

Mr. J. E. FitzGerald.
27th Aug., 1878. before you to authorize payment of the money out of any other fund?—The requisition was not a requisition for payment, but a transfer from one account to another. The payment had been made out of the Consolidated Fund. Then the question arose on what account it was to be charged. The Government wanted to charge it on the Land Fund before the 31st December, and so diminish the balance in the chest at that date.

124. *Hon. Mr. Ballance.*] Are you sure of that?—I think so. There were three accounts in the Land Fund, and it was to be charged against No. 3 account, the surplus accruing to the 31st December, so as to show that the balance of Land Fund on the 31st December, which is distributed by Act, was £100,000 less.

125. Was that the object of the requisition?—Yes. I think that was the sole object we have been discussing to-day. In other words, to take this money which was distributable on the 31st December, and use it for another purpose. I have dealt with that in a memorandum when the account was sent up to us.

126. You are not quite certain about that. You only think so?—I am quite certain.

127. What I wish to ask you is this: Was it intended that this charge should be entered as having been effected some day prior to the 31st December?—That could not be. The charge would have been effected on the day on which it was entered, but it would have been a charge on the balance arising on the 31st December.

128. *Mr. Johnston.*] If you recognize that all moneys from whatever source arising were, in reality, consolidated revenue, what was the object of refusing to make the transfer, or why not transfer the whole balance into the Consolidated Fund?—They were transferred for purposes of issue into the Consolidated Fund. The object of this transfer was to affect the balance which was due to the Road Boards and counties arising out of Land Fund on the 31st December. This transfer would have diminished that balance by £100,000. I take it what was called Land Fund No. 3, which was an account of the Land Fund opened after the 31st December, was an account solely kept for the purpose of ascertaining what amount would be paid to the counties and Road Boards out of that balance—simply to discover what amount was distributable amongst them.

THURSDAY, 29TH AUGUST, 1878.

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

Hon. Mr. Ballance, M.H.R.
29th Aug., 1878.

129. *Mr. Ballance:* Mr. Murray-Aynsley has stated that if the Parliament had intended that the arrears of survey in the Provincial District of Canterbury should have been paid out of surplus Land Fund, provision would have been made accordingly. I am referring to surplus Land Fund to the 31st December. I was putting the converse case, which was this: that in the other provincial districts, where they had no Land Fund, specific sums were put down in the schedule of provincial liabilities to meet the arrears of the survey; but in the district of Canterbury, where it was well known there were large arrears of survey, no specific sum was put down to bring up arrears, and it was inferred from that that these arrears of survey would be met or should be met out of surplus Land Fund, as no provision had otherwise been made for them.

130. *Mr. Stevens.*] Who inferred that?—The Government; I am stating the case as it presented itself to our mind.

131. *Mr. Montgomery.*] When was the schedule laid on the table?—Last session, by the Atkinson Government.

132. Was the money paid in accordance with that schedule of prices?—No; the amount estimated by Mr. Larnach, as Colonial Treasurer, when he came into office, that would have to be appropriated for provincial liabilities was the amount named in the schedule.

133. How much was that?—Upwards of £600,000. Afterwards the Government modified their view of what would be required to meet those provincial liabilities, and a sum of £300,000 was appropriated out of loan for that purpose; and I think it was stated at the time in the House that the amount would meet provincial liabilities, as well as £40,000 to be distributed in the Provincial District of Auckland.

134. Was any schedule attached to that vote for the £300,000?—No; it is simply stated in the Loan Act £260,000 for provincial liabilities as a gross sum, and £40,000 for the Provincial District of Auckland.

135. Then they ignored the schedule of liabilities?—The schedule of liabilities was not down as part of the Appropriation Act, because £300,000 was thought sufficient to meet the whole schedule, and Mr. Larnach estimated the whole sum would be required.

136. *Mr. Macfarlane.*] That arose from some Superintendents including works not contracted for, but merely named?—That was, liabilities that might have to be met. The vote was cut down to £300,000 afterwards. The whole amount appropriated was £327,000.

137. *Mr. Montgomery.*] There was a sum voted for arrears of survey in Nelson and Wellington?—That was included in the schedule of provincial liabilities to which I have referred. Those two districts were included.

138. Those districts that had received the proceeds of the sale of land previously. Those districts that you voted money to, to pay your arrears of survey?—The Land Fund in those districts was not sufficient to meet the charges.

139. *The Chairman.*] In a great number of cases it was land sold on deferred payment?—The charges against the Land Fund were greater than the Land Fund.

140. *Mr. Montgomery.*] I mean surveys?—The surveys could not be provided for out of the Land Fund, because it was not sufficient. It was therefore put as provincial liabilities. We had been issuing Treasury Bills to make up deficiencies in those provincial districts.

141. The amount received from land had been absorbed in paying charges against it?—Yes; the gross amount had been placed to their credit, but no net amount, as the charges exceeded the amount.