

(2) For the purchase of 30,000 shares in the East Coast Farmers' Fertilizer Co., Ltd. Payment of £7,500, being 5s. per share on application, has been made.

(3) For the payment of a retiring allowance at the rate of £500 per annum to a retired judge of the Supreme Court.

(4) For certain contributors to whom Section 55 of the Superannuation Act, 1947, applies to have the right to elect to contribute to the Government Superannuation Fund on the allowances mentioned in that section and for financial adjustments arising from such election.

(5) For the payment of social security benefits and war veterans' allowances at increased rates resulting from an increase in income exemptions.

(6) For the payment at increased rates of war veterans' allowances and social security benefits other than family and superannuation benefits.

(7) For the payment of the sum of £125 made in April, 1949, to T. Clifton Webb, Esq., Member of Parliament, to meet expenses incurred by him in connection with his visit to Canada as a delegate to the Commonwealth Parliamentary Association meeting.

*Excess Unauthorized.*—Although the amount of the unauthorized authority available for the year ended 31st March, 1950, in terms of section 7 of the Finance Act, 1947, was £2,895,108, the total issue against the account was £3,667,698, resulting in the statutory limit being exceeded by £772,590.

The Government has advised that legislation will be introduced to validate the excess. Of the total issue, special items accounted for £662,066 and overdrawn votes for £3,005,632.

The unauthorized statement submitted on pages 59–64 of the Public Accounts shows the composition of the total charge.

*National Development Loan, 1950.*—In terms of sections 3 and 4 of the National Development Loans Act, 1941, the Minister of Finance is authorized to borrow for national development in the first three months of a financial year any balance remaining from the previous year's authority, together with an amount equal to one-fourth of the whole of the previous year's authority. At 1st April, 1950, the amount which could be borrowed under the foregoing authority was £13,221,225, and before the issue of the prospectus of the 1950 loan this sum had been reduced to £8,679,566. The Audit Office was therefore concerned to notice that the Minister of Finance was proceeding to borrow a further £20,000,000, or £11,320,434 in excess of the statutory authority available. This involved incorrectness of the statement in the loan prospectus that the loan was "authorized to be raised in accordance with the provisions of the New Zealand Loans Act, 1932 . . ." The Audit Office view was represented to the Treasury, which did not disagree with it. Section 44 of the Public Revenues Act, 1926, provides that any engagement for repayment of an unauthorized loan shall be "absolutely null and void," but section 6 of the New Zealand Loans Act, 1932, provides that "all moneys raised or purporting to be raised, and all securities issued or renewed, or purporting to be issued or renewed, under this Act shall, so far as concerns the lender or holder, be deemed to have been lawfully raised, issued, or renewed . . ." and the Solicitor-General advises that the later enactment prevails. Treasury has informed this office that legislation will be introduced to deal further with borrowing in the early part of a financial year.