

I prepared a reproduction of the schedule for the purpose of putting it into the Appropriation Act. I drafted it, and took the draft along to Mr. Campbell, and we went through the thing together word by word to see that it did not alter the law in any respect. If you will look at the old schedule you will find that it is very confused in its language. We endeavoured to make it as plain as possible without altering the law, and I think we succeeded in doing so. I have looked into the matter again to refresh my memory, and I am of the same opinion as I was at the time—that it in no way altered the law. I have looked up my original draft. I first of all had the schedule typed out exactly as it was in the old Act, and that is what I worked from. The draft shows my alterations. [Draft produced.] You will see that every alteration is merely verbal.

6. How does it come about, then, that the subsidies are less since?—Because for many years the Appropriation Act has distinctly stated that they are to be one-fourth of those laid down by that schedule in the 1885 Act, and all the figures have been divided by four where that division was appropriate.

7. I mean, how is it that certain local bodies have been paid less since last year's Appropriation Act than they received before?—That I do not know anything at all about. I gather from what I have heard this morning that some Road Board has gone short of something, but how it came about I do not know. I should imagine that the difficulty which Mr. Campbell points out in his evidence which you read explains it.

8. You are satisfied there has been no alteration in the law?—I am perfectly satisfied as to that. How the thing came to have a different effect from formerly, I do not know anything at all about. That is a matter for the Valuation Office. It would surprise me very much indeed if any alteration had been made in consequence of the altered form in which the schedule had been put.

9. *Right Hon. Sir J. G. Ward.*] Was that alteration of the law made under any directions from me?—No, sir. I did not consult you or any one else, because I knew that it was a matter of form, on account of the schedule being dropped in the consolidation.

10. Are you of opinion that that was an inconsequential alteration that was made?—"Inconsequential"—meaning, of no consequence?

11. Meaning that there was no variation of the law?—There was no variation of the law. I maintain that, and I think I gave you that advice last year. I was asked by you if it made any alteration, and I said "No."

12. *The Chairman.*] Then the Premier's statement, as reported in *Hansard*, would be perfectly correct? On moving the second reading of the Appropriation Bill last year Sir Joseph said, "I desire to say, for the information of the House, that the clauses down to clause 22 contain practically no alterations excepting in clause 9, and that is merely an inconsequential alteration rendered necessary by the repeal of 'The Local Bodies' Finance and Powers Act, 1885.' The schedule in the previous Act has now been made a schedule of the Bill. In this respect the clause calls for no comment." That statement would be in accordance with the advice you gave the Premier?—Yes, if that clause 9 is the one in question.

13. You still say there is no alteration in the law?—There is no alteration in the law.

14. *Right Hon. Sir J. G. Ward.*] That Act referred to there—the Local Bodies' Finance and Powers Act—was that Act repealed?—The position was this: there was nothing left of that Act except the schedule. All the substantial part of the Act was repealed, and in consolidation it was impossible to place it anywhere, and therefore the thing was dropped. If I remember aright the repealing Act repealed the whole of the substantive part of the Act, but did not repeal the schedule; consequently there was nothing left on which the appropriation of subsidies could be made, unless this clause were introduced into the Appropriation Act.

15. So that the statement I made to the House was, in your opinion, accurate?—Absolutely accurate.

16. Under the law as it stood—the Local Bodies' Finance Act—if Road Boards where no county was in existence received over £2,500, would that be a lawful payment?—If any county containing Road Boards received more than £2,500, I should say there had been an illegal payment.

17. *Mr. Massey.*] Did you receive any instructions from the Minister of Finance or any one else to draft this clause to which reference has been made?—No.

18. You did it of your own volition?—Yes, because I knew they wanted it.

19. You did it without any authority?—Without any authority.

20. You say that it was necessary on account of the repeal of the Local Bodies' Finance and Powers Act of 1885?—Yes.

21. Do you mean the repeal on account of the compiling of the statutes?—Yes.

22. Then do you wish the Committee to understand that the statutes were defective, inasmuch as the Finance Act was not compiled in the ordinary way?—They were not defective, because there was no place for it in the consolidation. It could not be brought in. As I say, there was nothing left but the schedule. The sections of that Act relating to the schedule had been repealed long since. I have got the date here.

23. Repealed by whom?—They were repealed in 1886—the year after the Act was passed. I dare say you will remember that for some time they proceeded annually to repeal this same thing, and provide for a quarter-scale.

24. Yet you say that the compiled statutes are not defective, in spite of the fact that here was a very important provision left out?—There was no provision.

25. Why was the alteration in the Appropriation Act necessary?—Because the Appropriation Act had always dealt with this matter by dividing the scheme of the schedule by four; so that really there was nothing defective in the consolidation in this respect, and my action in providing a proper basis for the subsidy was absolutely correct.

26. Do you know the effect of the alteration that was made in the Appropriation Act?—I do not quite know the facts. I can only gather that some Road Board has received less than it had received before.