

181. Is there any other account besides that under the Land for Settlements Act which does not go into the Consolidated Fund?—There are about half a dozen, I think.

182. I will ask you about one—the Government Advances to Settlers: does that come into the Consolidated Fund?—No.

183. Is that public revenue?—I am in doubt whether it is or not. I should like to consider the matter.

184. *Mr. W. Fraser.*] Your objection, I take it, was that the words “Consolidated Fund” were not in accordance with the textual expression in the Act rather than on account of the security being affected?—Yes, that was my objection. I think, myself, that those who take the debentures of the colony are satisfied generally with the credit of the colony.

185. Did you think that objection sufficiently strong to warrant you in refusing to sign the debentures and thereby possibly cause confusion?—Yes, I did so, for I thought the Colonial Treasurer should be informed of it in order that he might have an opportunity of correcting the form of debenture.

186. Was there time to correct that error in the form of debenture without such delay as might possibly have affected the credit of the colony?—I think that is a question more for the Administration to answer.

187. I want to ask you whether you were sure, when you raised the objection, that there was time for the Treasury to make the correction without impairing the credit of the colony. That was the responsibility which you took upon yourself?—I raised my objection on the 16th August, 1901, and the order of the Governor was sent to me on the 24th August.

188. Eight days after?—Yes.

189. But the question is whether there was time in those eight days to have the form of debenture corrected and reprinted?—I do not think I would have been justified under any circumstances in countersigning those debentures without representing the error in the form to the Colonial Treasurer.

190. *Rt. Hon. R. J. Seddon.*] Could the debenture-holders possibly be prejudiced, whether it was Consolidated Fund or revenues of the colony? Section 12 of “The Aid to Public Works and Land Settlement Act, 1900,” provides: “No person from whom any part of the aforesaid moneys is raised, or who is the holder of any debenture, scrip, or other security in respect of such moneys, shall be concerned to see or inquire whether or to what extent the powers conferred by or under this Act have been previously exercised, or are intended to be exercised; and all moneys raised or purporting to be raised, and all debentures, scrip, or other securities created or issued, or purporting to be created or issued, under this Act shall, so far as concerns the lender or holder, be deemed to have been lawfully raised, created, or issued within the powers by this Act conferred in that behalf.” So far as your textual objection is concerned, that is more than covered by that clause, is it not?—If I had countersigned the debentures, the debentures would have been good security; but I would explain that if I, as a trustee investing in these debentures, observed that they expressed their security differently from the Loan Act, I should not be so well satisfied as I would be if the debentures accorded, as the Solicitor-General thinks it better they should accord, textually with the Act. It is declared by these debentures that the principal and interest are a charge on the Consolidated Fund of the colony. Now, the Act does not declare anything of the kind.

191. Would any words on the face of the debentures override the statute law?—I could not say whether it would without seeing the wording. I could not answer an abstract question like that satisfactorily.

192. But, supposing the debenture gave better security than the Act provides, would it prejudice the position?—If it was clear that the debentures expressly included the provision in the law it would be satisfactory.

193. It would not alter the law?—No; but in any case I should point out the discrepancy.

194. Now, if between the time of your first and second objection, or after the second objection, something arose which would prevent the debentures reaching London in time to pay the interest on the first coupons, would not that prejudicially affect the credit of the colony?—It depends upon circumstances.

195. You were told that such a thing might arise?—I do not know that I was told that. I was told they were urgently required to go by the mail.

196. Was it not your objection that stopped them?—I do not think I could have signed them in time. I might have been able to sign them, but I do not think I could. It was on a Saturday afternoon, the 24th August, I think. They came to me on mail-day, and it was a question whether I could have signed them or not in the time.

197. Was there any surprise expressed by the Treasury, when they went for them, that they had not been signed?—There may have been surprise.

198. Did you not sign some of them in the meantime?—No.

199. Have you ever signed debentures with the words “Consolidated Fund” on the face of them?—I may have, but I do not recollect.

200. Will you say that you have never signed debentures with the words “Consolidated Fund,” and not “public revenues of the colony,” on the face of them. I could not say whether I have or have not; I do not recollect.

201. Coming back now to the question raised in this case, have you not in many cases consulted the Solicitor-General?—Yes, it is my practice to do so when I think occasion requires me to take advice; and the Government never interferes with me in consulting him.

202. When you received the letter of the 13th April (No. 3) stating, “The question has been considered, and the Colonial Treasurer has been advised that there is nothing in the point raised by the Audit Office,” could you not have gone to see the Solicitor-General upon the question?—I could have done so, but I was not in a position to ask for advice then.