

1901.

NEW ZEALAND.

“THE PUBLIC REVENUES ACT, 1891”:

CORRESPONDENCE IN CASE IN WHICH AUDIT OFFICE DECLINED TO SIGN DEBENTURES
FOR £10,000 UNDER THE LAND FOR SETTLEMENTS CONSOLIDATION ACT.*Laid upon the Table by the Deputy-Speaker.*

Audit Office, 30th October, 1901.

THE Controller and Auditor-General has the honour respectfully to submit to the House of Representatives, in accordance with the provisions of section 53 of “The Public Revenues Act, 1891,” a copy of the correspondence in a case under that section, in which, the Audit Office having declined to sign debentures for £10,000 under “The Land for Settlements Consolidation Act, 1900,” on the ground that the interest payable in the first coupon is 4 per cent. per annum computed from the 14th day of April, 1901, whereas the full purchase-money was not paid until after that date, and consequently the price paid—£100 per cent. of the amount of the debenture—would result in yielding to the purchaser a higher yearly rate of interest on the purchase-money than the maximum rate—4 per cent.—authorised by section 10 of the Act; the Governor has by Order in Council determined that the interest payable on the first coupon will not result in yielding to the purchaser of the said debentures a higher rate of interest on his purchase-money than the maximum rate authorised by section 10 of “The Land for Settlements Consolidation Act, 1900,” and that consequently the debentures may be lawfully issued with the first coupon representing interest at 4 per cent. per annum from the 14th day of April, 1901, notwithstanding that the full purchase-money was not actually paid until after that date.

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

The Hon. the Speaker of the House of Representatives.

No. 1.

Audit Office, 23rd September, 1901.

*Narration of Debentures issued under “The Land for Settlements Consolidation Act, 1900.”—
Amount issued, £204,000.*

THE ten debentures entered in this narration, and numbered from 559 to 568, for £1,000 each, or £10,000 in all, have coupons attached to each of them to pay the purchaser interest at the rate of 4 per cent. per annum from the 14th April, 1901. As, however, the debentures have been sold at the price of £100 for every £100 mentioned in them, and the purchase-money was paid, £5,000 not before the 7th May, and £5,000 not before the 10th May, the payment of the foregoing rate of interest from the 14th April will result in the debentures yielding to the purchaser a higher rate of interest by the year than 4 per cent. per annum on the purchase-money, contrary to the provisions of section 39 of the Loan Act. The Controller and Auditor-General regrets that he is, in consequence, unable to countersign such debentures.

Hon. the Colonial Treasurer.

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

No. 2.

The Audit Office.

I DESIRE to point out for your consideration that the objection you now raise is precisely the same as that which was raised by you and determined by His Excellency in connection with the debentures for the Half-million Loan issued under “The Aid to Public Works and Land Settlement Act, 1900.” In these circumstances it seems to me to be unnecessary to trouble His Excellency again, and I would suggest that you treat the former Warrant as applying to the present case.

24th September, 1901.

JAS. B. HEYWOOD.

1—B. 19D.