

A P P E N D I X

TO

REPORT OF THE FINANCE COMMITTEE.

MEMORANDUM OF THE AUDITOR-GENERAL ACCOMPANYING FINANCIAL STATEMENT CONTAINED IN HIS EXCELLENCY'S MESSAGE No. 14.

PERIOD INCLUDED BETWEEN JANUARY 1ST AND SEPTEMBER 30TH, 1853.

The Constitution Act came into operation in New Zealand on the 17th January, 1853; but for financial purposes, and for the more convenient distribution of the surplus Revenue, it is assumed that its operation in the Colony commenced on the first day of the year 1853.

It is also necessary to premise that no appropriation has been made by the Assembly of the surplus Revenue of the Colony collected during the period included between the 1st of January, 1853, and the 30th of June, 1854, nor does the Constitution Act make any provision regulating its appropriation, Her Majesty's Revenues having been entirely raised under Ordinances of the late Legislative Council in New Zealand. Nevertheless it has been considered more convenient in the following observations, and in the accompanying statements, to exhibit the surplus Revenue as distributable according to the rule prescribed by the Constitution Act, in respect of Revenues raised under any Act of the General Assembly,

SURPLUS REVENUE.

It will be seen on reference to the the account of "Services in General," that the balances in the Colonial Chests on the 1st of January, 1853, amounted to Services in General account, No. 1. £15,284 11s 11d. This sum was chargeable with the arrears of expenses underyfrayed, amounting to £11,760 4s. 6d.*—with the New Zealand Company's "fourths," amounting to £6,318 12s. 2d;—besides certain Deposits lying in the Treasury Chests. So that it is found on making up the accounts that the apparent surplus was a real deficiency of at least £2000. Vide account of N.Z. Company's "fourths" No. 5. No portion, therefore, of the balances in hand on the 1st of January, 1853, can be considered available for distribution.

Before passing on to the further consideration of this financial period, it is necessary to draw attention to the manner in which the Queen's Revenues in New Zealand must be treated. They are by the Constitution Act the General Revenues of the Colony, payable into the Public Treasury after deducting the costs of collection and the expenses incident to the receipt thereof; and are issued under the Governor's warrant, without regard to the particular Province in which they are raised. It is only when a surplus of Revenue is to be distributed that it is necessary to consider in which portion of New Zealand they were collected, in order that the distribution may be made in due proportions.

It is also necessary to premise, that should it be regulated by the General Assembly that the surplus Revenue accrued during the periods prior to the 30th June, 1854, is to be divided between the Provinces according to the rule established by the Constitution Act, it would make no difference in respect of the amount which would be payable into each Provincial Treasury on the final distribution of the surplus Revenues, whether the expenses incurred in any Pro-

* Vide 1st column of Statement shewing amount of Expenditure to be provided for by vote of the General Assembly for the period ending 30th September, 1853. No. 7,