

1883.
NEW ZEALAND.

PUBLIC ACCOUNTS COMMITTEE.

(REPORT ON UNAUTHORIZED EXPENDITURE FOR YEAR 1882-83.)

(Report brought up 29th August, and ordered to be printed.)

ORDER OF REFERENCE.

Extract from the Journals of the House of Representatives.

FRIDAY, THE 29TH DAY OF JUNE, 1883.

Ordered, "That Mr. J. G. Wilson and Mr. Wright be added to the Public Accounts Committee; and that the Unauthorized Expenditure Account for 1882-83 be referred to the Committee, with directions to report their observations thereon, and the minutes of evidence they may take."—(*Hon. Major Atkinson.*)

REPORT.

The Public Accounts Committee have considered the statement of unauthorized expenditure, B.-8, submitted to them, and have agreed to the following as their report on various items, which they considered as calling for special observation:—

Consolidated Fund.—Ordinary Revenue Account.—Travelling Expenses of Members of Waste Land Boards, £166 11s.

1. Your Committee find that section 23 of "The Land Act, 1877," provides that out of any moneys that may be appropriated by the General Assembly there shall be paid to every member of a Land Board a sum not exceeding £1 for every attendance at a meeting of the Board, "and also a sum for travelling expenses actually incurred."

2. Several members of the various Land Boards in the colony have hitherto refused to produce sub-vouchers in support of their claims for travelling expenses, asserting that they considered the sum of £1 a day in addition to the £1 for attendance a fair claim for their travelling expenses. The Minister of Lands does not consider that £1 a day is an excessive charge for members of Land Boards who have to come in from the country for the purpose of attending meetings of the Boards, but the Audit Department has hitherto declined to pass any claims for travelling expenses of members of Land Boards unless supported by sub-vouchers. In order to get over the difficulty the Government decided to charge all claims in favour of members of Land Boards, which were not supported by sub-vouchers, at the rate of £1 per diem for each day a member of a Land Board was absent from his home on service of the Land Department. Hence the item, £166 11s., referred to.

Miscellaneous.

Sir P. G. Julyan, £666 13s. 4d.

3. Your Committee find that in 1881 the colony was about to enter into large transactions in money matters in England. Two Loan Agents were wanted, because the Agent-General could not do all the business which the Loan Act required, and make the other financial arrangements then in prospect, some of which had been carried out. At the same time the Secretary of State required that these matters should not be done by the Crown Agents. Sir Penrose Julyan and the Agent-General were therefore appointed to conduct the business. The arrangement was made by Sir John Hall that Sir Penrose Julyan should receive £2,000 for his services. It was thought better that the payment should extend over three years during which the service would last, and the consequence was that he received £666 13s. 4d. a year. The £2,000 will be exhausted at the end of next year, and the payment would then cease.

Bonus to Clerk-Assistant, £50; additional salary to Serjeant-at-Arms, £50.

4. Your Committee find that, at the close of the last session, these additions were suggested by Mr. Speaker, and that the Treasurer informed the Committee that, it being too late to have them formally voted, he should "take it for granted, if there was no expression of dissent, that the Committee authorized the Government to make these payments, and the money would be paid accordingly." (See *Hansard*, 9th September, 1882.)

Land Fund Account.

Payments made as advances in respect of rates payable under "The Crown and Native Lands Rating Act, 1882:" Tauranga County, £160; Westland County, £1,000.

5. Your Committee are informed that it was represented to the Treasury that the funds at the disposal of the Tauranga County Council were quite inadequate to enable them to carry on the necessary maintenance of the county roads, and that, unless some assistance were rendered by the Government before the winter months set in, the roads would become impassable, and serious inconvenience would result to the settlers. The rates could not be paid by the Treasury in consequence of the non-completion of the valuation rolls. The sum of £160 was therefore paid on account, with the express condition that the money should be expended in paying the wages of surfacemen employed by the Council in keeping the roads in repair.

6. Your Committee are informed that the Westland County Council applied for £2,000, urging that the county was in great financial difficulty and was unable to pay wages and contracts. The Government consented to advance £1,000 only, on the same conditions and

under the same circumstances as the advance to the Tauranga County, and being on account of money that would be due under the Crown and Native Lands Rating Act.

Ordinary Revenue Account.

Class III., Vote 17, £6,209 14s. 5d.

