

Audit Office and issued to the subscribers, and it is much to be regretted that the office should now feel compelled to question the legality of the debentures for which, in terms of the prospectus, these certificates are to be exchanged.

To prevent such a thing happening again, I would suggest that in the case of any future loan the draft prospectus should be submitted to the Audit Office, so that all its objections may be raised and disposed of before the prospectus is published.

FRED. FITCHETT,

Crown Law Office, 12th August, 1901.

Solicitor-General.

No. 9.

THE draft prospectus was duly submitted to the Audit Office prior to its publication, and was not dissented from. On the 11th April, 1901, after the publication of the prospectus, the Controller and Auditor-General inquired whether the proposal to make the first year's interest date from 1st April had been considered, as in his opinion it appeared to be a proposal to pay more than the maximum rate of interest as provided by section 10 of the Act. The Solicitor-General was consulted, and he advised that there was nothing in the point raised by the Audit Office, and the Controller was so informed on the 13th idem. On the 18th idem the Controller replied that he had asked the question under a misapprehension that the opening of the tenders in his presence might imply his satisfaction as to the point raised. Nothing more was heard of the matter until a parcel of debentures was sent up to the Controller for countersignature, when they were returned with the minute which has given rise to this reference to the Solicitor-General.

13th August, 1901.

JAS. B. HEYWOOD, Secretary.

No. 10.

PREPARE order for Governor's warrant.—R. J. S.—13th August, 1901.

No. 11.

RANFURLY, Governor.

WHEREAS by section nine of "The Public Revenues Acts Amendment Act, 1900," it is provided that, in case any difference of opinion arises between the Audit Office and the Treasury as to the vote, appropriation, fund, account, or other authority to which any expenditure ought to be charged, the question shall, if in the opinion of the Audit Office it involves questions of law, be determined by the Governor, having before him the opinion of the Attorney-General thereon: And whereas such difference of opinion as aforesaid has arisen as to the interest payable in respect of debentures to be issued under "The Aid to Public Works and Land Settlement Act, 1900":

Now, therefore, I, Uchter John Mark, Earl of Ranfurly, the Governor of the Colony of New Zealand, in exercise of the hereinbefore-recited powers, and having before me the opinion of the Solicitor-General, do hereby determine the said question by deciding that interest at four per cent. per annum on short-dated debentures for five hundred thousand pounds, to be issued under "The Aid to Public Works and Land Settlement Act, 1900," shall be payable from the first day of April, one thousand nine hundred and one, as announced in the prospectus inviting tenders for the loan.

Given under the hand of His Excellency the Governor, at the Government House,
at Wellington, this fourteenth day of August, one thousand nine hundred
and one.

R. J. SEDDON.

No. 12.

The Controller and Auditor-General.

DETERMINATION of His Excellency the Governor with reference to question as to the lawful payment of interest from 1st April last is attached, and the debentures are again submitted for your countersignature.

15th August, 1901.

JAS. B. HEYWOOD.

The debentures will be sent to the Agent-General for delivery only upon the surrender of the relative scrip representing the aggregate amount of each parcel of debentures.—JAS. B. HEYWOOD.