

*Hon. Mr. Bal-lance, M.H.R.* so far as the law is concerned, the Government had no more right to deduct this than the other. The whole case is one of equity.

29th Aug., 1878.

167. There was no agreement in writing or otherwise that the arrears of survey in Canterbury should be deducted from Land Fund?—No, there was no agreement; but, by the nature of the case and from all the circumstances which I have described, we believed that it was a fair and reasonable deduction; that the proceeds of the Land Fund should pay for the surveys of the land—the surveys of the particular land, the proceeds of which were available.

168. *Mr. Montgomery.*] Can you say the Government was aware that a great deal of the land was unsurveyed?—I cannot say what at the time the Government was aware of.

169. Can you remember a question which I asked in the House upon the 13th September, to which Mr. Reid replied that there were 560,851 acres unsurveyed?—Yes; that was in Canterbury.

170. So that the Government was aware that there was that amount of land unsurveyed at that time?—I do not know that the Government was aware. The Government might have overlooked it. You must remember the Public Revenues Act was passed after that Government left office. The Act on which you rely was passed afterwards.

171. There was no provision made in the estimates for this survey—no money appropriated for these arrears of surveys?—No.

172. Therefore, though this Land Fund became afterwards consolidated revenue, you had no power to appropriate it as arrears of survey?—That is the point in dispute.

173. But you had no power by law?—That is the whole question.

174. I suppose you cannot pay any money but what Parliament has appropriated?—Or has given authority for in some way.

175. Therefore this money you detained was not appropriated?—It was made part of the Consolidated Fund.

176. But Consolidated Fund not appropriated without Act of Parliament?—Yes. The land revenue is part of the Consolidated Fund, and we had a perfect right to pay for arrears of survey to the extent appropriated.

177. But no more. Had you any power to appropriate any money but what was authorized by Parliament?—Certainly not.

178. Then this money was not authorized last session—this £127,000 you have detained?—Of course, I have stated that. The proposal of the Financial Statement was to appropriate so much each year to bring up arrears of surveys.

179. *Mr. De Lautour.*] You simply retained the money?—We simply retained the money, and shall ask for power this year to retain it.

180. *Mr. Montgomery.*] This money you retained was not appropriated. No authority was given to you to retain it?—I have stated that. We have asked for an appropriation this year of £34,000 out of £127,000, and we showed you how we proposed to deal with the money. If there was any appropriation there would be no question about it.

181. You consider that being part of the consolidated revenue you can use it?—After appropriation.

182. Can you use any part of the Consolidated Fund without specific appropriation?—We can do it in three ways—either by permanent Act, by appropriation of the House, or by unauthorized expenditure. I have stated how we propose to ask for appropriation this year. The schedule of provincial liabilities to which I have referred amounts to £661,044. There is set down under the head of Wellington, arrears of survey, £9,500; under the head of Nelson, £24,005; and Canterbury nothing for arrears of survey. That amount has been estimated in Mr. Lanarch's Financial Statement as the amount that would have to be provided for out of provincial liabilities.

183. *Mr. Johnston.*] I should like to ask you, suppose the Government, for the payment of any surveys specially payable out of Land Fund, exceeded the amount authorized to be paid out of Land Fund, to what account would such excess of expenditure be charged—to unauthorized or Land Fund?—If the amount to be paid exceeded appropriation, it certainly would be to unauthorized.

184. Suppose where the surveys are specially payable out of Land Fund before the 31st December, and out of Land Fund £20,000 had been appropriated for surveys, and you chose to make surveys to the amount of £100,000?—We could not do it. We could not exceed the appropriation except as unauthorized, the total amount of which in one year is £100,000.

185. Even if you had entered into contracts before the 31st December for the prosecution of all these surveys, the Government could not have charged the liability on these contracts upon the Consolidated Fund without appropriation?—Certainly not; unless out of authorized expenditure, if there was a sufficient balance of unauthorized available. We could not stop it without appropriation.

186. *Mr. De Lautour.*] I did not understand you to say that it requires an appropriation in order to justify you in retaining certain charges due by law?—Certainly not; the two things are quite distinct.

*Mr. De Lautour:* I merely understand it to be retained to meet charges which the Government hold to be due in law.

187. *Mr. Saunders.*] What portion of this £127,000 is for arrears of survey, and what portion for corrections and other things?—The respective amounts are contained in the estimate of the Surveyor-General, in possession of the Committee.