7. Your Committee are informed that this excess arises chiefly from a larger sum being required for exchange on remittances for payment of interest and sinking fund in England than was provided for, and from stamp duty on debentures issued under the Treasury Bills Acts of 1879 and 1880 also not provided for. The following statement explains the excess:—

8. Statement of expenditure made under Vote 17, Colonial Treasurer, Miscellaneous compared with the amount appropriated for the year ended the 31st March, 1883:—

| | Expended. | Appropriated. | Saving. | Excess. | Remarks <i>re</i> Excess. |
|---|-----------|---------------|---------|---------|---|
| | £ | £ | £ | £ | |
| Item 1. Audit, Local Bodies | 2,817 | 2,700 | .. | 117 | Travelling expenses. |
| „ 2. Secretary to Commissioners of Public Debt Sinking Funds .. | 50 | 50 | .. | .. | |
| „ 3. Expenses of investment of Sinking Funds .. | 25 | 650 | 625 | .. | |
| „ 4. Exchange and commission .. | 26,911 | 22,000 | .. | 4,911 | Exchange on remittances for payment of interest in England. Includes £1,674 stamp duty on debentures. |
| „ 5. Imperial pensions | 899 | 900 | 1 | .. | |
| „ 6. Contingencies | 2,608 | 800 | .. | 1,808 | |
| „ 7. Claim of Sophia Kidd | 18 | 18 | .. | .. | |
| „ 8. Claim of E. E. Green | 9 | 9 | .. | .. | |
| Total | 33,337 | 27,127 | 626 | 6,836 | |

Issued in excess of vote, £6,210.

Class IV., Vote 23, £1,812 1s. 4d.

9. Your Committee are informed that the original estimate was based upon the expenditure on criminal prosecutions of the previous year as reported by the Treasury, but that during the last year there were several murder and other heavy cases for which there were large extra fees to counsel, besides unusual expenses of witnesses. Since the 1st January, 1883, the new scale of fees to Crown Solicitors and of expenses allowed to witnesses has caused increased expenditure. (See Appendix.)

Class V., Vote 30, £11,422 14s. 6d.

10. Your Committee have received the following explanation of the excess of expenditure on this and the following votes: Vote 30. The cost of the repairs to the Cook Strait cable, amounting to £3,991, was charged against this vote, although no provision had been made for the expenditure. It was found necessary to send an extraordinary order for stationery, &c., amounting to about £4,000. This sum has been debited against the vote under the head “Advances,” while the stationery will not be received until about the end of this year. £780 for reconstruction of telegraph lines, and £416 for orders for material, formerly borne on loan, were, by special directions of the Audit Office, finally charged to Vote 30 in the place of Vote 109. These sums amount to £9,187, and the balance of the excess, viz., £2,235 14s. 6d., was expended on repairs and maintenance of telegraph wires.

Class V., Vote 32, £3,287 6s. 7d.

11. A sum of £2,366, arrears of bonus to San Francisco mail service contractors, was paid last year (the bonus paid during the two previous years was over £2,300 less than the sums voted); and outstanding gratuities to the amount of £848 15s. 1d., due to the Union Company but not previously claimed, were paid out of this vote.

Class XL., Vote 52, £17,547 8s. 9d.

12. Your Committee are informed that the sum of £4,516 14s. 1d., part of this vote, is general, and cannot be allocated. They are also informed that in so large and uncertain a business as the railways minute accuracy cannot be attained in estimating. In some respects expense may be in excess of, in others below, the estimate. Casual expenses arising from accidents, floods, and fire are also stated to have been productive of excess of expense last year. The item of £13,030 14s. 8d. includes advances to the Agent-General and to implestees in connection with the railways, as shown in the following statement:—

13. New Zealand Railways.—Balances in hands of the Railway Implestees on 31st March, 1883:—

| | | | £ | s. | d. | £ | s. | d. |
|---------------------------------|---------|-----|-------|----|----|---------|----|----|
| Auckland | Section | ... | 538 | 0 | 9 | | | |
| Napier | „ | ... | 22 | 17 | 0 | | | |
| Wellington | „ | ... | 205 | 19 | 7 | | | |
| Wanganui | „ | ... | 35 | 5 | 6 | | | |
| New Plymouth | „ | ... | 66 | 2 | 3 | | | |
| Hurunui-Bluff | „ | ... | 2,892 | 6 | 1 | | | |
| Greymouth | „ | ... | 51 | 12 | 6 | | | |
| Westport | „ | ... | 5 | 0 | 0 | | | |
| Nelson | „ | ... | 49 | 11 | 6 | | | |
| Picton | „ | ... | 96 | 16 | 2 | | | |
| C. W. Bridge (Stores Inspector) | ... | ... | 10 | 0 | 0 | | | |
| | | | | | | 3,973 | 11 | 4 |
| Agent-General's Account | ... | ... | | | | 9,057 | 3 | 4 |
| Total | ... | ... | | | | £13,030 | 14 | 8 |

Class XII., Vote 57, £654 7s. 2d.

