necessary in the opinion of the Audit Office. The only statutory authority for a general refund of Customs duty not authorised to be refunded by the Customs Laws Act is section 3 of the Public Revenues Act of 1900, and that section limits the payments under such an item to the amount of the item. In the last sentence or two of paper No. 13, on page 15 of this correspondence, I summarise the position: “‘By The Preferential and Reciprocal Trade Act, 1903,’ duty is imposed on artificial limbs imported into the colony. To admit them free of that duty by refunding it requires statutory authority. An item which appears only on the estimates is not statutory authority, unless it is an item authorised by section 3 of the Public Revenues Act of 1900; and an item under such section is not an authority to expend more than the amount of it.”

5. *Mr. W. Fraser.*] The position you take up then, Mr. Warburton, is that the £11 which was voted for a refund of duty under the Preferential and Reciprocal Trade Act on artificial limbs imported was a specific sum?—Yes.

6. And could not be exceeded?—Yes.

7. That the amount could only be paid under section 3 of the Public Revenues Act?—Yes.

8. And that that section distinctly states that such items cannot be exceeded?—Yes.

9. That is your contention?—That is my contention.

10. Can you suggest any method by which, if it were found necessary to pay more than the £11, that sum could be paid?—Only by an alteration of the statute—only by a provision to that effect.

11. It could not be paid out of “Unauthorised”?—No.

12. Will you state why?—Because the refund is prohibited by the Customs Laws Act.

13. It is contrary to the statute?—Yes. The only statute that authorises it is the Public Revenues Act, and the provision there does not allow of an excess.

14. *Mr. Wood.*] What do you mean by “an excess”?—A payment in excess of the amount of the item voted.

15. *Mr. W. Fraser.*] Would the effect not be, if the contention of the Treasury that the amount is not specific were sustained, that it would be competent then to expend any sum in excess of the

amount voted, such payment being contrary to the statute?—Yes, any sum in excess of the amount voted that the vote would bear, any sum in excess that the vote and the Unauthorised Expenditure Account would allow.

16. The Unauthorised Expenditure Account, you have already told us, could not be dealt with under this heading, so we will put that on one side. Let me put the question again: Would the effect not be, if the contention of the Treasury that the amount is not specific were sustained, that it would then be competent to expend any sum in excess of the amount voted, such payment being contrary to statute? Would not that be the effect of it? You understand the question?—I am not quite clear as to the question. Perhaps I might answer it in my own way. I think that, if the contention of the Treasury were upheld, it would mean that the Preferential Duties Act, which require that the duty shall be paid, would be amended to the effect that the duty might be refunded in contravention of that statute to the amount which the unexpended balance of the vote would allow. The Treasury's contention is this, that they may refund under that item of £11 all that the vote and Unauthorised Expenditure Account would allow.

17. They wish to include the "Unauthorised" in it?—The Treasury include the "Unauthorised" in it, yes. Therefore I put in the "Unauthorised" too, because they wished to treat that item as an ordinary general item for expenditure not prohibited by statute.

18. I see what you mean, but it is not exactly a reply to the question I put to you. I will put it in another way: What was the reason for clause 3 of the Public Revenues Act being framed in the manner that was adopted? Was it not to prevent any payment contrary to statute exceeding the specific amount voted by Parliament?—The purpose of the section, I understand, though it is hardly a matter for me to consider, was to enable the Administration to make a payment of the amount of an item which before the passing of that Act could not lawfully be made—was prohibited by Statute.

19. Would not the contention of the Treasury then, to exceed that amount, be contrary to the intention of the Public Revenues Act?—Do you mean in this case?

20. In a case prohibited by statute. Virtually, would it not give them *carte blanche* to pay what they pleased, although prohibited by statute?—Yes; what they pleased within the limits of the vote, and of the Unauthorised Expenditure Account.

21. Does the Public Revenues Act, section 3, take any cognisance of the Unauthorised Expenditure Account?—No.

22. *The Chairman.*] When a duty is levied on goods under "The Preferential and Reciprocal Trade Act, 1903," and that duty is paid, are not the provisions of that Act ended then, in regard to that transaction?—They are ended if the Government takes no step to refund any portion of the revenue paid.

