

In reply, it is sufficient for me to state that the departments concerned do not now desire to disturb the entries which were made on the 31st March last connected with the sale by the Railway Department of railway material to the Public Works Department. The proposed transfers of this year will therefore be withdrawn.

R. J. SEDDON,
Colonial Treasurer.

PROPOSED TRANSFER, No. 175, 3rd September, 1898, of £17,867 11s. 4d. from Vote for Working Railways to Public-works Votes.

Mr. Gavin.

Audit Office, 11th October, 1898.

I FEEL it to be highly gratifying to the Audit Office that its representation to the Treasury of the objections to the proposed transfer should have been followed by the Minister's intimation of the 8th instant that it will be withdrawn.

It will now be sufficient to make to Parliament the report which the Audit Office, in deciding on the 5th March last to pass the transfer of £15,000, concluded to be necessary to justify that decision, though all the correspondence relating to the transfer would, I think, have to be submitted with the report.

It appears to me that the duty to make the report is a duty the performance of which the Audit Office would not be warranted in delaying any longer; for the doubt as to the legality of the transfer, the doubt of which the anxiety was to give the benefit to the Administration, has been greatly strengthened, and the Legislature may think fit to consider whether its meaning and intention with respect to sales of stores should not be expressed in terms more definite and precise than those of section 41 of the Public Revenues Act, and the Audit Office thus be relieved from any such doubt in future, and the Administration from embarrassment.

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

Mr. Warburton.

Audit Office, 13th October, 1898.

THE case is one which should unquestionably, I think, be brought under the notice of Parliament. I cannot conceive that it was ever intended that the provision contained in section 41 of "The Public Revenues Act, 1891," with regard to credits to votes, should be applicable to such sales of railway stores, seemingly for a temporary purpose, as took place in March last. There seems to me, in the light of the transactions which last year resulted in the vote for working railways being credited with no less a sum than £187,964 14s., as against an estimate of £23,603 abated upon the vote, to be a necessity for imposing a limit to prevent the spending-power under the vote from being unduly enlarged by such credits.

J. C. GAVIN,
Assistant Controller and Auditor.

PROPOSED TRANSFER, No. 175, 3rd September, 1898, of £17,867 11s. 4d. from Vote for Working Railways to Public-works Votes.

The Right Hon. the Colonial Treasurer.

Audit Office, 14th October, 1898.

I BEG leave respectfully to acknowledge the receipt of your memorandum of the 8th instant; to express my gratification that the representation of the Audit Office to the proposed transfer should have been followed by your intimation that it will be withdrawn; and to add that now it is sufficient for me to make to Parliament the report which was concluded by the Audit Office to be necessary to justify its decision on the 5th March last to pass the transfer of £15,000.

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

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