

this Loan Act—"The Aid to Public Works and Land Settlement Act, 1893"—under which the debentures in question are issued, as that provision in the Consols Act, so that the Government or the Treasurer has no receipt or acquittance, authorised by law, from the debenture-holder for the interest paid to him. What I state, therefore, is to the effect of the first paragraph of my memorandum, which is in Paper 29. I have nothing more to add generally on the subject.

7. *The Chairman.*] You see the difficulty in getting a receipt from the person to whom the money is paid—he is unknown to the Government at the time the money is paid?—He is unknown.

8. And supposing the Audit Department requires a receipt signed by the payee, how is the Audit Department to be satisfied that that is the person who received the money?—There are two ways—first, the coupon. There is no coupon in this case. That is the most satisfactory way of all. The only other way that would be satisfactory is to have a witness to the payment.

9. In this case, under section 3 of the Aid to Public Works Act, the loan may be issued with or without coupons?—Yes.

10. In what way would you obtain ample security that the money was paid to the debenture-holder, and that it was not a bogus receipt which was submitted to you?—I should have to consider that. I think all these debentures should be issued with coupons; it is the most satisfactory form of voucher. But in every case where payment was made without a coupon, there could be some responsible officer to witness the payment by the Postmaster or the banker.

11. You realise that Parliament gave the Government power to issue these debentures without coupons?—Yes, I do.

12. If you suggest that the best security for the Audit Department would be that some Government official should act as a witness, do you not get that same security given in the certificate by the Post Office official, as shown by form No. 5, page 2, of B.-22, that he has paid a certain sum of money, and, in addition to that, he indorses the payment on the debenture? Is not that a certificate which gives you all, if not more than you suggested just now the Audit Department would be satisfied with?—A voucher is a receipt, as I say, for cash paid; any documentary or other satisfactory evidence of the accuracy of accounts. We want to check the accountant. We do not take his mere statement. As I have stated in the correspondence, his certificate to his account is just as good as any other certificate by him. We want him to prove that he has made the payment which he takes credit for. Now, his own statement is no proof.

13. Have you not, where you do not know who the payee is, in the case of a payment like that, to trust to the statement of the man giving the alleged receipt?—I say the mere receipt would not be satisfactory, but the witnessed receipt would be, because the witness would be a witness of the production of the debenture on which the interest is payable.

14. That would be a Government official?—I should think a Government official would be the better.

15. But you get that, as shown in No. 5 of the paper?—The witnessed receipt is as near as you can go to a satisfactory acquittance other than a coupon. The official I would select would be one, independent of the accountant, to certify that the debenture on which the interest was payable was produced.

16. Would a verifying statement by another official attached to this form No. 5 be satisfactory to the Audit Office?—Up to that point it would be; but the Government has no receipt to show from the person to whom the interest is payable. The Consols Act provides that the entry by the paying officer shall be an acquittance, but there is no such provision for the payment of interest on the debentures in question.

17. Where is the statute that requires that?—Section 54 of the Public Revenues Act.

18. Section 54 does not say it shall be a receipt for all money?—I think so: "All vouchers for the paying of which money is issued shall be returned to the Audit Office by the Paymaster-General, *duly receipted by*, or by the written authority of, the person entitled to receive such money; and the Audit Office shall surcharge every sum for which such properly receipted voucher is wanting against the officer whose duty it was to obtain such receipt."

19. You say that that is the same in effect as if it said "All payments made by the Paymaster-General to any person shall be vouched by receipt by that person of his having received the money"?—Yes.

20. And you do not read it as stating that "where vouchers" are given of payments?—No; the law—the Public Revenues Act—requires that there shall be a voucher for every payment. Where there is a special Act making provision for the payment of money on the production of a coupon, that coupon is a sufficient voucher.

21. Then, why did not the Act define what a voucher was?—"Voucher" is generally defined in the dictionary.

22. It is not defined in the Public Revenues Act?—No.

23. So that the Audit Department alleges that a voucher has to be given; but still the Act does not define what the voucher is?—No.

24. Webster's Dictionary defines "voucher" as "A book, paper, or document which serves to vouch the truth of accounts, or to confirm and establish facts of any kind; also any acquittance or receipt showing the payment of a debt; as, the merchant's books are his vouchers for the correctness of his accounts; notes, bonds, receipts, and other writings are used as vouchers in proving facts." Under that definition, would not a statement signed, as is contained in No. 5, page 2, of the correspondence—would that not come under the dictionary definition of "voucher"?—I should have to study that a little, but I do not think that certificate would be a satisfactory acquittance—a duly receipted voucher—for public money. I have regarded section 54 as requiring the receipted voucher, and it is the invariable practice not to pass a payment for public money without such voucher. There is no better voucher than the debenture which is handed from bearer to bearer, and ultimately back to the Treasury, and the coupon.