

26. Would that have been altered?—That would not have been altered.

27. The difference between the £879,923, which you admit would have been the figure required to be stated had railway expenditure not been defrayed by proceeds of sales of stores, and the £1,370,571: would that have been the same, or £30,000 less?—Do you mean if I add £30,000 to the right-hand side and deduct £30,000 from the other?

28. Yes?—There would be a difference of £30,000, of course. But you understand this is not railway revenue; it is only the collections of our Stationmasters, and that is not the railway revenue.

29. I understand that. How is the balance at the bottom of that page arrived at?—It is arrived at by subtracting the expenditure from the receipts?—I think the Secretary to the Treasury ought to be examined on this—this is outside me. It is deducted in that way.

30. Then, would that total balance have been larger or smaller in the event I have depicted to you?—It would have been £30,000 less, of course. I have explained about our cash account. The Treasury has the cash here as £1,370,571. The real amount is £1,376,007 14s. 10d. The difference between the two is that if the Railway Statement is referred to—Return No. 1—it will be seen that we began the year with a balance of cash in hand and outstanding, due by customers to the railway, of £17,590 15s. 1d. The year closed with a balance outstanding of £21,276 7s. 9d. Therefore there was £4,000 odd more debts of the year uncollected at the end of the year 1898 (31st March) than the year began with. That is part of the difference. The other difference is that the Railway Department, being a large commercial concern, does business for a lot of other people, such as the Harbour Boards and other public bodies, and the public generally. Under these circumstances considerable sums of money come into the railway receipts that really do not belong to the railways. These amounts for that year amounted to £98,889. But the Treasury paid out £100,639—nearly £2,000 more: that is, the Treasury paid balances outstanding of the former year of nearly £2,000 more. These two sums added together make the difference between the railway revenue and the cash account as given by the Treasury.

31. Is the balance or surplus for the year made up from your railway accounts or is it made up from the Treasury accounts?—The Secretary to the Treasury will be able to answer that. Of course, I look upon the Railway Account, being a railway officer, as everything. I am a railway-man, and do not go beyond my department.

32. Is the surplus shown in the Financial Statement made up direct from the railway accounts or is it made up from the Treasury accounts?—It appears to be made up from the Treasury accounts. It is from the cash in the bank. It is the cash account, and not the real Revenue Account.

33. Did you not, in giving evidence, say that the Treasury accounts and the railways' own accounts do not correspond?—Yes; the one is a cash account and the other is the actual receipts.

34. *Mr. Fisher.*] After the series of questions put by Mr. Fraser, I want to repeat one question to which you have already given an answer. Mr. Seddon asked you if the £30,000 affected the railway receipts of the year, £1,376,007, or the expenditure for the year, £857,190. To that you answered that it affected neither?—Yes.

35. Do you still adhere to that answer?—I do.

36. *Mr. J. Allen.*] What would have been the effect upon the railway accounts if the recoveries had been reduced by £30,000?—You refer to this transaction of the stores?

37. Yes?—The balance would have been increased £30,000—the balance of stores in hand. You would have the value in stores. The stores in hand would have been increased £30,000, and, of course, there would have been no recovery to make.

38. If you had not recovered the £30,000 which allowed you to pay your wages, where would you have got the money?—We did our best in pledging our stores to get that. I do not know where we would have got it otherwise.

39. Supposing “unauthorised expenditure” had been available, or the appropriations had been enough, would you have got that £30,000?—If the appropriations had been sufficient the Railway Department, of course, would not have required to beat about for assistance. We should have got it from the railway appropriation.

40. Very well, if you had got it from the appropriations, what would this amount in the Public Accounts net expenditure on railways, £849,923, have shown—would that have shown £879,923?—Well, the charge to the vote would have shown as £879,923.

41. I want to ask you about this practice of selling stores from the Working Railways Department to the “Additions to Open Lines” or Public Works Department. Is it a common practice?—Yes, there has always been an interchange all through. If the Public Works Department have stores at Auckland and they require some stores at Westport or Greymouth, where they are working, we would take over the stores they have at Auckland to save the freight, and would give them equivalent stores from our Greymouth stores if we had them. Therefore mutual accommodation in that way has always gone on between the departments, but it is on the score of economy that it is done.

42. Do not these sales of stores go to increase the appropriations for the railways?—It does not affect it at all. It is a mere exchange. If there is a heap of things here and a heap of things there, and I take away from this heap—

43. I want to ask you about the practice of selling stores from the Working Railways to the “Additions to Open Lines” or Public Works Department for cash. Is that a common practice?—That is a common practice.

44. Is not the result when you sell for cash to increase your appropriation practically?—The result when we sell for cash is to reduce our stock of stores and to increase our recoveries.

45. Does that affect the appropriation for the year?—When you reduce your recoveries that takes so much off the cash, as a matter of course, because there is less to recover and less to deduct.