

RANFURLY, Governor.

ORDER IN COUNCIL.

At the Government House, at Wellington, this twenty-first day of October, one thousand nine hundred and one.

Present: His Excellency the Governor in Council.

WHEREAS by section fifty-three of "The Public Revenues Act, 1891," it is provided that, if the Audit Office declines to pass any issue requisition on the ground that the charges therein are not according to law, the matter in dispute shall be determined by the Governor in Council, having before him the opinion of the Attorney-General thereon: And whereas the Audit Office has declined to sign debentures Numbers 559 to 568, for ten thousand pounds, under "The Land for Settlements Consolidation Act, 1900," on the ground that the interest payable in the first coupon is four per centum per annum computed from the fourteenth day of April, one thousand nine hundred and one, whereas the full purchase-money was not paid until after that date, and consequently the price paid—one hundred pounds per centum 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—four per centum—authorised by section ten of the Act:

Now, therefore, His Excellency the Governor of the Colony of New Zealand, in pursuance and exercise of the power and authority conferred upon him as aforesaid, and by and with the advice and consent of the Executive Council of the said colony, having before him the opinion of the Solicitor-General (the office of the Attorney-General being vacant), doth hereby determine 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 ten of "The Land for Settlements Consolidation Act, 1900," and that consequently the debentures may be lawfully issued with the first coupon representing interest at four per centum per annum from the fourteenth day of April, one thousand nine hundred and one, notwithstanding that the full purchase-money was not actually paid until after that date.

ALEX. WILLIS,

Clerk of the Executive Council.

No. 13.

The Audit Office.

His Excellency the Governor having again determined, by an Order in Council, that interest in accordance with the first coupons attached to Debentures Nos. 559 to 568, issued under "The Land for Settlements Consolidation Act, 1900," is lawfully payable, I shall be glad if you will countersign the debentures, which are herewith returned for the purpose.

22nd October, 1901.

JAS. B. HEYWOOD.

No. 14.

Audit Office, 23rd October, 1901.

Audit Office Objection to Interest payable on First Coupon of each of Ten Debentures, issued under the Land for Settlements Act, for £10,000.

THE Governor in Council having in this case determined, under section 53 of the Public Revenues Act, 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, the Controller and Auditor-General has countersigned the debentures, and will in ordinary course lay before Parliament, in accordance with the provisions of the Public Revenues Act, a copy of the correspondence on the subject.

It is submitted that, if debentures for £130,000 of the same issue and carrying interest from a date prior to the payment of the purchase-money were previously countersigned by the Audit Office without objection, the explanation is that the unauthorised allowance of interest escaped detection, in consequence of the examining Audit officers taking the date from which the Treasury narration stated the interest to be payable to be the date of the payment of the purchase-money.

The first intimation to the Controller and Auditor-General that the debentures were issued to pay such unauthorised allowance of interest was not till after the order of the Governor in Council had been received by the Audit Office. The matter was then observed to form part of the case as submitted by the Colonial Treasurer for the opinion of the Solicitor-General.

Hon. the Colonial Treasurer.

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

No. 15.

SIR,—

Treasury, Wellington, 24th October, 1901.

I am instructed by the Right Hon. the Colonial Treasurer to acknowledge receipt this afternoon of your letter of yesterday's date, intimating that you had countersigned debentures for £10,000, having received the Order in Council determining the objection raised by the Audit Office.

With regard to your explanation that debentures for £130,000 were countersigned in consequence of the Audit Office mistaking "the date from which the Treasury narration stated the interest to be payable to be the date of the payment of the purchase-money," I am to reply that the only date upon the narrations referred to is one inserted upon the narration by yourself, and not by the Treasury.

I have, &c.,

The Controller and Auditor-General.

JAS. B. HEYWOOD,
Secretary to the Treasury.