

annum, instead of 4 per cent. per annum, the concession made as to payment of the price would not have resulted in the debentures yielding so much as the rate of 4 per cent. per annum to the purchasers on their purchase-money.

With regard to the informality arising from the discrepancy between the words by which the debentures declare the security for the principal and interest and the words by which such security is declared in the Act and prospectus—that is, the informality which the Audit Office has described as “this objection to the form of the debentures”—there is no such objection by or dispute with the Audit Office, or such difference of opinion between the Audit Office and the Treasury, as the Governor is authorised to determine. The Audit Office has not disputed any proposal to charge the debentures to the Consolidated Fund, or suggested that the validity of the debentures would be affected by the discrepancy. The objection is merely that to which the Solicitor-General alludes by his remark that “it would be well that the debentures should accord textually with the Act.” The debentures do not express their security as it is expressed in the Act and prospectus. And, consequently, even if there were no doubt that “the public revenues of New Zealand” are identical in meaning with “the Consolidated Fund of the colony,” any advice which presumes and applies to a dispute on the question whether principal and interest which are chargeable by statute on the public revenues are not chargeable on the Consolidated Fund is inapplicable to the actual objection, and so, of course, is the Governor’s Order determining such a dispute.

It may, however, here be observed that section 2 of the Public Revenues Act of 1896 provides as follows: “The Public Account shall comprise not only the Consolidated Fund and the Public Works Fund, as provided by section seven of the principal Act, but also every separate fund or account which by any Act of the General Assembly heretofore or hereafter passed is directed to be paid into and to form part of the Public Account”; and that, as by this amendment of section 7 of the Act of 1891 the Consolidated Fund does not comprise all receipts but the produce of loans, it is the more desirable that the debentures for a loan raised on the security of the public revenues of New Zealand should declare the security in textual accord with the relative Loan Act.

It is respectfully submitted that the objection was, in the circumstances, virtually no more than a requirement that the form should be corrected to accord textually with the Act and the prospectus, and that the debentures should be printed again in the correct form—as, indeed, other debentures for the same loan have since been printed; and the Controller and Auditor-General, fearing that Parliament may consider that he should not have countersigned the debentures till they had been corrected, would venture to urge the Hon. the Minister to consider whether it would not, even now, be better to have them corrected.

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