

1878.

NEW ZEALAND.

PUBLIC ACCOUNTS COMMITTEE.

(REPORT ON DISPUTED ACCOUNTS BETWEEN THE GENERAL GOVERNMENT AND THE LOCAL BODIES IN OTAGO, TOGETHER WITH MINUTES OF EVIDENCE, &c.)

REPORT.

THE Public Accounts Committee have the honor to report that they have carefully considered, inquired into, and taken evidence upon a dispute that has arisen between the Provincial District of Otago and the Government relative to certain deductions made by the Government from the Land Fund of Otago; and that they have come to the following resolution:—

“That the balance of land revenue shown, in the table appended to the Financial Statement of 1877–78, in favour of the Provincial District of Otago, amounting to £56,549 8s. 7d., or thereabouts, should be distributed among the local bodies as provided in and in the proportions prescribed by ‘The Financial Arrangements Act, 1876.’”

25th October, 1878.

OSWALD CURTIS,
Chairman.

MINUTES OF EVIDENCE.

Mr. GEORGE McLEAN, M.H.R., examined.

The claim is for money accruing in two financial periods, part in 1876–77 and part in 1877–78, up to the time that the land revenue became colonial revenue. What I propose to show is this: that during the half-year ending 30th June, 1877, by clause 4 of “The Financial Arrangements Act, 1876,” certain charges, mentioned therein, were to be taken from land revenue, and the balance, if any, divided amongst the counties. During the half-year ending 30th June, 1877, there was a deficiency of £36,000; during the next half-year, up to the 1st January, 1878, there was a surplus of about £90,000. By law any deficiency of a former period is carried forward, and of course that reduces the £90,000 by £36,000. The surplus then left by “The Financial Arrangements Act, 1876,” and the Amendment Act of 1877, is the property of the counties, to be distributed among them according to area and population. And, further, clause 16 of “The Public Revenues Act, 1877,” directs that the surplus so arrived at shall be paid over to the counties before the 31st March, 1878. So that, by these two Acts, some £54,000 is clearly the property of the counties, and cannot be taken away for any other purpose. With regard to the Otago Provincial Public Works Advances Act, mentioned by Mr. Montgomery, I say that that has no bearing, because when the provinces were abolished the colony became liable for the provincial liabilities. Therefore no debt incurred under that Act can be charged. And, as proving what I say, the surplus Land Fund was not taken on 30th June last. I believe there is no law to enable the Government to take it out of the account. That, I hold, is the case for the counties, and that money must be paid over to the counties. Now, with regard to this agreement with the Superintendent of Otago, which has been spoken of, supposing it to be in existence: Under that agreement £60,000 was advanced to the province, of which a part (£6,000) has been paid back. I may say that Mr. Macandrew always claimed £30,000 for the site of the Dunedin Railway Station. So that, even if you take this sum of £60,000, this £30,000 has to be paid back. Then that would still leave some £30,000 to go to the counties. I claim that under the Financial Arrangements Act there is £54,000 odd which is the property of the counties and belongs to them, and cannot be taken to pay the debts of any defunct body. The Acts are perfectly clear. The clauses bearing on the subject are clause 4 of the Financial