

of the debentures in any way detrimentally affect the security?—Not in the slightest degree, in my opinion.

104. On what do you form your opinion?—There is a provision in most Loan Acts, and in this Loan Act, section 12, to this effect: "No person from whom any part of the aforesaid moneys is raised, or who is the holder of any debenture, scrip, or other security in respect to such moneys, shall be concerned to see or inquire whether or to what extent the powers conferred by or under this Act have been previously exercised, or are intended to be exercised; and all moneys raised or purporting to be raised, and all debentures, scrip, or other securities created or issued, or purporting to be created or issued, under this Act shall, so far as concerns the lender or holder, be deemed to have been lawfully raised, created, or issued within the powers of this Act conferred in that behalf." I think that entirely secures the holders from any error that may have been made in the debentures, if there was any error, which I do not admit.

105. Then, if you were a trustee or a person investing money you would not consider that the difference between the two would in the slightest degree affect the security?—Not in the slightest degree. The Committee would be surprised if they saw the variety of terms which are used on the face of debentures. They are most varied.

106. That is, with the law as it is at present, and taking debentures of the past?—Yes. There is a wonderful variety in the expressions, but they all mean the same thing.

107. This question of form is not important?—The question of form is important, but the express charge of the debenture against the public revenues of the colony is not important. It is not for the debenture to charge the revenue; it is the Act which charges the revenue.

108. Then, in spite of everything that may appear on the face of the debenture, it is the Act itself which charges it on the public revenues?—Yes, quite so.

109. Is there any Act of the General Assembly defining the term "public revenue"?—I do not think there is.

110. Using the term "Consolidated Fund" as against the term "public revenues," are there moneys which would be chargeable upon the one which would not be chargeable upon the other—say, if you put a Receiver in charge?—The answer to that is that if you put a Receiver in he would be guided by his own interpretation of what the public revenues were.

111. The point I want to get at is this: Is the security weakened by "Consolidated Fund" being used in lieu of "public revenues of the colony" in the debentures?—I am clearly of opinion that the intention of the Legislature was to charge it to the Consolidated Fund.

112. As regards the position of the Solicitor-General, is the same rule adopted as during the time of the late Controller and Auditor-General?—I think so.

113. Is the law the same and the practice the same as when we had Mr. FitzGerald as Controller and Auditor-General?—I suppose you mean, is the practice the same for the Solicitor-General to be consulted?

114. I can only ask you a general question. For how many years has the law been that, in case of dispute between the Controller and Auditor-General and the Treasury, the Solicitor-General settles the point?—I never looked that up absolutely, but it must go back to a very early date of the Public Revenues Act. It must have been before 1878, at all events. The Act of 1878 is the principal Act, and it would be most probably before that.

115. What was the practice when Mr. FitzGerald was Controller and Auditor-General and you were Secretary to the Treasury? On the Solicitor-General's advice being given was this repeated issue of Governor's Warrants required?—No. The contentions between the Audit Office and the Treasury were very few and far between. In fact, my memory does not serve me to recall any instance of a Governor's Warrant or papers being laid on the table of the House owing to a contention between the two offices. I have no recollection of that being done.

116. *The Chairman.*] It is a question of whether these questions were pursued to such extreme refinement?—Certainly not.

117. *Rt. Hon. R. J. Seddon.*] In other words, if Mr. FitzGerald had satisfied himself on consultation with the Law Officers that he had taken a wrong view he would give way?—I will not say that.

118. Did he force matters to the bitter end?—No, certainly not. Mr. FitzGerald was a man of very broad ideas, and had the welfare of the colony and the conduct of public business at heart. He considered the good of the country and the benefit to the public interest in matters of opinion of his own before pressing to a conclusion those opinions which he might hold to be contrary to public policy.

119. *The Chairman.*] You mean his primary function was to facilitate rather than impede?—Yes; that is it.

120. *Rt. Hon. R. J. Seddon.*] Has the course taken by the Controller and Auditor-General in this matter embarrassed the administration of the colony?—I think so, very materially, as we have not been able to fulfil contracts into which we entered in the proper businesslike way in which we ought to have carried them to a conclusion.

121. Has the Controller and Auditor-General the same facility for consulting the Law Officer that you have in respect to these matters?—I always understood so.

122. Is there any recommendation or suggestion you could make to alter the law that would be a preventive against these repeated references to the Governor and to Parliament?—No, sir; as long as the Controller and Auditor-General interprets the law in his own way, and adheres to such interpretation, I see no other course that can be followed.

123. Then, in your opinion, there must be some tribunal to decide between the Audit Office and the Treasury, or otherwise the administration would be embarrassed?—Administration would be absolutely and entirely stopped, and business could not be conducted properly.

124. Take this case in point: Supposing there had been no power to get a Warrant, and after