23. Where do you find the further provisions of "The Preferential and Reciprocal Trade Act, 1903," dealing with refunds?—There is none.

24. Then that Act does not deal with refunds?—It provides that the duty shall be levied.

25. And when the duties are levied it is ended?—It is ended.

26. The duties having been levied and the Act being ended, will you not have to look to other legislation if there is a proposal to refund the duty?—Yes.

27. Therefore there can be no prohibition in "The Preferential and Reciprocal Trade Act, 1903," relating to refunds?—There can be no prohibition relating to refunds, unless you exclude the Public Revenues Act of 1900, section 3.

28. I want first of all to get to the fact that it is not in "The Preferential and Reciprocal Trade Act, 1903," that there is any prohibition of refunds?—I think there is.

29. Will you read the section?—It is section 3, where it says ". . . there shall be leviable," &c.

30. I do not think you understand my question. The amount having been levied—?—Yes; I think I understand it. The amount having been levied, there is no authority to refund what is leviable.

31. There is no authority in this Act dealing with the refund?—There is no authority in this Act or any other Act.

32. Take this Act first of all. There is no authority in this Act dealing with the refund?—That is so.

33. Is not the prohibition in section 3 a prohibition upon levying less than a certain amount, and not a prohibition upon levying the full amount and making a refund afterwards?—I do not read it in that way.

34. The wording of it is "there shall be leviable"?—Yes. The provision is consistent with the provisions of the Customs law, that the duties shall be leviable. There is no provision in the Act for a refund of the duties, to refund the duties would contravene—would be unlawful under those Acts, and there must be some statutory authority to do so.

35. How are duties refunded under the general Customs law?—The only way in which they can legally be refunded is under section 3 of the Public Revenues Act.

36. I suppose there are refunds provided in this same vote, are there not?—Yes, but those have been, as far as I can recollect, limited to the amount. £675 was the first one.

37. Supposing that one of those items was going to be exceeded by an additional amount being charged to it, what would be the procedure?—We allowed it, though I think it was objectionable, as a charge to the Unauthorised Expenditure Account, and I should not allow it again.

38. In the past you have allowed it?—We have allowed it to go out of "Unauthorised," but I now think it was not legal to do so.

39. But you have never raised the question?—We did not raise any objection to the charging of the payment to "Unauthorised," as such a charge would come before Parliament; but I think that in view of the express provisions of section 3, that the amount shall not be exceeded, we should not have allowed it to be charged to "Unauthorised."

40. Do I understand you to form that opinion upon your belief that section 3, and any corresponding sections in the Customs Duties Act amount to actual prohibitions upon refunds, and not simply prohibitions upon the levying—?—I cannot understand a refund except as a contravention of the duty of levying.

41. You do not regard the provisions of an Act as having been complied with unless the amount is levied and paid into the Treasury?—I think if you levy the duty and then refund it you really do not levy it. I cannot understand it in any other way.

42. It is only your interpretation of the statute in that way that enables you to say that there is a prohibition in the statute upon the refund: is that not so?—It is the judgment of the Audit Office.

43. The judgment of the Audit Office is based upon that, is it not?—Yes. In 1898, before the Public Revenues Act of 1900 was passed, there was an item of £50 for general refunds of Customs duty, and I said then, "It does not appear to me that the item of £50 carries a power sufficient to authorise the Audit Office legally to pass claims in general to the repayment of Customs duty not repayable under the Customs laws." We have raised no objection to charging to "Unauthorised," because the Unauthorised Expenditure Account comes before Parliament; but I think, in view of the strict provisions of section 3 of "The Public Revenues Act, 1900," it is not legal.

44. *Mr. E. G. Allen.*] Does not the Public Revenues Act override the provisions of the Customs law?—No.

45. It being subsequent legislation?—Section 3 of "The Public Revenues Act, 1900," will, when applied, amend the law so far as the section authorises, but the Public Revenues Act is in other respects a general Act.

46. I am referring to section 3. It appears to me that the object of section 3 was really to make legal such cases as that before the Committee, where it is absolutely necessary that some power should be given the Audit Office, under some statute, to authorise payments of this nature, that are not provided for in any other way?—Yes, but section 3 of that Act of 1900 limits what is to be passed by the Audit Office to the amount of the item placed on the estimates under that section.

