

the question at issue with the Solicitor-General?—I know it has been done, and I have been trying to remember a case, but I fail to remember one. I know there have been cases, although I cannot point to any particular one just now.

201. Well, my memory is better than yours. Can I remind you of a case in which the Controller and Auditor-General gave way, although supported by the Solicitor-General, in respect to the floating of a loan at Home, and we had to give the Controller and Auditor-General a guarantee that we would submit the matter to the House?—Yes, I remember that.

202. Was there any discussion between the Controller and Auditor-General and the Solicitor-General in respect to that case?—Oh, yes.

203. Turning to letter No. 6 of this correspondence, is it not quite clear from that letter that the Controller and Auditor-General did see the debentures? Does he not make this point: "The coupons attached to each of these debentures propose to pay 4 per cent. per annum"?—Yes.

204. So that gives proof positive that he had seen the debentures on that date?—Yes.

205. Could he not have seen on the face of the debentures that the words "Consolidated Fund" were used, and not "public revenues"?—Yes.

206. Has there not been an omission on his part in not calling attention to it? Either he did not notice it, or, having noticed it, he did not take objection to it?—That would be the interpretation of his action.

207. If he objected on the ground that the words "Consolidated Fund" were there in lieu of "public revenues," would not that objection have been at once submitted to the Solicitor-General?—Yes.

208. And the whole issue would have been raised?—Yes; in the one objection.

209. In the face of the Controller and Auditor-General having objected prior to that in the case of the Land for Settlements Act, was it not reasonable to suppose that one of two things occurred—namely, that he did not intend to raise the objection in this case, or that he had not noticed the point?—That would, of course, be the interpretation.

210. At all events, the fact is proof positive that the debentures were before the Controller and Auditor-General prior to the final notice of objection?—Yes.

211. Was it on receipt of that final notice of objection that you submitted the matter to the Solicitor-General?—The second objection of the Audit Office was submitted to the Solicitor-General.

212. I am dealing with No. 6: was that taken as the final objection to the debentures?—Yes; it was taken as the only objection.

213. You were further led to believe when the Warrant was issued by the Governor that the Controller and Auditor-General was willing and going to sign the debentures?—Yes; I quite understood that.

214. Then, what is your opinion with regard to the second objection: was not the objection taken in the first instance in regard to the interest?—I do not gather the meaning of your question.

215. You just now stated to the Committee that you understood the Controller and Auditor-General was going to sign the debentures?—Yes.

216. After the issue of the Governor's Warrant?—Yes.

217. It was after the Governor's Warrant was issued that you received the second objection?—Yes.

218. Was that raised then as having been an oversight in the first instance of objection?—I should think it was an oversight on the part of the Audit Office in raising the second objection long after the first objection.

219. You see, it came very suddenly after you had issued the Governor's Warrant—on the very day that the Warrant was signed, as you will see if you look at No. 13, which was sent on the 16th August: on what day did you send the Governor's Warrant?—On the 15th August.

220. When did you receive notice of the second objection?—On the 16th August.

221. Then, did you think it was a sudden discovery made, or had the discovery been made previously?—I should take it the discovery was made on that date or thereabouts. I do not think for a moment that the Controller and Auditor-General could have been aware of that point when he was raising his first objection.

222. You do not think so?—No, I do not.

223. Look at No. 8, which is dated the 12th August: was there not plenty of time between the 29th July, when the objection was raised as to the interest, and that date to raise the second objection?—Yes.

224. If the discovery was made between those dates, what is your opinion?—I rather think the debentures themselves were not in the custody of the Controller and Auditor-General between the 29th July and the 15th August. It was probably for that reason the Audit Office had not noticed the point to which they took the second objection.

225. The Controller and Auditor-General had the debentures for two days. Look at No. 5 of the papers. That is dated on the 27th July, when they were sent, and they were returned on the 29th?—I do not know how many days he had them. They may have been sent on the 27th, or the 28th, or the 29th. I could not say the exact date on which he received them, but it was between the 27th and 29th July.

226. Would it not be reasonable, seeing there had been an oversight, as we presume, on the part of the Controller and Auditor-General, in not having pointed out that the form of debenture had the words "Consolidated Fund" instead of "public revenues," that, after the legal opinion had been given to him, he would have waived his objection?—I think that would have been reasonable, after the opinion of the Solicitor-General had been given to him.

227. Mr. Allen put a question to you as to whether there was anything contrary to the Act on