76. What was the first you knew of the cause of delay?—The question of the variation in the terms of the debentures from the terms of the prospectus as to the interest being charged on the Consolidated Fund instead of on the public revenues.

77. On what date were they sent for countersignature?—Apparently on the 29th July. That is the date I should say they were sent up, but I have not a memorandum of the exact date. It would be about the 29th July, or a day or two before. I am not quite sure without referring to the papers.

78. When was the Governor's Warrant sent to him?—It appears to have been sent on the 13th August. [See No. 12.]

79. The first notification you got that he raised further objection was by the letter dated 16th August?—Yes.

80. Have you any recollection as to the date the mail closed—would it be on that date?—I could not charge my memory with that. It is not exactly the date from here, but the date they would reach Australia, as they were going by that route.

Hon. Sir J. G. Ward: Saturday was the 17th August, and there was a mail to leave Australia for London six days after.

81. *Rt. Hon. R. J. Seddon.*] At all events, the first you knew of the second objection was by the notification on the 16th August?—Yes.

82. Was anything said, to your recollection, that you wanted to get these debentures signed so as to be sent away by the mail?—Oh, yes. The Audit Department were told that there was a great necessity for their being immediately countersigned, so that they could be sent away.

83. And there was time for that to have been done?—Yes.

84. After the first Warrant was sent up?—After the first Warrant was sent.

85. You knew first by this letter of the 16th August, which raised the question of "Consolidated Fund" being on the debentures instead of "Public revenues of the colony," of the objection raised?—Yes.

86. Had you heard anything, or been led to believe during the controversy on the other question, that this further objection would be raised?—I could not charge my memory that this was pointed out to me.

87. Were you taken by surprise?—I was taken completely by surprise.

88. Is there another instance of a case in point where the Government has determined one point in respect to a matter in dispute that objection should be raised in respect to another point?—I have no recollection of anything of the sort.

89. Would it be very inconvenient to have objections taken at different times and under different headings?—I should say it would be most inconvenient.

90. In your opinion, months before the question of these debentures arose, had the same point been mooted by the Audit Department: if the Controller and Auditor-General says so, is that correct?—We had the Controller raising objection to some similar debentures under a different Act.

91. Did he pass those debentures?—No; I think they were altered.

92. To what debentures do you allude?—To the debentures under the Land for Settlements Consolidation Act. I think the alteration was made prior to this question cropping up.

93. Then, it was not a new thing for the Controller and Auditor-General to raise this question with regard to debentures?—No; he had drawn attention to it before, but I did not consider he would deem it of such grave importance as to make an objection to the debentures submitted to him under the Aid to Public Works and Land Settlement Act. I did not consider there was any likelihood of his making any grave objection to the words in which the debentures had been written. The Land for Settlements Consolidation Act debentures were altered because we had plenty of time to do it. He pointed out the discrepancy, and so I had the alteration made.

94. How came it to be overlooked in these other debentures? Was it because you did not think it was of any great importance?—No; those particular words were overlooked. The wording of those debentures in that particular direction was the wording which had been used in the issue of previous debentures. We followed the same wording as had been used for some time past in other debentures.

95. Did the Controller and Auditor-General insist upon the alteration in the previous debentures under the Land for Settlements Act?—He did not insist upon the objection. He pointed out the discrepancy, and I was pleased to accept the suggestion from him, and the debenture form was altered.

96. The first form was continued as far as these debentures were concerned?—Yes.

97. And the matter was overlooked?—Yes.

98. *Mr. W. Fraser.*] By the Treasury or by the Audit Office?—By the Treasury.

99. *Rt. Hon. R. J. Seddon.*] These words were in the prospectus which was before the Controller and Auditor-General during your interview?—The wording of the Act was written in the prospectus; but, as Mr. Warburton mentions, "It would appear that, in view of such discrepancy between the declaration in the debentures and the provisions of the Act and of the prospectus of the loan, the Audit Office would not be justified in countersigning the debentures."

100. In the prospectus the wording was "public revenues"?—Yes; the wording according to the Act was in the prospectus.

101. The first you knew of this point being raised as to the difference between public revenues and Consolidated Fund was when you received this letter of the 16th August, and too late to get the correction made?—Yes, too late to get the correction made.

102. Who draws up the form of debentures? Are they submitted to the Law Officers?—They are submitted to the Law Officers.

103. Does this slight discrepancy between the wording of the Loan Act and the wording