

authorising a loan that within fourteen days interest might be paid—fourteen days after it fell due—so as to meet a case of this kind, and avoid the necessity for an Order in Council? Would there be any objection to that?—I think that is a question really for the consideration of the Government.

62. Might it not occur again?—It might occur again.

63. That the banks be closed and the debentures and the interest fall due, and yet the money would have to lie there, and interest, of course, in justice to the debenture-holders, would be accruing?—Yes; but large sums of interest are sometimes left with the Government, and are not claimed till after due date, and there is no interest paid on them.

64. That is another matter. If the circumstances are the same as in this case, and the debenture-holders claim their interest, as the Government have had the advantage of their money, should there not be some provision made to meet that contingency?—Of course, I do not know these circumstances. I have only considered the law on the point of the charge.

65. I will give you a hypothetical case: we will say it is Easter, or some other bank holidays, and when the debentures fall due the banks are closed, and no payment can be made or lodged for the debenture-holders until the banks open again. Now, if provision is made in the Act for a given period to cover that, would that not be preferable to charging against "Unauthorised"?—Well, a provision like that would meet the case if it were made law. If that were authorised by law I could not object to the charge. But, as a general rule, debenture-holders look after their own interests. They would come for the payment of the capital money on the due date.

66. The facts are that it was holiday-time, and the banks were closed on the due date?—Was the 1st April a holiday?

67. Yes, from the 1st to the 5th April were bank holidays. The money was there, but the debenture-holders could not get it until the banks opened. Under the Banking Act, when any payment falls due in the interval when the banks are closed the due date of payment then is the first day when the banks open?—Yes, I think that might be considered a reasonable ground for payment; but why should not the payment be made and charged to "Unauthorised"?—There can be very few cases of the kind.

68. Anything charged to "Unauthorised" must appear on the estimates, must it not?—Yes, in the Appropriation Act.

69. *Hon. Sir J. G. Ward.*] Is it not a fact that in the case of all payments made out of "Unauthorised" the purpose and the party to whom the money is paid must be stated?—The particular purpose must be given, but I do not think—

70. *Right Hon. R. J. Seddon.*] Would there not have to be a voucher prepared, and would not the name of the person who received the money appear on the voucher?—All that we should require to appear in "Unauthorised" would be the charge on the voucher.

71. But it would have to be an amount payable to somebody and for a specific purpose, would it not?—The name of the person would not necessarily be given.

72. A voucher showing what the payment was for would have to be prepared?—Yes; certainly.

73. And the person who received the money would have to sign the voucher?—Yes.

74. In the case of a coupon there is no name at all, is there?—No.

75. The identity is not disclosed?—No.

76. I understand you to say, Mr. Warburton, that there are two ways of meeting such a case as this in the future—either to take legislative authority to pay interest for a few days on overdue debentures, or to charge the payment to "Unauthorised." Those are the two ways?—Yes.

77. *The Chairman.*] In the event of a debenture falling due on a Sunday, when is payment made?—I should have to refer to the law for that; but perhaps Mr. Heywood can tell you.

78. You cannot tell us?—I could not speak without a little doubt. I think that is provided for; but, as I say, I could not now speak without doubt.

79. It has not come under your notice before when a debenture has fallen due?—I do not recollect such a case.

80. Has any case come up before when a debenture has fallen due on a bank holiday?—I do not recollect a case. Such a case may have occurred, but there would be no question arising if the debenture-holder got his money the next day.

81. But if he asked for another day's interest the matter would come up before you, would it not?—I think so.

82. Supposing that a debenture fell due on a Sunday, and a debenture-holder asked for another day's interest because it was paid on the Monday, would you object if they paid the day's interest and charged it against the loan account?—I should look up first of all what the authority was.

83. If there were no special authority providing for that case, would you object to its being made a charge against the loan?—I think I should. But I am speaking now on the assumption that there would be no authority.

84. Yes?—I should make an objection, I think.

85. How about if, when this particular debenture fell due, it was a bank holiday? This case is on all-fours with the case I refer to?—With the case of a debenture falling due on a holiday?

86. Yes, on a day when you cannot get it paid at the bank, and when the first day comes on which it can be paid interest is paid to the holder of the debenture for the extra days?—Yes; but the bank is not necessary to the payment. Why should not the Government be ready to pay on a holiday?

87. In the ordinary carrying-on of commercial business nowadays, is not a bank absolutely necessary to a large payment of money—is it not a necessity?—I do not think it is quite a necessity.

88. Would not the alternative be having to keep gold in the Treasury?—Yes, gold, or something equally satisfactory.