47. By the word "item," does it mean the specific item, we will say, of the artificial limbs—does it include a class?—Not an item of this nature under section 3 of the Public Revenues Act; but an item for any other payment, such as for the general services of the Department not prohibited by statute, would not limit the payments to the amount of the item, but would be an authority to the Treasury to spend whatever the vote and the Unauthorised Expenditure Account would allow.

48. This item occurred in the Appropriation Act, I suppose?—It did in the estimates but not in the Appropriation Act. The votes only are carried into the Appropriation Act. If this had been carried into the Appropriation Act it might have been said to have the power of a vote; but it was not.

49. Then in many respects clause 3 of the Public Revenues Act is a dead-letter?—No; wherever it is applied—if, for instance, an individual pays a sum of Customs duty, and the Government thinks that that individual should be exempted from the duty, it can, under that section, put that precise amount of duty on the estimates, and that would be legal authority to pay.

50. As long as it does not exceed the item; but in any case where an item is exceeded the Public Revenues Act does not authorise the payment of the excess?—No.

51. I forget whether you suggested any means of overcoming a difficulty of that sort?—No, I did not. I simply said that it appeared to me that to provide for a refund of duty not authorised to be refunded by the Customs laws would require an amendment of those laws—that is to say, authority to refund without limit except the limit of the vote and the Unauthorised Expenditure Account.

52. In the case in point, would this be a surcharge on the Minister for Customs, if there is no way of paying the money except by legislation?—No. The person who pays the duty would, as I understand is arranged in some cases, wait until the item placed upon the estimates to pay him was passed by the House in the Appropriation Act.

53. *Mr. Wood.*] This amount has not been passed by the House—this £11?—The £11 was. We did not take any exception to a payment up to £11.

54. The £3 8s. is what you object to?—Yes. It exceeded the item.

55. You say that under the Public Revenues Act there is no power at all for you to do this?—There is none where the Act requiring the collection of the revenue makes no provision for refunding it.

56. That is to say, if there were no specific amount passed by the House, and the Minister for Customs was to refund a certain amount of money, you would not allow it at all?—No.

57. Not even if it was a wrongful collection of money?—That would be an error. We always allow an error to be corrected. If a duty were collected in error—if, through some kind of error, say, £2 was collected where only £1 was payable—we should always allow the correction of the error.

58. *Mr. W. Fraser.*] Following the question put to you by the Chairman, throughout this correspondence has the Customs Department assumed anywhere that it has statutory power to make refunds?—I do not recollect that it has.

59. Has the contention not been simply upon the ground that the amount voted was not specific?—Yes; that is so. This is the minute of the Department: "Although item 13, which is general in its terms, will be exceeded if this voucher is passed, the total amount of the vote will not be exceeded during the year. Under these circumstances it is submitted that this amount should be allowed to pass." That is a minute that would apply reasonably enough to a departmental-service expenditure that was not prohibited by statute—that it was lawful to make.

60. Then the difference of opinion between yourself and the Treasury was not upon the construction of the Customs Duties Act, but upon the construction of section 3 of the Public Revenues Act?—Upon the construction of the two.

61. Let me put it in another way. Had you any difference of opinion with the Treasury in regard to the construction of the Customs Duties Act—that is to say, as to the legality of refunds?—Yes; on page 3 is the opinion of the Attorney-General, which the Treasury sought on the question.

62. Where does he say anything about the Customs Duties Act permitting refunds to be made?—The Attorney-General, in paper No. 7 of this correspondence, replies to the Treasury's memo., set out in No. 6, in which his opinion is sought. The Treasury says, "The use of the words 'special item' is intended probably to place the items under the provisions of clause 3 of 'The Public Revenues Acts Amendment Act, 1900,' but it is open to question whether items representing refunds of Customs duties can be so placed, as, 'The Customs Laws Consolidation Act, 1882,' although it does not authorise such refunds, does not prohibit this being done. Assuming, therefore, that the items 4 and 13 and others of similar nature do not come under the operations of clause 3 of 'The Public Revenues Acts Amendment Act, 1900,' it is considered that expenditure in excess of the sums appropriated may be lawfully made and may be charged to the vote and items without such excess being charged to 'Unauthorised,' so long as the net amount charged to the vote does not exceed the sum appropriated."

