

3. If those questions are correctly reported, then you misunderstood them?

*Mr. Massey:* They are correctly reported.

4. *The Chairman.*] Then Mr. Campbell will be permitted to answer those questions again. "You are aware that nothing of the sort can be done without legislation?"—My answer to that is that I understand that under existing legislation a Road Board can be divided into two parts.

5. *Mr. Massey.*] What you mean to say is that a part of a road district can be joined on to another road district without legislation: Is that it?—A Road Board can be subdivided without special legislation. There is existing legislation that enables it to be done. I should like to explain that that Act does not come under the administration of the Valuer-General, but under the administration of the Department of Internal Affairs.

6. *The Chairman.*] Is that all the correction you wish to make on that point?—Yes.

7. The next point where you have made a note is where Mr. Massey asked you these questions: "Are you of opinion that the payments made prior to the Act of 1908 were made in conformity with the law?" A. "I think they were in excess of the provisions of the law." Q. "Does that mean they were not made in conformity with the law?" A. "I am giving you my opinion only. In my opinion they were not made in conformity with the law." Q. "Yet you signed the vouchers for them?" A. "For the two years, certainly." Your note reads: "This reply may not be correct. I cannot say whether I have certified after I became aware of the position." You wish to make a correction there?—Yes, I want to qualify that last answer, if I may. My reply to that should be that since I became aware of the position I cannot say whether I have certified to any excess payment. It is quite possible that I may have certified before I became aware of the position, but I cannot say whether I have or not since I became aware of the position.

8. Is that all, Mr. Campbell?—I may be allowed, perhaps, to alter an answer that I made at an earlier stage. I referred to Ashley as being the first county in which the total subsidy had been exceeded. From subsequent inquiries I think that Eden was the first county to receive more than £2,500.

9. *Mr. Massey.*] To clear up a doubtful point, let me ask you this question: You do not want the Committee to understand that a county can be subdivided without legislation?—I cannot very well answer that question, because I have never had the administration of the Act dealing with that.

10. Are you aware that a county cannot be divided except by legislation?—I think a county can alter its boundaries by petition.

11. Are you aware that one county cannot be divided into two without an Act of Parliament providing therefor?—I could not say definitely whether that is so or not.

12. *Mr. Allen.*] When did you find out that there was a doubt about the interpretation of the law?—It was when I was revising information which had been compiled with a view to amended legislation in connection with the system of payment of subsidies to local bodies. In totalling up the amounts of subsidies that had been paid in previous years within counties in the colony, and in comparing those amounts with the sums that would be paid under the suggested amendment, I found out that in some counties the limit would be exceeded. It was then that I made the discovery.

13. At what time were these suggested amendments in the law being prepared?—There was a Bill before a Committee of the House in, I think, 1906 or 1907. I am not quite sure which year. The Bill did not come before the House. I may explain that when paying subsidy to a local body the subsidy is paid in two amounts: there is an advance at the beginning of the year, and the balance is paid at the end of the year. The consequence is that when these local bodies are paid subsidies, unless you add together the different claims that are sent in by the whole of the road districts within the county, you do not necessarily ascertain the total amount paid within each county for the year.

14. *Mr. Fraser.*] Mr. Jolliffe told us in his evidence that he had suggested to you that the total amount paid to local bodies within any county should not exceed the amount payable to a county as a whole. Is that the case?—I do not quite recognise the difference you refer to.

15. Local bodies, you say, had been receiving sums in excess of the provisions in last year's Appropriation Act?—Yes.

16. Well, the reason for the Government ceasing to pay those larger sums, Mr. Jolliffe informs us, was in consequence of a conversation he had with you in which he pointed out they were not entitled to receive more than the county would have received had there been no such local bodies: is that the case?—I believe that he did point that out, or, rather, that I discussed the question with him.

17. Very well. If there was no alteration made in the law by the clause of last year, there was a new interpretation of the law, which prompted your action, was there not?—No, I will not say that, because you will understand that in paying these subsidies annually you may not be called upon to interpret the law at all. It had been interpreted, and it is only when anything occurs which causes you to doubt the interpretation that you necessarily have occasion to refer to the law; and it was only on the occasion which I have referred to that this did come under my notice. It induced me to read the Act carefully, and that was the basis of my discussion with Mr. Jolliffe.

18. Then, were the payments made by you under this clause made under a different impression as to what the law meant from the impression you had when the former payments were made—the payments before the 1908 Appropriation Act came into force?—The impression I had when I paid the subsidies under the 1908 Act was the same impression that I had before the passing of that Act, but subsequent to the time when I first discovered the excess paid to these particular local bodies.

19. Let me put it in another way: Did you pay under the Appropriation Act of 1907 the same amount to those Road Boards as you paid in 1908?—I cannot tell you without reference what amounts were paid in 1907–8.

20. Was it a different amount?—I cannot be certain without reference. I think it is quite possible the amounts were different.