

1882.

NEW ZEALAND.

COST OF COLONIAL GOVERNMENT OFFICES IN LONDON.

Presented to both Houses of the General Assembly by Command of His Excellency.

SIR,—

7, Westminster Chambers, June 1, 1882.

It will be in your recollection that, in July last year, I communicated to you confidentially a number of particulars, with which I had been favored by the High Commissioner of Canada and the Agents-General for Australia, showing the cost of the several Colonial Government Offices in England. I have now been permitted to send you these officially, and to say that you are at liberty to lay them before the New Zealand Parliament. For convenience of reference, I also give here the cost of the New Zealand Office.

I.—Dominion of Canada.

The salary of the High Commissioner, Sir Alexander Galt, G.C.M.G., is £2,000 per annum, with a personal allowance of £800 for contingent expenses.

The annual rent of the Dominion offices is £475.

The regular staff consists of a Secretary (Mr. J. G. Colmer), an accountant, a shorthand writer, a librarian, and a messenger. The total expenses of the staff, including housekeeper's expenses, amount to about £1,300 per annum. The expenditure for extra clerks and contingencies, including printing, advertising, postage, &c., cannot be put down at any fixed sum, the amount varying constantly and considerably. For the present year, however, the cost of these services is estimated at about £2,000. It may be added, that a large amount of pamphlets and other printed matter is prepared in this country, the cost of which is debited to contingency account.

In addition to the London Offices, the Dominion has country agencies in Great Britain: two in England, one in Scotland, and two in Ireland, under the High Commissioner's control. The expenses of these offices amount to about £3,000 per annum.

The High Commissioner's salary and allowances are voted by the Dominion House of Commons in Supply; the appropriations for the London staff and country agencies are included in the annual vote for the Department of Agriculture.

The Dominion does not pay the English income-tax on its London office salaries.

As regards the management of the Public Debt, the Dominion has hitherto paid $\frac{1}{2}$ per cent. to its financial agents in England, which includes the management of the Inscribed Stock, and all other matters connected with the Public Debt, investment and management of Sinking Funds, &c. The arrangements of the Canadian Government in this respect appear to differ from those of most of the other Colonial Governments, as they do not in any way pass through the London Office at the present time, but are carried on directly by the Finance Department in Ottawa.

The audit of the London payments of the Dominion Office is done in Canada.

The Dominion does not at present employ any Consulting Engineers for the inspection of railway material in this country.

II.—New South Wales.

The salary of the Agent-General, Sir Saul Samuel, K.C.M.G., is £2,250, including a personal allowance of £250 for contingent expenses.

The rent of the offices is £470. The regular staff consists of a secretary (Mr. Yardley) at £600 a year; an accountant at £250; three clerks (together), £294; and a housekeeper at £36. The ordinary office contingencies, including firing, stationery, printing, postage, &c., come to about £350; but this amount is subject to variation according to the requirements of the service.

The sum ordinarily voted for office expenses being inadequate to meet the outlay necessarily incurred, the Agent-General charges against the various departments such sums as are respectively paid by him on their account, as nearly as these can be divided.

In addition to the regular staff, there is also an emigration staff, consisting of a despatching officer, four clerks, and a messenger, the cost of this staff, and of incidental expenses, being charged against the vote for emigration purposes.

New South Wales pays the English income-tax on its London office salaries.

The interest on the public debt is paid by the Bank of New South Wales, at a charge of $\frac{1}{4}$ per cent.

A very good system is followed by the New South Wales office in its payments. Upon a voucher being sent in for payment, and duly authorised by the Agent-General, it is sent (in original) to the Bank, accompanied by a cheque for the amount. When the Bank pays the cheque, the payee receipts the voucher, which is then sent out by the Bank itself to the Colony for audit; so that the Auditor-General in Sydney has before him, at the same moment, both the order to pay and the evidence of the payment. The New South Wales office then sends out a duplicate of the voucher to accompany its own office accounts.

The audit of the New South Wales office London payments is all done at Sydney.

