and Auditor-General might imply his satisfaction as to the point raised. He will, however, be merely a witness to the opening of the tenders which may be opened in his presence." Beyond that, did you receive anything further from the Audit Office?—No.

33. Could you fix the date, or somewhere about it, when the prospectus was placed before the Controller and Auditor-General?—No, I could not.

34. At all events, between that date and the 11th April had tenders been called for the loan?—The prospectus was issued just prior to the 2nd April.

35. Did Mr. Warburton attend and render very valuable assistance in dealing with the tenders?—Yes; Mr. Warburton was present at the opening.

36. Did he take exception at that time, or mention anything about this, or indicate in any way that he was going to raise the question as to the payment of six months' interest as from the 1st April?—I do not think he did.

37. There was a minor question or two about the prospectus raised when the prospectus was looked at?—At the time of the opening of the tenders?

38. Just to recall to your memory, was there anything said in respect to the right of persons to make applications—as to preference?—I think there was some mention of that sort, and some expression as to the domicile of the cheques, and to a few other matters of that sort.

39. I am only asking this to show the prospectus did come up at the meeting?—Yes.

40. I think Mr. Warburton had got a copy of the prospectus?—Yes. He brought with him a copy of the prospectus attached to a form which he used while assisting at the opening of the tenders.

41. Nothing transpired which would lead to the impression that I, as Colonial Treasurer, should infer that the Audit Office would object to countersigning the debentures on account of the payment of the six months' interest, commencing on the 1st April?—I am not aware. You were present, and could answer better than I could.

42. I am not giving evidence. Had you received from the Audit Department, before you got this letter of the 11th April, a decided opinion upon the matter?—I had not.

43. Were the scrip-certificates sent to the Controller and Auditor-General?—Yes; they were sent up for his countersignature.

44. On what date were they sent up?—From time to time as they were issued.

45. The countersigning of the certificates would practically result in an absolute committal?—Yes, decidedly. The terms of the scrip stated the scrip would be changed for debentures as soon after issue as practicable.

46. Then, any person knowing the prospectus and signing the certificates must have known that was a committal of the colony to the debentures bearing interest from the 1st April?—That would be my opinion of the position.

47. If the Controller and Auditor-General stated he did not receive the advice tendered to the Government by the Solicitor-General, to the effect that the payment of the first six months' interest was legal, would that be correct?—You mean the opinion expressed in No. 8; if so, that would be correct.

48. In No. 3?—In connection with his first objection?

49. Yes?—I have already stated that I have an impression that the Audit Office were aware that the Solicitor-General did not think there was anything in the point raised, but whether I am correct in my information or not I cannot say. The matter was put in writing, and on the 11th April we got the objection of the Audit Office, and on the 13th April the answer was given in writing.

50. Could there be any other interpretation of No. 2 than that was a notification that the Solicitor-General had advised the Government that the debentures were legal?—This must be the interpretation of that minute.

51. When the Controller and Auditor-General informs the Treasury that he will not sign what is the next step taken?—The next step is to consult the Solicitor-General as to whether the contention of the Treasury, as opposed to the objection of the Audit Office, can be upheld by law; and if the Solicitor-General advises the Treasury that their contemplated action is good at law the result is that the course indicated to be pursued in such cases by the Public Revenues Act has to be followed—that is, the opinion of the Solicitor-General is submitted to His Excellency the Governor, who considers the matter, and decides whether he shall agree to issue his Warrant.

52. As a rule, do the facts within your knowledge go to prove to you that the Controller and Auditor-General is likely to change his opinion after the Solicitor-General has given his advice?—As a matter of experience, I think there is little chance of his opinion changing.

53. Gauged by past experience?—Gauged by past experience.

54. Then, you consider the objection taken by the Controller and Auditor-General, and given to you on the 11th April (letter No. 2), as being final?—No, sir, not at that point. I do not consider that would be final.

55. Which is the communication that you consider would make the objection final?—That would be on No. 6, when the narration of the debentures had been sent to the Controller, together with the debentures, for his countersignature.

56. Did you receive anything further from him on the matter prior to His Excellency the Governor being asked to issue his Warrant?—I received his objection on the 29th July, No. 6.

57. Did you take that to be final?—Oh, yes; that is the objection upon which we asked the Solicitor-General to advise us.

58. You referred that to the Solicitor-General?—Yes, on the same day.

59. When did he so advise?—On the 12th August following.

60. Now you have got the advice of the Solicitor-General, I ask you, from your experience of