

The inclusion in the common fund of the moneys arising under such a trust being not optional but mandatory with the Public Trustee, the moneys have to go into the common fund ; and this is the ground of the Audit Office objection to crediting to revenue the interest on the investment of them.

The Hon. the Colonial Treasurer.

J. K. Warburton,
Controller and Auditor-General.

No. 37.

REFERRED to the Solicitor-General for any remarks he may think it desirable to make.

8th October, 1901.

JAS. B. HEYWOOD.

No. 38.

I HAVE nothing to add to what I have already said on the matter, unless, indeed, it be to suggest that it would be better from every point of view if in these cases the Audit Office would state its objections fully in the first instance, and allow the correspondence to close with the Governor's Warrant.

8th October, 1901.

FRED. FITCHETT,
Solicitor-General.

No. 39.

The Audit Office.

ABOVE for your information. The Right Hon. the Colonial Treasurer concurs with the suggestion of the Solicitor-General.

10th October, 1901.

JAS. B. HEYWOOD.

No. 40.

Audit Office, 11th October, 1901.

THE Controller and Auditor-General could hardly justify his concurrence with the suggestion of the Solicitor-General if its object is to restrict the Audit Office in its duty of informing Parliament. But if, before a dispute between the Colonial Treasurer and the Controller and Auditor-General is submitted for the judgment of the Governor, the case as presented to the Solicitor-General, and his opinion on it, were referred to the Audit Office, there would appear to be no objection to a general rule of closing the correspondence with the Governor's Warrant. In the exceptional cases in which the Audit Office might consider it to be its duty to afford additional information to Parliament, such information could be conveyed in a separate paper.

The Hon. the Colonial Treasurer.

J. K. Warburton,
Controller and Auditor-General.

Approximate Cost of Paper.—Preparation, not given ; printing (1,250 copies), £5 8s.

By Authority: JOHN MACKAY, Government Printer, Wellington.—1901.

Price 6d.]