

That no surprise is practised upon them, as it must have been known to them that the territorial revenue was liable to contribute with other Provinces to the purchase of Native Lands; and it is alleged (with what precise accuracy your Committee have not deemed it worth while to enquire), that as regards Canterbury, the financial arrangements of Sir George Grey were accepted by that Province under protest.

Two members contend that the Memorandum of the 24th of December, 1853 is to be understood merely as embodying an arrangement made in order to facilitate the acquisition of such tracts of land as might be deemed desirable, by placing funds for such purchases in the hands of local authorities, and that where so understood they by no means warrant the belief that the purchase of land was to be considered as Provincial and not a general question, or in any way disturbing the principles laid down by the Constitution Act and the Regulations of the 4th March.

The majority of your Committee do not concur in this view. It appears to them to have been the natural effect of the document to convey to the Provinces the impression that the Government intended to make the expenditure on native land purchases a strictly Provincial charge. At the same time the Government Regulations cannot, in the opinion of your Committee, be held to supersede the strict rule of the Constitution Act.

Whatever may be the view taken as to these questions between the General Government and the Provinces of Canterbury and Nelson, assuming the position to be correct that the Constitution Act makes the charge in question a General, not a Provincial one, they do not appear to your Committee otherwise material than as they may affect the spirit in which the dissatisfied Provinces are likely to meet the case, and the attitude they may possibly assume in questioning the Government expenditure.

We have mentioned the total amount spent in native land purchases, including outstanding liabilities, as exceeding 100,000*l.*, of this the Government accounts rendered only show the manner in which a part of this money has been expended. The sum of about 41,000*l.* is stated to be remaining open in Mr. Commissioner Maclean's and Mr. Kemp's accounts as "*unaccounted for balances.*" In making advances for this service, the practice is this. The Government, by a letter from the Colonial Secretary to some Receiver of Public Revenues, (either a Commissioner of Crown Lands or a Collector of Customs, or sometimes by draft on the Commissariat) authorises the Commissioner to draw to the amount which he requires. These advances are treated as Imprests. When the Commissioners render their accounts, warrants, under the hand of the Governor, are issued for such disbursements as appear to the Auditor-General properly vouched, and the amounts, when thus placed on warrant, are carried to final account. All sums not so accounted for stand over against the Commissioners as *unaccounted for balances*, and appear in the public accounts as *imprests*. It is not supposed that the sums placed at the disposal of the Commissioners are not duly expended, and will not be finally accounted for. It is due to Mr. Commissioner Maclean to state that he informs us that he has rendered accounts to Government showing discharges to the greater part of the assumed balance in his hands, and that in point of fact he holds only about 2,000*l.* for current purposes; but the financial system cannot be satisfactory to the colony, which exhibits a sum of no less than 41,000*l.* in the hands of public accountants, as *unaccounted for balances*.

The following general remarks occur to your Committee :—

The system of making large advances from the Treasury in the way of imprest, appears to your Committee liable to great abuse, and ought to be put under strict control, or altogether stopped. In furtherance of this suggestion your Committee observe that in the neighbouring Colony of Victoria, a state of the public finances similar to our own has been brought about. The Governor of that colony has recently appointed a Commission to revise the public Expenditure, in the first paragraph of which Commission his Excellency complains "of the system of Imprests, by which a very large proportion of the moneys entrusted to the Heads of Departments was unaccounted for."

There appears to be no public officer whatever, whose duty it is to take account of such imprests.

The power of the Governor over the Revenue appears absolutely without control. The Colonial Treasurer states that he considers himself obliged to pay moneys according to His Excellency's orders, either with or without warrant. Until this power is placed under Constitutional check, the Legislature cannot exercise any practical control over the conduct of the Executive.

There is no system of Final Audit whatever. The so-called Auditor-General appears to be merely an Accountant-General. The public accountants seem never, in fact, to obtain a final discharge. Indeed the Auditor-General states that it is not his business to audit the Treasurer's accounts. They are, it is said, audited in England.