63. Mr. Heywood says that?—Yes.

64. That is not the Attorney-General's opinion?—That is the memo. submitted "for your information"—that is, for the purpose of the Attorney-General's opinion. There are several items in that vote (No. 43) for refund of Customs duties, as will be seen by reference to paper No. 1 of the correspondence; and the Attorney-General said, "In my opinion item 4 of Vote 43 (1904-5) for £675 for refund of duty on machinery for Calliope Dock is a 'specific' item, and 'has reference to refund of revenue' the amount of which was supposed to be 'known to the Administration' or estimated by them 'to be payable before—and in respect of which—the item was placed upon the estimates.' It appears to me to be a specific appropriation for a particular and special matter and amount, and not for the service of the Department. There is nothing in the item which can properly suggest that it was intended to refund all duty, of whatever amount, payable on machinery for the Calliope Dock throughout the financial year, beyond the sum specifically voted. No doubt it was thought by the Administration at the time the item was placed upon the estimates that the total duty of which a refund would be sought would amount to £675, and that sum was accordingly inserted in the estimates for the particular purpose of that refund. I understand the amount of duty payable is now found to be more, but that, through some oversight, the extra amount of such duty has not been provided for." In that case the difference was not allowed to be a charge to the item. The Administration did not claim to charge the item with the excess of that amount. "Item 4 seems to me to be specific equally with items 7 and 8"—those, also, are considered specific refunds—"which are for refund of duty upon memorial windows in memory of particular persons, and equally with item 9, which is for refund of duty upon a lectern for St. Paul's Church, Auckland." Then follow his remarks as to item 13 of Vote 43: "This is a general and not a 'specific' item." And he concludes by saying, "There is nothing in the item to show that it was intended to be confined to any particular artificial limbs." The Audit Office judgment is that a general item which amounts to an amendment of the statute—the Customs Laws Act and the Preferential Duties Act—applies, if it applies at all, only to an expenditure not exceeding the amount of it.

J. B. HEYWOOD, Secretary to the Treasury, examined. (No. 2.)

65. *The Chairman.*—The Committee would like to hear you, Mr. Heywood. Will you explain the position that the Treasury took up?—My personal opinion regarding the position is in all respects antagonistic to the Audit Office views, and, with all respect, even to that expressed by the Attorney-General. In my opinion, the Customs Laws Consolidation Act does not prohibit refunds being made. The provisions of the Customs Laws Consolidation Act have been fully carried out, and also the provisions contained in the Preferential and Reciprocal Trade Act. The duties which these Acts impose were levied, collected, and paid into the Public Account, and both Acts are silent as to refunds. It is only common-sense to consider that refunds have got to be made. Even the Audit Office admits, as was stated by the Controller just now, that in cases of error refunds are made. In the course of administration it must be found—and it has been found, ever since I have been connected with the Government service—that refunds are required to be made for some purpose or another. Up to some years before 1898 refunds had been provided for by a general item upon the estimates, which was allowed by the Audit Office to be exceeded as occasion required, so long as the vote was not exceeded. I maintain, personally, at any rate, that it is a reasonable thing for the Administration to require to make refunds, and as the Act does not prohibit refunds being made, these refunds appear to me to be outside the provisions of section 3 of "The Public Revenues Act, 1900." Holding that view, I, with all respect, differ even from the opinion expressed by the Law Officers, and supported by the Attorney-General; but, of course, I at once bowed to their decision, and effect has been given to it. With regard to the item for artificial limbs, the Attorney-General has expressed the view that has guided him in concluding that this item is outside the provisions of section 3 of the Public Revenues Act, and therefore that it is not a limited item. I think that every reasonable person would understand that it was the intention of the Administration to make refunds on all artificial limbs if they had made up their minds that artificial limbs were an object upon which a refund should be made; and as it would be impossible at the time the estimates were drafted to estimate how much duty would be collected upon artificial limbs brought into the colony, it would be equally impossible to estimate the amount to be refunded.

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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Price 6d.]

Dear Mr. [Name],
I have your letter of the 10th and am glad to hear that you are well.
I am well at present and hope these few lines will find you the same.

I have not much news to write at present. I am still in the same place.
I have not much news to write at present. I am still in the same place.

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