

253. Do you recollect informing me that the Controller and Auditor-General was countersigning them?—Oh, yes; I recollect saying that.

254. (To Mr. Warburton:) May it not have been that you discovered this mistake in the debentures after you told Mr. Heywood that you were going to sign them?—The clerk came up next morning, and, of course, Mr. Heywood may have assumed, when the clerk was coming to attend me, I was going to countersign them. It was found very shortly after that the issue of the debentures was informal, and on the Saturday morning Mr. Heywood suggested I might, notwithstanding, pass the debentures. There was a suggestion that he might go to the Solicitor-General for his opinion upon the further objection, but then I could not countersign them.

255. (To Mr. Heywood): Have you any recollection of Mr. Warburton telling you they were too late for the mail?—I do not remember any such statement.

256. In a matter of such importance, do you think such a statement would escape your attention?—No. As far as my memory serves me, I was under the impression they would be countersigned, and I conveyed that impression to you.

257. Were you not very much concerned in getting these debentures away by the mail?—I was most anxious to do so.

258. Did you not inform me that unless they went by that mail the interest on the coupons could not be paid on the due date?—Yes.

259. Then, if you were told by the Controller and Auditor-General that it was too late to send them by the mail, you would recollect that being said?—Yes, certainly, or otherwise I would not have told you I expected them to be countersigned.

260. *Mr. Guinness.*] If they were signed on the 16th August would they be too late for the Frisco mail?—Yes; that mail left on the 15th.

261. Why did you not get them signed on the 15th?—Because of the second objection by the Audit Office.

262. You said he did not raise that objection until the 16th: how do you explain that?—I do not remember. I suppose we were waiting to get the debentures back.

263. *Mr. W. Fraser.*] On what day did the clerk go to the Audit Office to assist in the countersignature of the debentures?—Arrangements were made that the clerk should go up on the 15th.

264. Did he go on the 15th?—That I could not tell you without asking him. If the Controller says he did not go on the 15th I should accept that, if it agreed with the recollection of the clerk.

265. Then, if the clerk did not go until the 16th the debentures could not have gone by the mail which left on the 15th?—No, certainly not. I was under the impression that the clerk went up on the 15th.

266. There is a conflict as to recollection between the Controller and Auditor-General and the Secretary to the Treasury as to what occurred on the 15th August. The Controller says he intimated it was too late for the debentures to go by that mail, and that the clerk was sent from the Treasury on the 16th?—*[Mr. Warburton]* I think the explanation may be that Mr. Heywood was referring to a mail which went by Suez on the 17th.

267. *Rt. Hon. R. J. Seddon* (to Mr. Heywood.)]: Was it possible, considering the time when the second Warrant was obtained and the time when the debentures were sent Home, that the interest on the first coupons could be paid on the due date?—I do not think it was possible in connection with some of the debentures, because they had to go to Australia first, and be sent from there to London, and that would take so much more time.

268. If that be the case, there was a delay in the colony meeting its obligations: could you find out whether the debentures reached London in time?—I found out at the time that they could not reach London by the due date. Whether they arrived in time, and the interest was paid on due date, I could not say, because I have no advice from the Agent-General as to whether they were paid in time.

269. Could you not wire to the Agent-General?—I could.

270. *Mr. J. Allen* (to Mr. Warburton.)] Could you tell us at what hour on the 15th you got the debentures?—It would be about the middle of the day—about 1 o'clock—too late to sign them in time for the mail. My recollection is clear that I pointed out there was no time to sign them for that mail, and an arrangement was made to send a clerk up next day. That recollection is confirmed by the memorandum of the Secretary to the Treasury of the 15th August: "Determination of His Excellency the Governor with reference to the question as to the lawful payment of interest to 1st April is attached, and the debentures are again submitted for your countersignature. The debentures will be sent to the Agent-General for delivery only upon the surrender of the relative scrip representing the aggregate amount of each parcel of debentures." The scrip is the security issued to the debenture-holders before the debentures are issued.

271. Could they get their interest upon presenting that scrip?—That is for the Treasury to say. The scrip was the security for their money until the scrip was exchanged for debentures.