

- a. Compensation to Natives and others for land taken.
- b. Compensation to settlers for war losses.

5. After recouping actual cash payments, proceeds of confiscated land to be expended for advantage of confiscated districts.

A.—No. 2, p. 2.

On the 1st of December the Superintendent replied—That before he could come to a decision he must clearly see his way as to where the necessary funds were to come from to meet the liabilities proposed to be undertaken, and he asked whether the General Government would lend or guarantee a loan. No reply was given, and the Superintendent then came to Wellington; and, on the 10th of January, 1866, addressed a letter to the Colonial Secretary, stating that he had again considered the subject, and had arrived at the conclusions:—

- 1. That the Province could not hope to succeed without large pecuniary means at its disposal.
- 2. That the Province could not raise money by loan, in consequence of a clause in "The Southland Provincial Debt Act, 1865."
- 3. That £250,000 would be required in all, and £100,000 at once.

He asked that a Bill should be introduced in the Assembly in the next Session to raise £250,000, and declared that it would be folly of the Province to relieve the General Government of the heavy liabilities proposed without this assistance. On the 18th of January the Colonial Secretary replied—

A.—No. 2, p. 4.

- 1. That the transfer of the lands would entail large liabilities, and the retention of the land by the General Government would involve the Colony in heavy expenses.
- 2. And that, on condition that the Provincial Government should immediately undertake all expenses, the General Government would introduce "a Bill to raise £250,000, on behalf of the Province, to enable it to give effect to the resolutions of the House, the interest and sinking fund of this loan to be a charge on the revenues of that Province," (Auckland.)
- 3. That the General Government would temporarily advance £100,000 in General Government Debentures.

I.—Object of Loan.

The administration of the Confiscated Land was accordingly transferred, and the liabilities undertaken by the Province are set forth in the paper marked A. The object of the loan is to meet them.

II.—How Loan to be Charged.

The loan will have to be charged on all the Revenues of the Province of Auckland, both Ordinary and Territorial, including the confiscated lands.

III.—Provisions for Repayment.

The provision for repayment will have to be by a sinking fund appropriating the proceeds of the sales of confiscated lands, as from time to time received, towards liquidation of the debt. Any deficiency will have to be made good from other sources of revenue.

PURPOSES FOR WHICH EXPENDITURE REQUIRED.	Amount Expended to 27th August, 1866.	Amount yet required to be Expended.	Total Expenditure for which Government liable
	£ s. d.	£ s. d.	£ s. d.
1. Employment of Waikato Immigrants ...	33,939 7 9	...	33,939 7 9
2. Instalment on Compensation for Losses in War ...	24,640 16 5	60,359 3 7	85,000 0 0
3. Surveys ...	4,515 11 5	10,484 8 7	15,000 0 0
4. Compensation under "New Zealand Settlements Act" ...	8,880 3 9	11,119 16 3	20,000 0 0
5. Public Works ...	3,169 5 5	46,830 14 7	50,000 0 0
6. Administration Expenses ...	2,000 0 0	5,000 0 0	7,000 0 0
7. Contingencies ...	575 14 5	1,424 5 7	2,000 0 0
	£77,720 19 2	135,218 8 7	212,939 7 9

1. This sum was expended by the Superintendent of Auckland, as Agent for the General Government.

2. The awards of the Commissioner amounted to £71,002 16s. 1d. In addition to this there are native claims, about £3,000, and the Tauranga, Opotiki and Poverty Bay claims to be added. The whole will probably amount to about £95,000. A deduction from this amount has to be made to the extent of about £10,000, the result of further investigation, leaving £85,000 to be provided for. The Committee on the Confiscated Lands estimate the amount at £60,000, but this it is assumed does not include the native claims, Tauranga, Opotiki and Poverty Bay.

3. See Report on Confiscated Land. The Committee estimate surveys at £15,000.

4. Compensation.—This is the estimate of the Confiscated Land Committee.

A.—No. 2, p. 3.

5. Public works to the amount of about £15,000 have been contracted for. It was stated by the Superintendent, in his letter of the 10th of January, 1866, that "in order to secure the successful colonization of the confiscated lands, and the prosperity or even existence of the Military Settlements, public works on a considerable scale must certainly be undertaken, and other expenses necessarily incurred." The amount already spent has been in Waikato only, and nothing at Turanga, Opotiki or Poverty Bay.

6. Administrative Expenses.—These are the expenses necessarily incurred in management. No separate department has been created, but existing establishments extended, in order to do the increased work. This plan was adopted as the most economical and convenient.

7. Contingencies.—Many small items arise to be paid which cannot be classed under the above.

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