

Hon. Mr. Ballance, M.H.R.
15th Aug., 1878.

45. *Mr. Johnston.*] If the Treasury held that this amount was not a provincial liability, why did they make the province pay?—I ought to define what is meant by provincial liability. We held it was a liability of the provincial district but not a "provincial liability," if you can understand the difference, because it was not in the list containing the provincial liabilities. This was a liability upon the provincial district, although not coming within the term of provincial liabilities proper, which were provided for, and for which the House appropriated £327,000 last session. These provincial liabilities were defined, and if this had been amongst them, we should have considered it our duty to provide for it, if possible, out of this £327,000.

46. *Mr. Montgomery.*] Was any provision made for the payment of the interest of that £100,000?—Yes.

47. Where?—In the usual place—the Appropriation Act.

48. As a permanent debt?—No, not as a permanent debt; it was an overdraft at the Bank at the time, and the interest was provided for. The practice is this: that in the case of any advance from the Bank the interest on it is provided for in the amount put down as interest upon the debt of the colony, but it does not follow that an advance from the Bank is a portion of the permanent debt of the colony. When we came into office we found that this matter had been overlooked. We had the fact before us that an advance was made by the Bank, and it was unprovided for. We took it out of the Land Fund, because it was a charge on the provincial district.

FRIDAY, 23RD AUGUST, 1878.

Hon. Mr. Ballance, M.H.R.
23rd Aug., 1878.

Hon. Mr. BALLANCE, M.H.R., examined.

49. *Mr. Montgomery.*] I wish to know whether the Land Fund of the Provincial District of Canterbury was charged with the expenses of the Survey Department up to 31st December, in accordance with "The Appropriation Act, 1877?"—Yes, it was, as shown in Table J of the Financial Statement.

50. Why did the Treasurer not pay over the £127,000 of accrued Land Fund up to 31st December, 1877?—An estimate was made by the Surveyor-General of the cost of arrears of surveys in the Provincial District of Canterbury of lands sold prior to 31st December, 1877, £127,000.

51. *Mr. Stevens.*] Under what authority of law is this money retained for defrayment of expenses of surveys for which no appropriation had been made?—The Financial Arrangements Act does not give us full power to retain this amount, £127,000. No appropriation had been made for this amount, and it was accordingly unprovided for. Of course we think we had an equitable right to retain the amount of the proceeds of the Land Fund.

52. Is it a fact that there are arrears in Wellington and Auckland, as well as other places, on account of surveys up to the 31st December, 1877?—There are arrears on surveys in several provinces.

53. Am I correct in supposing that had there been money in other provincial districts having a surplus Land Fund, where there were arrears of survey, that the same treatment would have been extended to them?—Yes; we have done so in Hawke's Bay, where there was a surplus Land Fund.

54. In the estimates of this year is there appropriation proposed to meet the expenses of land which will be sold during the current year in Canterbury?—Yes, certainly.

55. Are the estimates made up with the intention that the survey of every acre that is sold between now and the end of the current financial year is to be covered by the estimates? Land in Canterbury is going to be sold, and is being sold during the current financial year. Do the estimates of the current financial year provide for the survey?—No; the estimates are not made up on that basis. The estimates are framed with regard to the amount to be expended during the year. It does not follow that all the land surveyed during the year will be sold, but a certain amount will be expended on survey during the year, and that amount is estimated.

56. On the lands that can be surveyed?—Yes.

57. Then, estimating for the current financial year, the estimates are framed upon the rule of making appropriations and provision for what will come in course of payment during the financial year?—Yes.

58. In the treatment of this question under consideration is there any principle observed?—The treatment of this question is precisely this: we have estimated the amount of money to be expended on arrears of survey, and we have taken that out of the £127,000.

59. Surely that is a different rule to the one that governs the estimates for the performance of surveys of land now being sold?—I do not see any distinction. We make up our estimates according to the amount for provincial districts during the year, or in that part of the country. A portion of the lands will be sold. Lands sold since the 1st of January and lands sold previous to the 1st of January will have the arrears of survey deducted from the £127,000. All sums to be expended on surveys during the current year will be taken out of the Consolidated Fund Account.

60. At the end of the financial year you will have a surplus at command for the ensuing financial year?—Exactly. What will have been spent upon surveys during the year will be appropriated. A certain amount for arrears of survey for lands sold previous to the 1st of January is retained from the Land Fund and the £127,000.

61. *Mr. Montgomery.*] There will be a considerable quantity of land unsurveyed during the current financial year that will be sold during the year?—Of course the surveys cannot always be up to the amount of the land sold.

62. They will be a charge on next year's revenue?—Yes.

63. Or perhaps the year afterwards?—Yes; it will be a charge upon the Consolidated Fund.

64. On the revenue of the colony?—Yes, of which the Land Fund is a part. The distinction is that the Land Fund was not part of the Consolidated Fund until the 1st of January.

65. *Mr. Stevens.*] Do we understand that you will present an estimate of arrears of surveys?—Yes.

66. Would you mind stating whether it will include a sum of £50,000 for correction in surveys?—Between £40,000 and £50,000.