

DISCHARGED SOLDIERS SETTLEMENT ACCOUNT.

Section 8 (1) (b) of the Repayment of the Public Debt Act, 1925, provides that the sum of £13,500,000, which was transferred by way of loan from the Consolidated Fund to the Discharged Soldiers Settlement Account, less any amounts lawfully written off by virtue of the operation of the Discharged Soldiers Settlement Acts, is to form part of the capital moneys of the Public Debt Redemption Fund. This amount has been shown in the capital of the Redemption Fund; but, as the report on the Discharged Soldiers Settlement Account (C.-9, 1926) showed that reductions made in capital values of securities by the Dominion Revaluation Board to the 31st March, 1926, amounted to £2,480,808, the Treasury was asked if the necessary deduction from the £13,500,000 should not be made in the accounts. As, however, there appeared to be some doubt as to the interpretation of the Repayment of the Public Debt Act, 1925, in this connection, the opinion of the Solicitor-General was sought, and it was found that the asset to form part of the Public Debt Redemption Fund was not the liability of the Discharged Soldiers Settlement Account to the Consolidated Fund (£13,500,000), but the actual mortgages and other assets representing the advances to discharged soldiers out of the £13,500,000. It naturally follows, therefore, that the interest on these mortgages, which was being paid to the Discharged Soldiers Settlement Account, should by law be paid into the Consolidated Fund.

As the Treasury found it inconvenient to alter the procedure which had been hitherto followed, in order to bring it into accord with the requirements of the present law it proposed to ask for amending legislation dealing with the matter, and under these circumstances the Audit Office agreed that no alteration should be made pending the introduction of legislation. No action has therefore yet been taken to reduce the amount of £13,500,000 shown as capital moneys of the Redemption Fund, though it is known that this amount will be subject to considerable reduction when the final adjustments are made in the accounts.

MEAT-EXPORT CONTROL ACT, 1921-22.

During the recess a proposal was submitted to Audit to authorize the expenditure of money in the purchase of a site in London by the New Zealand Meat Producers Board for the purpose of erecting a cold-storage building, with the object of reducing storage rates in force in London. The Audit Office was asked to pass a sum of £875 for payment in order that an option might be secured for six months in regard to the site. It appeared to Audit that there was no legal authority for such payment, but as it was represented that there was urgency in the matter, payment was passed on the understanding that the Government would take steps to submit to Parliament any validating legislation that might be found to be necessary. In order to ascertain whether statutory authority existed in the Meat-export Control Act, 1921-22, the position was placed before the Solicitor-General, who, although expressing some doubt about the matter, finally decided that no such power existed.
