

(15.) Makea Ariki, at the first establishment of the Protectorate, gave land for a Residency; and a building was erected by contributions from the several islands of the group. It was not occupied by Mr. Moss for some years, he living at Makea's house (where I resided), and subsequently at a house in the same enclosure. About a year or so ago Mr. Moss removed with his family to the Residency, but expenditure on a road to the house, and for fencing, repairs, and other purposes was necessary to make the house habitable.

Some moneys for Ngatipa were put on the estimates for 1896-97, and voted and provided for in "The Appropriation Act, 1896," but substantially more was expended than was appropriated. By law, however, passed in 1892, a sum of 800 dollars (equivalent now to £120) was authorised to be expended by the Government without further authority, but the sum expended under this authority is to be notified to Parliament at its next meeting, and be included in the estimates for the following year; and by "The Appropriation Act, 1896," moneys not required for purposes other than salaries for which appropriated may be transferred to purposes other than salaries appearing in the Appropriation Act for which sufficient provision has not been made. Such a transfer has to be authorised by the head of the Government and approved of by the British Resident.

No authority in writing by Makea for a transfer from the vote for school-fittings was produced before me; but the vouchers for the payments of the particular accounts on Ngatipa—the name of the Residency—had all been signed before payment by Makea. The payments for expenditure on Ngatipa were about £115 out of the "unauthorised," and the rest—about £50—was out of a transfer from vote for school-fittings. No doubt it would have been better that there should have been clear evidence in writing that Makea had understood and authorised the transfer and the expenditure out of "unauthorised," and that the British Resident had expressly approved of Makea's exercise of these powers.

It was not attempted to be shown that the expenditure was not necessary if the British Resident was to reside in the house, nor that the moneys had not been actually expended on the purposes mentioned in the estimates put before Parliament in 1897. The items were for building, fencing, thatching, &c. Some portion of the expenditure on the Residency was not covered by the transfer referred to and the "unauthorised" for 1896-97. The balance was placed on the estimates for 1897-98, and the estimates passed. But, as your Excellency is aware, the Federal Parliament did not pass the Appropriation Act; and the British Resident, as reported by him to your Excellency, took upon himself to authorise the issue of public moneys for purposes appearing in the estimates, notwithstanding no Appropriation Act had been passed, and without the concurrence of the Executive Government (the Arikis). This portion of the expenditure on Ngatipa was £35.

The whole expenditure on Ngatipa for the two years 1896-97 and 1897-98 is as follows:—

	1896-97.			1897-98.		
	£	s.	d.	£	s.	d.
Caretaker	22	10	0 (voted)	22	10	0 (voted)
Buildings approach	110	8	6 (unauthorised)	35	0	0 (unauthorised)
Fencing, &c.	54	14	3 (transfer)			
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	187	12	9	57	10	0 = £245 2s. 9d.
But there is another item for Victoria Road to Old Road, Ngatipa* ...	36	6	4 (voted)	60	18	0 (voted)
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	£223	19	1	118	8	0
	<hr/>			<hr/>		
				223	19	1
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				£342 7 1		

For the two years the expenditure on Ngatipa was, therefore, £342, if the Victoria Road expenditure is included; if not, £245. The annual income of the Federation, without the hospital-tax, is a little over £1,000. It is perhaps open to question whether the transfer from the school vote was within the legislative authority, for the only vote for 1896-97 was, as I understand, a salary for caretaker of Ngatipa. It is true that the vote is general, "Ngatipa, £22 10s.," but in the common understanding of all this was for the salary of a caretaker when Mr. Moss was resident elsewhere, and, if it was really a vote for salary, there was no vote for building, &c., of Ngatipa; and therefore the head of the Government had no authority to transfer the £54 out of school-fittings to Ngatipa buildings, &c. This, however, is not the point raised by the petitioners, which is that the British Resident was a party to the expenditure of a sum on Ngatipa out of proportion to other services, and so some other services must have to that extent suffered. In my opinion, Mr. Moss would have done better if he had refrained altogether, or at any rate at first, from authorising the expenditure on Ngatipa in 1897-98, there having been no appropriation passed. Indeed, it appears to me (with submission) that he should, before taking upon himself to issue the Proclamation and assuming to himself all powers of the Government of Cook Islands, first have reported the condition of things to your Excellency. He did not do so until after the issue of the Proclamation. I gather, however, that his conduct in issuing a Proclamation, and paying moneys out of revenue without appropriation, has not been disapproved of by your Excellency's Advisers. The powers of a British Resident, at any rate in a country where there is a recognised Legislature, do not, I think, justify the course taken by Mr. Moss; at any rate, he should have first ascertained how far he would be supported in what he proposed to do, especially in a matter concerning his own interests—that is, the expenditure on Ngatipa. I shall have again to refer to the question of the powers of a British Resident in a country where there is a recognised Legislature and Executive.

* This road is not a mere approach to Ngatipa Residency. The complainants wish to treat this as a Ngatipa expenditure. Mr. Moss contended that it was a public highway, and so it appeared to be.