With regard to the services of Consulting Engineers, and the inspection of railway material, the Agent-General has lately effected a material saving in expense. The New South Wales Government last year sent orders home for not less than 80,000 tons of rails alone; for the inspection of rails, the Agent-General allows his Consulting Engineer a fee of 10d. per ton, which comes to much less than the commissions formerly paid, and for other business the commission varies, but does not exceed $2\frac{1}{2}$ per cent.

III.—Victoria.

The salary of the Agent-General, Mr Murray Smith, is £2,000. There is a Board of Advice to assist the Agent-General, the Board being remunerated by fees amounting to about £180 a year.

The rent of the offices is £400. The regular staff consists at present of a secretary, Mr Cashel Hoey, C.M.G., at £700; an (acting) accountant at £193; a clerk at £275; and three other clerks and messengers (together), £477. The two senior clerks have lately been placed on the scale of salaries allowed in the Civil Service of the Colony, and receive an annual increment, one of £25, and the other of £16 13s. 4d. The ordinary contingencies of fire and light, stationery, income-tax, postage, and petty expenses, come to about £550.

Victoria pays the English income-tax on its London office salaries.

As regards the management of the public debt, $\frac{1}{2}$ per cent. is allowed to the Associated Banks for paying the coupons in London. The interest is paid by the Banks on all the debt except that for the Melbourne and Hobson's Bay Railway, which is paid at the Agent-General's Office. It is estimated that since this arrangement has taken effect, there has been a saving to the Government of £150 a year in the difference between the commission paid to the Banks on the other loans of Victoria, and the additional salary of one clerk appointed since the transfer, whose services have, moreover, been largely otherwise utilised in connection with the business of the Melbourne Exhibition.

At present there is no Government emigration going on to Victoria.

There is no regular official inspection in this country of railway material sent out by the Agent-General, the services of Consulting Engineers having been dispensed with since 1877, unless in cases where the Railway Department in Victoria specially directs inspection.

The audit of the Victoria Office London payments is done in Melbourne; but there is a good system of pre-audit here by the Board of Advice, which passes the accounts for payment at Board-days periodically, and countersigns the Agent-General's cheques on the public account of the Government at the London and Westminster Bank. Another account, of an amount limited to £2,000, and called the "Agent-General's Advance Account," is kept at the Imperial Bank, and is used to meet claims of emergency arising in the interval between the fortnightly meetings of the Board. At the same Bank is kept the "Coupon Account," on which cheques in payment of the Melbourne and Hobson's Bay coupons are drawn, after the coupons have been submitted during the usual three days for inspection. Cheques on these accounts are signed by the Agent-General, and countersigned by the Secretary.

IV.—South Australia.

The salary of the Agent-General, Sir Arthur Blyth, K.C.M.G., is £1,500 a year.

The rent of the offices (including the emigration office) is £398. The regular staff consists of an Assistant Agent-General (Mr Deering) at £750; a chief clerk and accountant at £380; a clerk at £170, and a Public Debt Clerk at £160; and two Emigration Clerks (together), £440.

The contingencies, including printing and stationery, travelling expenses, postage, &c. (inclusive of the Emigration Department), come to about £400.

South Australia pays the English income-tax on its London office salaries.

It should be noted that the South Australian Office manages the interest on the Public Debt; and the complete system on which this is done (by orders on the National Bank of Australasia, after the coupons have been examined), combining as it does efficient checks here with facilities for the final audit at Adelaide, shows how economically all the Public Debts might be managed if the same plan had been followed by the other Colonies. The South Australian office must be credited with the value of this work as against its office cost: thus, at the rate paid by the other Australian Colonies and New Zealand, the office cost should be credited with a large sum; while of course, an even larger sum would have to be credited to it if the rate (£600 per million) were taken which we pay the Bank of England for managing our Inscribed Stock.

The audit of all the South Australian Office London payments is done at Adelaide.

As regards Consulting Engineers and inspection of railway and other material, the engineers are paid by a commission according to a sliding scale of from $1\frac{1}{2}$ to 4 per cent., according to work done, with travelling expenses.

V.—Queensland.