14. Your Committee are informed that the excess in this vote is on account of advances made to the Agent-General, London, for the purchase of stores, which would not be received until after the close of the financial year ended the 31st March, 1883.

Land Fund Account.

Class XIII., Vote 61, £1,564 17s. 11d.

15. Your Committee find that, owing to the increased expenditure in several land districts, principally in the direction of advertising, the votes which were taken for "Contingencies" for the various local land offices have been increased by the amount of the sum above named. Your Committee find that, in terms of "The Land Act, 1877," the duty of advertising sales of Crown lands devolves upon the Local Land Boards, and that these Boards have the power of incurring expenditure in advertising lands for sale without any direct control from the Minister of Lands.

Public Works Fund.—Railways.

Royal Commission on the Middle Island Main Trunk Line: Travelling allowances and expenses, £320 14s. 10d.; miscellaneous, £27 5s. 5d.

16. Your Committee have received the following statement in explanation of these items. The Commission was appointed during the recess, and its expenses were therefore not provided for:—

EXPENSES OF ROYAL COMMISSION OF MIDDLE ISLAND MAIN TRUNK LINE for Financial Year ended 31st March, 1883.

| <i>Travelling Allowance and Expenses.</i> | | | | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|
| Hon. Dr. Pollen, for travelling expenditure | ... | ... | ... | ... | ... | ... | 40 | 18 | 0 | ... | ... | ... |
| Mr. J. Fulton | ... | ... | ... | ... | ... | ... | 43 | 0 | 0 | ... | ... | ... |
| Mr. J. T. Thomson, for travelling allowance | ... | ... | ... | ... | ... | ... | 44 | 2 | 0 | ... | ... | ... |
| Mr. J. G. Blackett | ... | ... | ... | ... | ... | ... | 21 | 0 | 0 | ... | ... | ... |
| Mr. W. Mitchell, Reporter— | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| Travelling allowance | ... | ... | ... | ... | 22 | 1 | 0 | ... | ... | ... | ... | ... |
| „ expenses | ... | ... | ... | ... | 10 | 5 | 6 | ... | ... | ... | ... | ... |
| Horse hire | ... | ... | ... | ... | ... | ... | 32 | 6 | 6 | ... | ... | ... |
| Coach and carriage hire | ... | ... | ... | ... | ... | ... | 46 | 18 | 0 | ... | ... | ... |
| Steamer fares | ... | ... | ... | ... | ... | ... | 35 | 4 | 6 | ... | ... | ... |
| Special train | ... | ... | ... | ... | ... | ... | 47 | 5 | 0 | ... | ... | ... |
| Railway fares | ... | ... | ... | ... | ... | ... | 5 | 10 | 0 | ... | ... | ... |
| „ freight | ... | ... | ... | ... | ... | ... | 4 | 0 | 6 | ... | ... | ... |
| | | | | | | | 0 | 12 | 2 | ... | ... | ... |
| | | | | | | | | | | £320 | 14 | 10 |
| <i>Miscellaneous.</i> | | | | | | | | | | | | |
| F. M. Foy, remuneration for services rendered | ... | ... | ... | ... | ... | ... | 15 | 0 | 0 | ... | ... | ... |
| Sundry disbursements made by Secretary for horse-feed, cab-hire, &c. | ... | ... | ... | ... | ... | ... | 12 | 5 | 5 | ... | ... | ... |
| | | | | | | | ... | ... | ... | £27 | 5 | 5 |

Class II., Vote 69, £204 8s. 4d.

17. Your Committee have been supplied with the following details of amounts expended in excess of this vote:—

| | | | | | | | | | | |
|---|-----|-----|-----|-----|-----|-----|------|----|----|---|
| Increase of salary of Inspecting Engineer, 1st January to 31st March, £150 per annum | ... | ... | ... | £ | s. | d. | £ | s. | d. | |
| Less unexpended on Item 7 | ... | £16 | 13 | 4 | | | 37 | 10 | 0 | |
| „ 8 | ... | 17 | 10 | 0 | | | | | | |
| | | | | | | | 34 | 3 | 4 | |
| | | | | | | | | 3 | 6 | 8 |
| Temporary draftsmen and clerks' pay, labourers' wages, stamps B/L, freight on timber, specimens, metallic tapes | ... | | | | | | 121 | 1 | 8 | |
| Advances outstanding— | | | | | | | | | | |
| A. E. Keith, Travelling Auditor | ... | ... | ... | 45 | 0 | 0 | | | | |
| Agent-General | ... | ... | ... | 35 | 0 | 0 | | | | |
| | | | | | | | 80 | 0 | 0 | |
| Total | ... | ... | ... | ... | ... | ... | £204 | 8 | 4 | |

Class II., Vote 70, £267 7s.

