

(Urgent.)

MR. CLAPHAM.—Please look into this at once, and let me know whether we can take over as much as twenty thousand pounds' worth of material; and, if so, how we can charge it.—H. J. H. BLOW, 25th February, 1898.

MR. BLOW.—We could only take to the extent of £12,000 for Midland Railway, and £3,000 for our own permanent-way vote; total, £15,000.—G. J. C., 25th February, 1898.

HON. MINISTER FOR PUBLIC WORKS.—Will you please approve passing of transfer voucher for £15,000?—H. J. H. BLOW, 26th February, 1898.

APPROVED.—W. H. J., 26th February, 1898.

MR. CLAPHAM.—H. J. H. B., 26th February, 1898.

From no engineer or responsible officer of the railway-construction work is there a recorded report, or any report known to the Audit Office, that the stock is required or ought to be procured; and there is no recorded report, or any report known to the Audit Office, from any officer of the Working Railways Department that the stock which the department is realising is in excess of, or has been accumulated beyond, the requirements for Working Railways, or that there is any other reason for the realisation.

The Audit Office requires only that it may be afforded evidence indicating that the transfer should be passed unchallenged—such evidence of a satisfactory reason for the disposal of the stock by the Department of Working Railways and for the taking-over of the stock by the Public Works Department as may preclude the supposition that the transfer may be for the purpose of pecuniary accommodation. It is therefore requested that a statement may be obtained from each of the two departments of the grounds for its own part in the transaction.

J. K. WARBURTON,
Controller and Auditor-General.

THIS is purely a question of administration.—R. J. S., 5th March, 1898.

Mr. Gavin.

Audit Office, 5th March, 1898.

If the realisation of this large amount of the property of the Department of Working Railways, whether the property be or be not surplus property of that department, is for the purpose of raising money in order that such money may be taken as appropriated for working railways and then be used for the expenses of such railways, and if but for that purpose the realisation would not take place I can conceive circumstances to have arisen under which, even in this case, such a realisation should be in the power of the Administration, and would be justified by a consideration of the best interests of the working railways.

The Audit Office, if it assumes anything, cannot assume a wrong; but, even if the foregoing propositions were all beyond question, the doubt which is in my mind—whether [in view of the provisions of section 41 of the Public Revenues Act and of the abatement upon the estimates] the transaction is not, as a matter of legal interpretation, authorised by law—is such as to lead me to the conclusion that the Audit Office would be justified in passing the transfer and reporting the case to Parliament.

J. K. WARBURTON,
Controller and Auditor-General.

I CONCUR, and have passed the transfer accordingly.—J. C. GAVIN, Assistant Controller and Auditor, 5th March, 1898.

Audit Office, 9th September, 1898.

<i>Dr.</i>	<i>Transfer.</i>			
Consolidated Fund—			£	s. d.
Vote, Railways (rails and sleepers)	17,867	11 4
<i>Cr.</i>				
Public Works Fund—			£	s. d.
Vote, Midland Railways	12,000	0 0
" Permanent-way, &c.	5,864	3 4
" Settlement roads, &c.	3	8 0
			<u>£17,867</u>	<u>11 4</u>

The Controller and Auditor-General.

IN July last there was received for examination a voucher for a transfer of £14,589 1s. from the Consolidated Fund to the Public Works Fund, being a debit to the vote for working railways, and a credit to the vote for additions to open lines.

In the course of examining the voucher it was discovered that the effect of the transfer, if passed, would be to reverse, with a trifling exception, entries made upon a transfer, voucher No. 69381, passed in March last, in circumstances which occasioned the office some anxiety as to its duty in the matter. The discovery of the proposal to reverse the entries then made revived that anxiety; and on the 22nd July you addressed the Treasury fully on the subject, the concluding sentence of your memorandum being as follows: "But the Audit Office, if the Treasury, after perusing these papers, should require the voucher to be passed, would feel it to be a duty to report the case to Parliament, even if the transfer which was passed last year should not, in the light now thrown upon the matter, be so reported." No reply was received to your memorandum, and the transfer was not passed.