

R E P O R T.

The undersigned having been appointed by and on the part of the General Government of New Zealand, and the Provincial Government of Canterbury respectively, pursuant to a resolution of the House of Representatives, dated August 7, 1856, "to enquire into the nature of the claim made by the Province of Canterbury for the payment by the General Government of a portion of the debts incurred by the Provincial Government in respect of the over expenditure of the Canterbury Association in the Land Department," find as follows:—

That the Provincial Government of Canterbury in or about September, 1855, took over the Estate and property of the Canterbury Association in New Zealand.

That the Association had in founding the Settlement expended more money than they had received from Land Sales, such monies had been advanced on loan by members of the Association. The accounts so advanced, were as follows:

On account of	£	s.	d.
The Ecclesiastical Fund	2,295	12	2
The Emigration Fund	9,833	4	6
The Miscellaneous Fund	19,106	6	1

The expenditure of the Ecclesiastical Fund was made solely for ecclesiastical purposes, and the debt due upon this fund was made a charge upon certain lands which had been purchased in the Settlement for Ecclesiastical uses; the Provincial Government have nothing to do with it.

That the debts due on account of the Emigration and Miscellaneous funds were assumed by the Province; the arrangement taking effect from the 1st of July previous.

That the Emigration Fund was spent solely in Emigration.

That the Miscellaneous Fund bore the cost of Surveys, Roads, Buildings and Works of all kinds executed in the Province, and all Expenses other than those for Ecclesiastical and Emigration purposes.

That the Province in consideration of assuming those debts had assigned to it all the Association's Estate in New Zealand, consisting of Lands, Buildings, Office furniture, Survey instruments, Maps and other property, all of which have been formally conveyed, and of which the Province became the sole and absolute owner.

That among the property which thus came into the possession of the Provincial Government were the Building used as the Land Office, certain Survey instruments, Maps, and furniture in the Land Office; it was deemed right by the Provincial Government to offer these for sale to the General Government. This proposal was made while the negotiation was pending between the Provincial Government and the Association, and the General Government desired the Provincial Government to settle the matter with the Association, and promised to repay to it the value of the Land Office property, vide Colonial Secretary's letter of 17th August, 1855.

The Provincial Government accordingly arranged the whole matter with the Association, and the General Government have, in part performance of the engagement before referred to since paid to the Province, the value of the Survey instruments and Office furniture.

The property still unpaid for are the Land Office Building, and the Maps.

That the Land Office has been since June, 1853, when the General Government resumed the administration of the Waste Lands of the Province, and is now held by the General Government at an annual rent of £100 which since July, 1855, has been paid to the Province. The Provincial Government in order to meet their engagement with the Association are realising their property, and accordingly offer the Land Office to the General Government, with the land on which it stands; we consider its present value to be £1050.

Then as to the Maps in the Land Office. The Province paid the Association as before stated £19,106 6s. 1d. on account of Miscellaneous Expenditure the whole of the Miscellaneous Expenditure made by the Association was £55,267 15s. 3d. of which £8193 4s. 1d. was spent in Surveys or, in other words in producing the Maps in question. It may be assumed then that they have cost the Province a sum which bears the same relation to their actual cost, as the sums paid by the Province on account of the Miscellaneous Expenditure bears to the whole of that Expenditure incurred by the Association. This would be about £2,832.

We are of opinion that this sum of £2,832 is now due from the General Government to the Provincial Government, and that it should have been paid when the General Government assumed the administration of the Waste Lands in 1853.

With reference to that portion of the Resolution of the House of Representatives before quoted, relating to the mode of payment of any debt which may appear to be due to the Province, we are informed that the Provincial Government would be willing that these items should be credited to them in the adjustment of an account at present outstanding with the General Government.

We have already stated that it appears to us that the payment of £2,832 should have been made by the General Government when they assumed the administration of the Waste Lands in July, 1853, it does not appear to us that the question is at all affected by the fact of the Provincial Government having now taken the management of the Waste Lands because that arrangement is provisional only, and may be put an end to at any moment.

CHAS. W. LIGAR,
Acting on behalf of the General
Government, Christchurch,
Dec. 16, 1856.

JOHN MARSHMAN,
Acting on behalf of the Provincial
Government, Dec. 16, 1856.