18. Your Committee find that the following are the purposes for which the vote was expended in excess of this vote: Passages and travelling expenses of Engineer in Charge, Inspecting Engineer, and others, law costs, extra clerks, printing specifications, extra draftsmen, telephone exchange, binding books, cleaning offices, shipping charges, office repairs, B/L stamps, freight on timber specimens, and labourers' wages.

Class IX., Vote 109, £6,844 19s. 6d.

19. Your Committee find that this excess was caused mainly from the general extension of telephone wires which took place during the year, and the ordering of extra instruments and material required to keep pace with the large number of requests for telephone connections and private wires.

Government Insurance Account.

For services in excess of items—

| | £ | s. | d. |
|---------------------|--------|----|----|
| No. 1, salaries ... | 1,456 | 1 | 11 |
| No. 2, expenses... | 2,196 | 7 | 6 |
| Total ... | £3,652 | 9 | 5 |

20. Your Committee have been informed that the salaries paid in excess of vote are as follows:—

| | £ | s. | d. | |
|----------------------------------|--------|----|----|---|
| Secretary ... | 38 | 1 | 1 | Monthly bonus of £8 6s. 8d. from the 14th November, 1882, when appointed Secretary. |
| Chief Clerk ... | 9 | 1 | 11 | Increased salary from the 20th November, 1882, when appointed Chief Clerk. |
| Acting Chief Medical Officer ... | 220 | 0 | 0 | In absence of Chief Medical Officer from the 13th September, 1882. |
| Lecturer ... | 100 | 0 | 0 | Paid on account of Public Trust Office, and refunded by that department. |
| Resident Agent, Invercargill ... | 62 | 10 | 0 | Appointed 6th December, 1882. |
| Resident Agent, Wanganui ... | 9 | 2 | 3 | Appointed 20th January, 1883. |
| Resident Agent, Napier ... | 33 | 6 | 8 | Appointed 30th January, 1883. |
| New Cadets at Resident Agencies | 40 | 12 | 10 | |
| New Cadet at Head Office ... | 45 | 7 | 9 | |
| Extra clerical assistance ... | 898 | 0 | 0 | |
| | £1,456 | 2 | 6 | |

21. The expenses in excess of vote are explained by the following return, which has been supplied to the Committee:—

GOVERNMENT INSURANCE DEPARTMENT. — PARTICULARS of UNAUTHORIZED EXPENDITURE during the Government Financial Year ended 31st March, 1883.

General Expenses.

| | Expended. | Voted. | Excess of Vote. | Balance Unexpended. |
|------------------------------|-------------|------------|-----------------|---------------------|
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| Commission ... | 10,468 18 0 | 10,000 0 0 | 468 18 0 | ... |
| Medical fees ... | 4,811 19 0 | 5,300 0 0 | ... | 488 1 0 |
| Rent... | 350 0 0 | 350 0 0 | ... | ... |
| Postage and telegrams ... | 1,010 14 4 | 700 0 0 | 310 14 4 | ... |
| Printing and advertising ... | 2,506 4 0 | 800 0 0 | 1,706 4 0 | ... |
| Exchange ... | 97 10 6 | 100 0 0 | ... | 2 9 6 |
| Travelling expenses ... | 984 11 8 | 500 0 0 | 484 11 8 | ... |
| Contingencies ... | 716 10 0 | 1,000 0 0 | ... | 283 10 0 |
| Liabilities (estimated) ... | 1,500 0 0 | 1,500 0 0 | ... | ... |
| | 22,446 7 6 | 20,250 0 0 | 2,196 7 6 | 774 0 6 |
| Unauthorized ... | ... | ... | 2,196 7 6 | ... |

Items of estimated Liabilities.

| | £ |
|-----------------------------|--------|
| Commission .. | 370 |
| Medical fees .. | 950 |
| Printing and advertising .. | 180 |
| | £1,500 |

Items of Printing and Advertising unauthorized.

| | £ s. d. |
|-----------------------|------------|
| New prospectus .. | 999 19 8 |
| Almanacs .. | 356 5 0 |
| General advertising.. | 349 19 4 |
| | £1,706 4 0 |

Postage and Telegrams.

| | £ s. d. |
|--|----------|
| Increase of Post Office charge for six months at the rate of £525 per annum .. | 262 10 0 |

29th August, 1883.

F. J. Moss,
Chairman.