The salary of the Agent-General, Mr. Archer, is £1,500 a year.

The rent of the offices is £500, including the emigration offices. The regular staff consists of a secretary (Mr. Dicken) at £800; a cashier and accountant at £300; and two other clerks (together) £480;

a despatching officer for ships at £400 ; a foreign correspondent (who manages the large German correspondence of the office) at £175 ; and two Emigration Clerks and a messenger (together), £378. Extra clerks, in consequence of increased emigration, have had to be appointed, at salaries amounting to £497.

The ordinary office contingencies, including firing and light, printing and stationery, postage, &c., come to about £300 a year.

As regard inspection of railway material, &c., Queensland has its own officers in England : an executive engineer at £800, with travelling allowance of one guinea a day and first-class railway fares when travelling on service ; an assistant engineer at £156 ; and two inspectors (together) £364, (with third-class railway fares).

Queensland does not pay the English income-tax on its London office salaries.

The interest on the Public Debt is paid by the Queensland National Bank, at a charge of $\frac{1}{4}$ per cent., including commission and exchange ; for payments involving the receipting of documents, bills of lading, &c., the Bank receives $\frac{1}{8}$ per cent.

The Queensland Office has a very good plan, by which its emigration expenditure is audited in London, by Messrs. Quilter, Ball & Co., at a trifling cost compared with our system. All the emigration expenditure, including rent of offices, &c., is at present charged against loan. The other London payments of the Queensland Office are audited at Brisbane.

VI.—New Zealand.

The salary of the Agent-General is £1,250.

The rent of the offices is £400, and £50 for the Audit Office. The regular staff consists of a secretary (Mr. Kennaway), at £600, an accountant at £300, and three clerks (together), £565. Contingencies, including fire and light, stationery, postage, &c., and messenger and housekeeper, come to about £280.

The interest on so much of the Public Debt as is domiciled with the Crown Agents is paid by them at a charge (settled by the Secretary of State) of $\frac{1}{4}$ per cent. The Inscribed Stock is managed, and the interest thereon paid, by the Bank of England, at a charge of £600 per million, to be reduced if the Stock exceeds ten millions to £550 per million.

The services of the Consulting Engineers are paid for by a commission of $1\frac{1}{2}$ per cent.

New Zealand does not pay the English income-tax on its London office salaries.

The audit of the office accounts and of the Crown Agents' payments is made in London by an audit officer, under the Public Revenues Act, at a salary of £400. This expense, however, does not form part of the cost of the Agent-General's department.

VII.—Summary.

Tabulating the particulars I have given above, the following statement enables the cost of the regular staff for the various Colonies to be compared, exclusive of extra charges and special expenditure in connection with emigration in the case of Canada, Queensland, and New South Wales :—

Service	Dominion of Canada.	New South Wales.	Victoria.	South Australia.	Queensland.	New Zealand.
	£	£	£	£	£	£
High Commissioner of Canada, and Agents-General of other Colonies	2,800	2,250	2,000	1,500	1,500	1,250
Assistant Agent-General	—	—	—	750	—	—
Board of Advice	—	—	180	—	—	—
Secretaries	350	600	700	—	800	600
Regular Staff	968	580	945	1,150	1,733	865
Rent of Offices	475	470	400	398	500	400
Contingencies	2,000	350	550	400	300	280
Totals	6,593	4,250	4,775	4,198	4,833	3,395
Consulting Engineers and Inspection	None	Commissions	None	Commissions	1,320	Commissions
Rate per cent. for managing Public Debt	$\frac{1}{2}$ %	$\frac{1}{4}$ %	$\frac{1}{2}$ %	nil	$\frac{1}{4}$ %	$\frac{1}{4}$ % to Crown Agents ; £600 per million to Bank of England.

I have given to the High Commissioner and the Agents-General a copy of this letter, telling them they are at liberty to communicate its contents to their respective Governments. I gladly take this opportunity of expressing my acknowledgments to them, and to their Secretaries, for the courtesy with which the information I have given you was placed at my disposal.

I have, &c.,
F. D. BELL.

The Hon. the Premier, New Zealand.

