

recoveries to the credit of the Consolidated Fund act in exactly the same way as the transfer of stores lately did?—I think so; but I think we should not pass similar transfers again if we had all the information we ought to have when the vouchers are submitted to us for examination.

59. What additional information do you require from the department?—Information as to the real object of the transfer.

60. Do you mean, then, that each voucher should specify the real object of the transfer?—Yes.

61. Do I understand that your suggestion with regard to an alteration of the law would be met by some such recommendation as this: that the law of 1882 be so altered as to provide that recoveries shall only be treated as abatements of expenditure to the extent set forth in the estimates for the year, and that recoveries beyond the amount estimated should not be considered as an additional appropriation?—That covers exactly my suggestion, and I repeat that it would necessitate very careful estimates on the part of the department in regard to both expenditure and recoveries. I can see that in a large department like that of Working Railways it might be difficult to estimate the value of work to be done for outsiders during the year, and that an underestimate might cause embarrassment just as an underestimate of expenditure might do.

62. But is there any harm in underestimating?—No.

63. If there be no harm in making the estimate comparatively large, what is the difficulty?—The difficulty is that it has not been done.

64. Do you suggest that the Railway estimates have been below what they ought to have been for many years?—The amounts abated on the estimates of expenditure have been very much lower than the actual recoveries.

65. Do you not think the railway appropriations ought to have been larger during the last few years?—Apparently larger appropriations were not necessary. In the case of last year the vote was exceeded by only £27,876.

66. Was the vote larger in the previous year?—It was exceeded in the previous year.

67. And the year before that?—Yes, by a very trifling sum.

68. And the year before that?—By a very trifling sum indeed.

69. And the year ending the 31st March, 1893: was it exceeded then?—Yes, by £14,582.

70. Was it exceeded in the year ending March, 1891?—Yes, by £31,059.

71. And 1890?—Yes, by £8,928.

72. With these facts before you, are you of opinion that during many years past the Railway appropriations have been under what they ought to have been?—No, I think not. Considering the large amount of business done, I think the estimates have been remarkably near the requirements of the department.

73. Will you give us the estimated and actual recoveries each year from 1882?—Abated under the estimates for 1882–83—that was the first year after the passing of the law requiring an abatement to be made—abatement nil, actual credits £101,455 7s. 9d.; 1883–84, abated, £20,943, actual £125,937 13s. 7d.; 1884–85, abated £17,454, actual £117,401 12s. 4d.; 1885–86, abated £16,963, actual 115,318 17s. 6d.; 1886–87, abated £4,000, actual £142,404 7s. 6d.; 1887–88, abated £10,540, actual £65,866 3s. 8d.; 1888–89, abated £29,675, actual £50,399 3s. 10d.; 1889–90, abated £15,000, actual £47,166 7s. 8d.; 1890–91, abated £12,500, actual £41,708 18s. 6d.; 1891–92, abated £9,815, actual £77,878 13s. 3d.; 1892–93, abated £11,500, actual £37,747 19s. 4d.; 1893–94, abated £10,765, actual £40,720 8s. 4d.; 1894–95, abated £13,950, actual £62,778 2s. 8d.; 1895–96, abated £15,000, actual £61,313 19s. 6d.; 1896–97, abated £16,785, actual £112,636 18s. 3d.; 1897–98, abated £23,603, actual £187,964 14s.

74. Now, I suppose you could not tell us how much of these abatements during those years are recoveries for sales of stores?—That is quite impossible without an examination of the account-books.

75. *Mr. Fraser.*] Does the table just read out not tend rather to show the almost impossibility of carrying out the suggestions you have made as to limiting the recoveries to the estimated abatement?—No, I think not, because the experience of past years, showing such large differences between the estimated and the actual recoveries, should have enabled the department to make very much closer estimates than they did.

76. You spoke just now about the appropriation being exceeded by £27,000?—Yes.

77. Was not the appropriation also exceeded by the total amount of stores sold?—No; because the money derived from the sale of stores operated as an additional appropriation.

78. I mean the original appropriation made by Parliament?—The gross amount of expenditure of the Working Railways Department during the last financial year amounted to over a million.

79. These recoveries actually amount to from two-fold to eight-fold of the amount abated on the Railway vote in the estimates?—That is so.

80. From your experience of the Public Accounts over some years, do you consider £100,000 of “Unauthorised” sufficient?—I think so.

81. To provide for all contingencies?—Under ordinary circumstances I consider that £100,000 is sufficient.

82. *Mr. Guinness.*] You say you think that £100,000 is a sufficient sum for “Unauthorised expenditure” purposes?—I think so, under ordinary circumstances.

83. Do you not think that where it becomes necessary during the course of the financial year from time to time to draw upon that, that if the amount drawn upon can be rebated to that extent it should be allowed to be drawn again if the circumstances require it?—That is the law at present. When money comes back to credit of “Unauthorised” it makes the amount available out of “Unauthorised” larger.

84. Was not that the very point on which the Auditor-General refused to allow the £50,000 to be re-credited?—No. There was a sum of £50,000 transferred from the Consolidated Fund to the Public Works Fund, which was charged to “Unauthorised,” because the sum of £300,000 which Parliament provided for the purpose had been all transferred. The Treasury subsequently desired