

Provincial Liabilities:
how dealt with.

PROVINCIAL LIABILITIES.

It will be remembered that power was given in the Appropriation Act of last year to make advances, to the amount of £110,000, to the Provincial Districts of Auckland, Wellington, and Westland, and to obtain the required funds by the issue of Treasury Bills to that amount. These Bills have been issued and the proceeds applied as authorized.

Of the New Zealand Loan, 1876, £250,000 was set apart to meet Provincial Liabilities coming in for payment between 1st January and 30th June, 1877. The sums transferred from the loan to the several Provincial Liabilities Accounts to provide for these charges amounted on the 30th June to £237,500, leaving an available balance of £12,500 (subject to the cost of raising the loan) to meet liabilities yet outstanding. The actual receipts and payments on account of Provincial Liabilities up to the 30th June were as follows:—

PROVINCIAL DISTRICT.	RECEIPTS TO 30 JUNE, 1877.			EXPENDITURE TO 30 JUNE, 1877.			BALANCES ON 30TH JUNE, 1877.		
	£	s.	d.	£	s.	d.	£	s.	d.
Auckland	47,529	9	1	46,863	14	8	665	14	5
Taranaki	27,412	5	2	26,982	13	10	429	11	4
Wellington	77,290	12	5	61,235	10	6	16,055	1	11
Hawke's Bay	9,774	19	0	6,420	9	4	3,354	9	8
Nelson	51,846	8	5	40,181	16	6	11,664	11	11
Marlborough	10,273	7	8	9,992	0	7	281	7	1
Canterbury	231,256	19	11	229,592	8	4	1,664	11	7
Westland	34,819	19	8	30,867	9	7	3,952	10	1
Otago	129,747	3	9	121,926	18	1	7,820	5	8
Totals	619,951	5	1	574,063	1	5	45,888	3	8

Particulars of the receipts and expenditure on each account, as classified by the Provincial Auditors, will be laid before you so soon as they shall have been received.

The expenditure on these accounts will include certain disbursements which, except in so far as they may have been sanctioned by sections 16 and 35 of the Financial Arrangements Act, must be held to be unauthorized, and it has been thought proper to include under that head the amount disbursed as compensation to Provincial officers whose services have been dispensed with, instead of charging it on the Consolidated Revenue. In many instances, payment of compensation on dismissal was a liability of the Provincial Government, fixed by agreement with the officer concerned, and in all cases it must be admitted that the compensation paid was a recognition of services rendered to the Provincial Governments, and was properly a Provincial liability. In that shape the expenditure will be submitted, and the House will be asked to cover it by a vote.

Compensation to Provin-
cial Officers treated as
Provincial Liability.

Liabilities to be provided
for,

I propose to lay before the Committee estimates of the Provincial liabilities yet to be provided for, and to include therein the amount of such appropriations for necessary works as yet remain unexercised, and which would otherwise lapse. The Government considers that it is due to the districts in which these works were proposed to be executed that the matter should be submitted to the House, and that it should be asked to determine to what extent, and in what instances, these unexercised appropriations should be renewed.

Include Bank overdrafts,
amounting to
£106,269 3s. 7d.

Among the liabilities yet outstanding will be found the bank overdrafts of the late Provincial Governments of Taranaki, Wellington, Nelson, and Otago. These overdrafts amount in the whole to £106,269 3s. 7d., and though they remain undischarged they have been subject to no charge for interest since the 15th February, the Government having arranged with the Bank on that date to forego interest on a corresponding portion of the balance at credit of the Public Account.

DEFENCE LOAN.

DEFENCE LOAN.

The balance to the credit of this Loan on the 30th June last was £35,416 18s. 9d., after providing for the service the House placed upon it last year. We propose to ask for an appropriation of £12,000 this year for Roads in Native districts.