

Of course I do not mean that this cost should be carried to final charge as an expenditure by the colony. On the contrary, I see no ground for not making it in the usual way a charge against the province. It should be defrayed out of loan, and the province should pay interest and sinking fund as proposed by Mr. Gisborne. The only fair way, I think, of dealing with such a case is the one laid down in section 38 of the Public Works and Immigration Act, 1870, which enacted that a separate account should be kept by the Colonial Treasurer, against each province of the North Island, of all moneys expended in the purchase of Native lands within the province, and that each province should be charged with the cost incurred in the purchase of such lands (with interest) so long as the province should in respect of such lands continue to be indebted to the colony for the advance. I find that the amount of "cash eliminated from the account," as that account stood at the time of Mr. Gisborne's letter, was this:—For survey expenses, £389 10s. 5d.; for advances to Dr. Featherston, £2,662 8s. 2d.; total, £3,051 18s. 7d. Since that time, however, the first sum has been increased by further disbursements to £1,281 9s. 9d., and this sum, together with a sum of £1,200 advanced to Alexander McDonald on mortgage for five years, was charged in 1873 to the Immigration and Public Works Loan. The second item, on the other hand, has been diminished to £1,962 8s. 2d.; and this item has not yet been transferred to the loan, because the Treasury was led to believe the amount would probably be repaid, as to the extent of £700 it appears to have been. But no interest has yet been charged to the province in respect of the sum transferred to the loan, nor indeed has any account under section 38 been made up with any province in respect of moneys expended for purchase of native lands. So that as regards the Province of Wellington the account is, in fact, open. I think it should be closed. Only, instead of stopping at the date proposed by Mr. Gisborne, the account should go back to the beginning, and be brought down to the time of getting possession for the province by the making of Mr. McLean's reserves.

It only remains for me to say what sums paid by the province should, in my opinion, be repaid to the Provincial Treasury and charged upon the loan. In the first place, I take the interest on the loan which was raised to pay the Natives under the Wellington Loan Act, 1866; secondly, the cost of raising that loan; thirdly, any supplementary purchase-money paid to the Natives after the loan was paid away; fourthly, the salaries and allowances of the Land Purchase Commissioners; and lastly, the expenses of the judgments in the Native Land Court, including counsel's fees in defending the title of the Crown. I am not able to see, in any one of these items, any distinction in principle which should separate it from the items paid by the General Government after the 15th October, 1869. They were all payments for like purposes, and all were of necessity preliminary to giving the province quiet possession.

Had I been able to make a definite Award for the repayment to the province of these sums under the term "compensation," or had the General Government been willing that I should go into the question of an equitable adjustment as between the two Governments, I should of course have taken an accurate account of the moneys coming under the heads I have mentioned. As it is, I have only been able to estimate them from information supplied by the Provincial Government. According to this information, the amount would probably be as follows:—

Interest paid by Provincial Treasury	..	..	..	£	10,565
Cost of raising Loan of 1866	..	..	..		889
Supplementary Purchase-money	..	..	..		345
Land Purchase Commissioners	..	..	..		2,500
Costs in Native Land Court	..	..	..		966
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					£15,265

But of course, if Parliament should be pleased to concur in the views expressed in this Report, an accurate account would now have to be taken, and the final sum be added to the amount already in suspense under Mr. Gisborne's elimination.

House of Representatives, 16th July, 1874.

F. D. BELL,  
Speaker.