155. It is, then, a matter of the opinion of the Crown Law Office what that limit shall be in his advice to the Governor?—I think it is for the Minister to approve of the advice of the Solicitor-General, and then to apply for the order on that advice.

156. Then, is it for the Ministry to decide and advise the Governor what the limit shall be?—I should think it would be for the Solicitor-General to advise.

157. As the Solicitor-General advises here, the textual wording of the Act, according to your opinion, at any rate, need not be observed?—Yes. The first sentence of the Solicitor-General's opinion is, "In my opinion, the objection raised by the Audit Office is not sound."

158. I am referring to the particular paragraph you read. I will ask you this: You see there are these words, "They may be so excessive as to amount to an unlawful evasion of the Act": who is to decide that?—I presume it is for the Minister to decide that for himself before applying to the Governor.

159. "A slight breach of the Act is legal; a large breach is illegal": is that what the opinion of the Solicitor-General means?—That appears to me to be his meaning.

160. One question about the Consolidated Fund and the public revenues of the colony: What does "The Aid to Public Works and Land Settlement Act, 1900," say shall be the securities on which these debentures shall be charged?—Section 11 subsection (3) of that Act provides, "The sum of money named in any such debenture, scrip, or other security, together with all interest payable in respect thereof, is hereby declared to be a charge upon and to be payable out of the public revenues of New Zealand."

161. Where do you find "the public revenues of New Zealand" defined?—I am not able to say; I could not say without a little study. Indeed, I doubt whether I could then say.

162. You cannot answer the question?—No.

163. What do the debentures, and scrip, and so on, say they are payable out of?—I have stated that in No. 13: "It is declared by these debentures that according to the Act by which their issue is authorised, the principal and interest are chargeable on the Consolidated Fund of the colony."

164. Is the Consolidated Fund the same thing as the public revenues?—The Solicitor-General says it is.

165. We want to get out how you formed your opinion that there is a difference?—There is a difference between Consolidated Fund and the public revenues.

166. What is it?—There is a difference in expression, at all events.

167. Is one security better than the other?—Yes; that is, I think, if of greater amount. The Consolidated Fund is one of several funds which go to make up the Public Account. I pointed that out in my letter of the 26th August, in which I say, "It may, however, here be observed that section 2 of the Public Revenues Act of 1896 provides as follows: "The Public Account shall comprise not only the Consolidated Fund and the Public Works Fund, as provided by section 7 of the principal Act, but also every separate fund or account which, by any Act of the General Assembly heretofore or hereafter passed, is directed to be paid into and form part of the Public Account." Now, I have remarked upon that, that "as by this amendment of section 7 of the Act of 1891 the Consolidated Fund does not comprise all receipts but the produce of loans, it is the more desirable that the debentures for a loan raised on the security of the public revenues of New Zealand should declare the security in textual accord with the relative Loan Act." It is very doubtful in my mind whether, in view of the fact that the Land for Settlements Account, to which a large amount of public revenues is paid, is a separate account from the Consolidated Fund, the public revenues and the Consolidated Fund are the same thing.

168. *Rt. Hon. R. J. Seddon.*] You do not say that it should go to the Consolidated Fund?—Therefore it is not proper to state on the debentures that they are secured on the Consolidated Fund.

169. *Mr. W. Fraser.*] Are the Public Account and the public revenues two different things?—The Public Account contains all these things.

170. Is there no difference between the Public Account and public revenues: are they synonymous?—No; the Public Account contains all the public money that is paid in.

171. *Rt. Hon. R. J. Seddon.*] It is, in fact, the banking-account of the colony?—Yes.

172. *Mr. J. Allen.*] Then, in your opinion, there is no distinction between the two?—It is very difficult to say that any moneys in the Public Account are not public revenues.

173. Do you consider it synonymous with the Consolidated Fund?—No; I objected to it as an error in the form of the debenture.

174. *Rt. Hon. R. J. Seddon.*] As to the debenture-holder, has he been prejudiced by the words "Consolidated Fund" being used instead of "public revenues"?—I think that is a matter for the consideration of each debenture-holder.

175. Do you think he is prejudiced?—I think if I were a trustee investing money in Government debentures, and that discrepancy were pointed out to me, I should not be so well satisfied as I should be with the debentures if there were were no such discrepancy.

176. *Mr. J. Allen.*] Do you think that "public revenues" includes the Consolidated Fund?—Yes, I think so.

177. Then the security is better under the words "public revenues" than under the words "Consolidated Fund"?—I think so, in the sense that the amount is larger.

178. Can you point out what is the increased security?—If the Land for Settlements Act contains public revenues that security would not be included in the Consolidated Fund.

179. Does not the revenue from the Land for Settlements Act go into the Public Account?—It goes into the Public Account, but not into the Consolidated Fund.

180. Then, you hold that the revenue from the Land for Settlements Act is not a security expressed on these debentures?—The debentures do not declare it to be.