

133. Then, is it of any use for the Controller and Auditor-General to object to the form of debenture if that objection is not to be taken any notice of later on by the Treasury?—Notice is bound to be taken of it later on if the Controller and Auditor-General sticks to his objection.

134. Did the Treasury take any notice of the Auditor-General's objection in drafting the new debentures?—It apparently did not.

135. Now, with regard to the question of Consolidated Fund and public revenues, you answered some question of Mr. Seddon's, and I understood you to say that the money under the Land for Settlements Act was public revenue?—Yes.

136. The money under the Advances to Settlers Act: is that public money of the colony?—It is public moneys of the colony, but it is not consolidated revenue.

137. You say the money under the Advances to Settlers Act does not go into the Public Account?—It does not.

138. Do you admit that the Advances to Settlers money is public money under the meaning of "The Public Revenues Act, 1891"?—It is.

139. If so, it is public moneys: does it not go into the Public Account?—It does not.

140. Then, what is the meaning of clause 6 of "The Public Revenues Act, 1891"? I will read the first paragraph of clause 6: "All public moneys are the property of Her Majesty, and shall, except as herein otherwise provided, be kept in one account at the bank, called the Public Account." Is that the law?—Yes.

141. Where does the Advances to Settlers money go if it does not go into the Public Account?—If you look up the Advances to Settlers Act you will find it is paid into its own account.

142. Is there any difference between the Land for Settlements money and the Advances to Settlers money?—Oh, yes; a great difference.

143. What is the difference?—The Land for Settlements moneys are by law a portion of the Public Account, whereas the others are paid into their own account outside the Public Account.

144. Well, we have got that far: the Land for Settlements is paid into the Public Account?—Yes.

145. Do I understand you to say there is no difference between Consolidated Fund and public revenues?—I think the Consolidated Fund does not contain the whole of the receipts which are paid into the Public Account, and which are in some places termed "revenue."

146. Are the receipts paid into the Public Account public revenues?—Oh, no; not all of them, certainly.

147. Is the Land for Settlements money public revenue?—The receipts derived from land-sales are public revenue.

148. Then, in placing on the debenture as the security "Consolidated Fund," when the Act stated it should be "the public revenues of the colony," it was not expressing the same security?—I think, myself, on carefully considering the matter now, that the words "Consolidated Fund" do not express as much as is expressed by the words "public revenues"; but the fact of the words being used in the debentures in no way limits the operation of the law as expressed in the Aid to Public Works and Land Settlement Act, which makes the payment of principal and interest a charge on the public revenues of the colony.

149. Is it not reasonable to suppose that money borrowed for Aid to Public Works and Land Settlement, and the interest thereon, would be charged to Land for Settlements revenues?—This loan has nothing whatever to do with the Land for Settlements Act.

150. But is it not reasonable to suppose it would be a charge upon the Land for Settlements revenue?—No, it is not reasonable to suppose that.

151. Not even if it is stated in the Act that the public revenues are the security?—The revenues derived from the Land for Settlements Act, being public revenues, would be treated as part of the public revenues of the colony.

152. And that portion of the security was omitted from the debentures, was it not?—Well, probably it would so far as the wording of the debentures is concerned, but it would not in any way weaken the effect of the Act.

153. Now, with regard to the concessions and discounts, and to the Solicitor-General's opinion, have you made any calculation as to how much was paid during the first year in excess of the 4 per cent.?—I have not.

154. Have you any idea how much it would be by the concessions?—No. I have not looked up the matter.

155. Would it be £2,000?—For the whole period?

156. For the one year?—The first year?

157. For the interest paid in excess of the 4 per cent.?—On the half-million loan for the half-year?

158. Yes?—I could not say.

159. What do you think is the limit which would be lawful by way of concession?—I have no opinion as to the limit.

160. Would £1,000 over the 4 per cent. be lawful?—Quite lawful.

161. Would £2,000 over the 4 per cent. be lawful?—Yes.

162. Would £20,000 be lawful?—I cannot express an opinion upon that subject.

163. Would £5,000 be lawful?—I could not express an opinion without going into the matter.

164. Would £2,500 be lawful?—I should like to say that I consider it lawful for concessions to be made in accordance with what the market required in order to secure a successful raising of the loan.

165. You consider that, notwithstanding what the statute provides?—Yes.

166. Do you consider it right to evade the statute even to a limited extent?—I do not think there is any evasion of the statute.