87. In consequence of what the Auditor-General pointed out?—I have no doubt that was the reason.

88. When did you start to print the debentures under the Half-million Loan Act?—Early in May. The last instalment of the loan was payable on the 4th June, and it was in order to have them ready by that date that we started to prepare the debentures about the middle of May.

89. When did you have the printing of these half-million-loan debentures completed which you took to the Auditor-General?—They were finally printed on the 3rd and 4th June.

90. You knew then that the Auditor-General objected to the form of the other debentures?—Certainly not on the 3rd or 4th June.

91. Did you know it within a week or two afterwards?—Between the 5th June and the 13th July. It would probably be about the middle of June.

92. Why did you not take steps to have the form altered in accordance with the suggestion of the Auditor-General?—I cannot tell you why it was not done.

93. Was it discussed?—Not that I know of.

94. Mr. Smith is an officer in your department?—Yes.

95. Did you send him to the Auditor-General on the 15th August?—I did not.

96. Who sent him?—The Secretary.

97. What were his instructions?—I merely know that Mr. Smith went there at the request of the Controller and Auditor-General.

98. Did you not hear what Mr. Smith said when he came back?—No.

99. Do you know when he went?—Not precisely. It was some time on the afternoon of the 15th August.

100. Do you know what he went for?—To assist Mr. Warburton in getting the debentures countersigned. He went there to check the narration, and to blot the signatures as Mr. Warburton signed the debentures.

101. When did you hear that the debentures could not be signed on the 15th—that Mr. Warburton could not, or would not, or did not sign them?—I heard in the afternoon that Mr. Warburton did not sign them, but that he would do so next morning.

102. Did you hear his reason?—No.

103. No recollection of any reason given by Mr. Warburton why he delayed signing them until next day?—No; I have no recollection of hearing that.

104. *Rt. Hon. R. J. Seddon.*] What is the day you told the Committee you went up with these debentures for signature?—On the 15th August.

105. From the middle or end of June to that date was there anything, so far as you are aware, that would lead you to suppose that exception would be taken to the debentures on account of the words "Consolidated Fund" being on the face of them?—No. I am not aware of any objection being taken.

106. You say the mail was to leave on the 15th August?—Yes.

107. And it closed at 5 o'clock?—That is the usual time.

108. But that does not mean that it is finally closed: you could get these debentures away up to the latest hour?—Yes; up to the time the steamer left. That would be about 7 or 8 o'clock. We could put them on board up to that time, or we could send them away by the next morning's train.

109. Did the clerk report to you that any objection was taken to the debentures?—No, he did not.

110. He is directly under your control?—Under the control of the Secretary.

111. He is in the office next to you?—Yes; but in this case he took his instructions from the Secretary, and reported to him.

112. You never heard it was too late for the mail?—I never understood that it was too late for the mail.

113. Or too late to sign them?—No.

114. How long would it take to countersign these debentures? You say that they were sent to the Audit Office for the purpose of countersignature at 1 o'clock: how long would it take to countersign them?—I know that Mr. Warburton writes very quickly. I should say he would sign them in a couple of hours.

115. Then, if the Controller and Auditor-General had wanted to facilitate us in sending the debentures away by the mail there would have been time enough to countersign them?—As far as I know, there would have been.

116. Had anything else to be done besides countersigning them which would require time?—Not that I am aware of. The Audit Office could tell you that.

117. Then, if Mr. Warburton got back to his office by 2 o'clock there would have been plenty of time to have got them away even by the mail which closed at 5 o'clock?—It would appear so.

118. *Mr Guinness* (to Mr. Warburton).] What time does it take to sign and narrate these debentures?—It depends upon circumstances. In the case of some recent debentures it took two days and a half to examine and countersign them. In another case it took a whole day to examine them. If I knew that, when the debentures were delivered to me, they were all right, and I commenced to countersign them at once, I could countersign them in two hours, unless there was some interruption. What I stated is this: I remarked they were too late for the mail, and then an arrangement was made by the Treasury to have them countersigned next morning. If there had been any notice of urgency given to me I would have worked at night to have them done. On one occasion, when debentures for £300,000 were submitted to me in which there were illegal conditions inserted, I came back to the Audit Office on St. Patrick's Day and countersigned them. The Audit Office does not stand upon ceremony in matters of this kind.

119. *Rt. Hon. R. J. Seddon.*] Do you not think that in future there should be a letter sent with the debentures, or a receipt given for them by your department?—I think it would be better, and these troubles would not then arise. These communications between the offices should be in writing. However, I have no doubt about this matter: that I was not in my office before 1 o'clock on the 15th August.