

70. To the maximum rate of interest?—Yes.

71. Who fixes the form of debenture?—I presume the Colonial Treasurer would arrange that.

72. Is not that made clear by subsection (1) of section 3 in these words: "In such manner as the Colonial Treasurer prescribes"? What you objected to was what was put there by the Colonial Treasurer?—I took exception to two points—to the rate of interest and to the form of debenture declaring the charge to be on the Consolidated Fund, instead of on the public revenues of New Zealand.

73. Would you give us any authority you have in contravention of the authority given to the Colonial Treasurer to fix the form of debenture: there is definite legal power given him here to do so?—I objected to countersign the debentures because they declared that the security was on the Consolidated Fund, whereas they should have declared that it was upon the public revenues of New Zealand. I was not prepared to countersign them under those circumstances without calling attention of the Colonial Treasurer to the error, so that he could have the form altered if necessary.

74. At all events, as far as the debenture-holder was concerned, he was safe under the form chosen by the Colonial Treasurer?—Yes, he was safe if I had countersigned it.

75. He could not suffer in any way by this being charged to the Consolidated Fund instead of to the public revenues?—I do not think so, but that does not justify me in passing over faults in the form of debenture. It is better, as the Solicitor-General has observed, that the debenture should accord textually with the Act.

76. Then, that authorised you to hang up the loan?—I had no idea of that kind. It was a question of whether the Colonial Treasurer would have the form of debenture corrected. I thought that if he had that error pointed out to him he would have the form corrected and printed anew.

77. After he had signed the debentures?—I think so. I should have done so.

78. They had been signed by the Colonial Treasurer?—Yes, but they were not debentures until they had been countersigned by me.

79. At all events, they had been printed and signed by the Colonial Treasurer, and yours was the last act?—Yes.

80. You think that the difference in the form of the debenture warranted you in stopping these debentures?—I think so.

81. You received notice of the Warrant of the Governor?—On that second point?

82. Yes?—Yes; the notice is from you, dated the 24th August, and says, "I again submit the debentures for countersignature. They are urgently required." I received that notice between the 24th and 26th August.

83. That is dated the 24th August?—Yes.

84. Do you say you did not get it on that date?—I could not say. At all events, there can only be a difference of a day or two.

85. When did you send these papers to Parliament?—Two or three days after the 26th; on the 28th, I think; yes, it was on the 28th.

86. There is a letter of yours dated on the 26th, written by you after you had received the Governor's Warrant?—Yes, after I had received the Warrant of the Governor.

87. Between the time you received the Warrant and the time of the papers being sent to the Speaker did you receive any reply from the Colonial Treasurer to yours of the 26th?—No; except that some additional papers were brought up to me to be copied and included in the correspondence—some papers, I think, being correspondence between the Governor and the Solicitor-General.

88. You never received a reply from the Colonial Treasury to your letter of the 26th August?—No; I rarely receive replies to these covering-letters.

89. When did you write the first covering-letter after you received the warrant of the Governor?—While I was writing this letter of the 26th I was countersigning the debentures. It was in the intervals of countersigning that I wrote the letter piece by piece.

90. In any previous papers has there been a letter sent by you reviewing the circumstances such as you have here?—Yes, there had been previous letters of the kind.

91. I want to know whether in all these cases you send a letter reviewing the Governor's action, and the action of the Solicitor-General, and the action of the Government?—In every case I send a covering-letter. All these were sent in in exactly the same way. In every one of the five other previous cases there are covering-letters.

92. Will you give me one of those covering-letters?—There is a very important one at page 19 of B.—19 of this session, and there are several others in the same paper.

93. At all events, that letter is practically a review of the papers and the decisions, and still further giving reasons for your contention?—Yes. The Auditor-General has a right to address Parliament on a subject when he is putting papers relating to that subject before Parliament.

94. You send these papers to Parliament immediately?—Within two or three days—as soon as they can be copied.

95. If you had received a letter in reply from the Treasury, would you have attached it to the correspondence laid before Parliament?—The Government knew I was preparing these papers for presentation to Parliament. At a quarter-past midday I sent them a copy of the papers, and informed them that they were going to the House.

96. Supposing the Treasurer had sent a reply, would you have sent that to Parliament?—If the Minister had expressed a wish I would have done all I could to comply with it.

97. On what date were papers laid on the table of the House?—I think it was on the 28th August.

98. Was the Treasurer in Wellington at the time?—The Minister would be.

99. Are you sure the Colonial Treasurer was in Wellington at the time?—He was away, I