nected with the particular voucher for £600, but traversed the whole of the arguments of the Audit Office, and laid down the broad principle that "in every case the steamer must be kept in commission by the Marine Department out of Vote No. 42," and "the working-expenses are provided for by Vote 42." In other words, the particular service upon which the steamer is employed has nothing to do with the direction to charge for payment of the expenses of the steamer while employed on such service. In every case the payment for such expenses should be made a charge against Vote 42. The opinion and arguments of the Solicitor-General being concurred in by His Excellency the Governor, supported by the Order in Council, it appears to me to be quite unnecessary to require another Order in Council to enable payment to be made for services connected with the working-expenses of the steamer. As the Solicitor-General mentions in his memorandum of the 21st December, "the Controller appears to me to be confusing the payment of the steamer's working-expenses with the payment of the services performed"; and I feel sure that upon reconsideration of the matter the Audit Office will not desire to press for another Order in Council, but will, if they consider it necessary, be satisfied to include in their report to Parliament any subsequent payments for similar services which they consider are not properly chargeable to Vote 42.

JAS. B. HEYWOOD,
Secretary to the Treasury.

No. 9.

Hon. Mr. Hall-Jones.

HON. Mr. Seddon has asked me to send this to you, and suggested that you should refer the question to the Solicitor-General for his opinion.

13th February, 1901. JAS. B. HEYWOOD.

Dr. Fitchett.

KINDLY let me have your opinion upon this matter.—W. H.-J. 13/2/1901.

No. 10.

Hon. the Minister.

FOR the reasons given by me when dealing with the voucher for £600, I am of opinion that these expenses are properly chargeable to Vote No. 42. The Audit Office would, of course, be quite justified in insisting upon a fresh warrant by His Excellency under section 9 of last year's Act, but I see no objection to the course suggested by Mr. Heywood—viz., dispense with another order, but treat the present question as covered by the order of 24th December, 1900, and report to Parliament accordingly. This, however, is a matter for the Controller.

14th February, 1901. FRED. FITCHETT, Solicitor-General.

The Audit Office.—For reconsideration.—J. B. H. 13/2/1901.

No. 11.

The Treasury. Audit Office, 20th February, 1901.

THE case is one of a difference of opinion on a question which can be determined only by the Governor under section 9 of the Public Revenues Act of 1900, and no proposition has been made or any ground been pointed out on which the Audit Office considers that it would, in the circumstances, be justified in dispensing with such determination.

The Treasury quotes the opinion of the Solicitor-General that "the Controller appears to me to be confusing the payment of the steamer's working-expenses with the payment of the services performed." This opinion was followed by his remark that "the former payment must be made before the latter comes up for consideration." It may, however, never happen that "the latter comes up for consideration." To take, for example, the working-expenses of the steamer on her special voyage to the South Sea Islands in May last, it is stated by the Marine Department, in the paper of which a copy is appended, that there have been no recoveries by the department for the services of the steamer during the period of that voyage—that, in other words, "the latter" did not "come up for consideration" in respect of service of the steamer to the South Sea Islands. And in this way the payments for an unauthorised service might be included, and appear so for all time, as the expenditure authorised for the working-expenses of the steamer.

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

Appended to No. 11.

Expenses of the s.s. "Tutanekai" on her Special Voyage to the South Sea Islands in May, 1900.

Audit Office, 31st January, 1901.

THE Audit Office would be obliged by a statement from the Marine Department showing,—(1.) The working-expenses of the s.s. "Tutanekai" on her special voyage to the South Sea Islands in May, 1900. (2.) The vote to which such working-expenses have been charged. (3.) The amount of any recoveries by the department for the services of the steamer during the period of the voyage.

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

Hon. the Minister.—Your authority for furnishing this information is requested.—W. T. GLASGOW. 4/2/1901.