

ANALYSIS.

A BILL INTITULED

AN ACT to declare and amend the Law relating to the Borrowing of Money by Provincial Governments by way of Overdrafts or otherwise.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled and by the authority of the same as follows:

1. The Short Title of this Act shall be "The Provincial Governments Bank Overdrafts Act 1871."

2. It is hereby declared and enacted that it is and shall be unlawful for the Superintendent of any Province either with or without the advice and consent of the Executive Council of such Province to borrow on behalf of such Province either by way of overdraft from any Bank or from any person or in any manner whatsoever any sums of money whatsoever except in the manner and within the limits as to amount and subject to the conditions provided in "The Provincial Audit Act Amendment Act 1869" and no moneys the borrowing of which is hereby declared to be unlawful shall be paid into the Provincial Account of any Province.

3. It is hereby declared and enacted that it is and shall be unlawful for the Provincial Council of any Province to pass or the Superintendent of any Province to assent to any Bill appropriating any of the revenues of the Province to the repayment of any sums of money the borrowing of which is hereby declared to be unlawful.

4. It is hereby declared and enacted that it is and shall be unlawful to apply or use any part of the revenues of any Province to or in the re-payment of any moneys the borrowing of which is hereby declared to be unlawful.

5. The Provincial Auditor of each Province is hereby empowered and required before certifying any warrant for the issue of any moneys from the Provincial Account of such Province to ascertain that there are moneys legally available to meet such warrant and for such purpose if it shall appear to him that any moneys have been placed to the credit of the Provincial Account contrary to the provisions of this Act or otherwise not legally payable to such account he shall not take such moneys into account.

6. For the purpose of ascertaining what moneys are legally available within the meaning of the eleventh section of "The Provincial Audit Act 1866" the Provincial Auditor is empowered and required to put to the Superintendent and Provincial Treasurer of such Province and every other officer of the Province and to the principal officer or Manager of the Bank at which the Provincial Account is kept such questions relating to any moneys paid into the credit of such account as he thinks fit and if any such officer or person shall refuse to answer such question or answer the same untruly he shall be liable to a penalty not exceeding one hundred pounds to be recovered summarily.

7. If the revenues of any Province be issued for or applied to the repayment of any moneys the borrowing of which is hereby declared to be unlawful the same shall and may be recovered from the person to whom the same may have been paid by the Provincial Auditor in his own name in an action in the Supreme Court for money had and received to his use and the Provincial Auditor of such Province shall forthwith on being informed that any of such revenues have been so applied commence and without delay prosecute such action and all