

Brought forward	£ 29,354
Commissariat Chest, and advance made in 1853 for the purchase of lands in the Wellington and Nelson Provinces	8,133
	<hr/> 37,487

To meet which there was in the Public Treasury £37,608.

PAGE 8 OF REPORT.—Remarks on paragraph beginning “The system of making large advances,” &c.

(55) The imprest system appears to be extended at Melbourne to the payment of the greater number of the Departmental expenses; by which the head of each department becomes a public accountant. But in New Zealand it is almost entirely confined to the Land Purchase Department. When loans are advanced to the natives, the Native Secretary is imprested with the amounts, who thus becomes answerable for their recovery. But there is no valid objection to the Commissioner for the purchase of Lands being treated as a Treasury accountant, or, in other words, as a Sub-Treasurer, which would nearly do away with the system of imprests in New Zealand.

PAGE 7 OF REPORT.—Remarks on paragraph commencing “The answer of the Northern Provinces.”

CANTERBURY LAND FUND DEPOSITS.

It is clear from the correspondence that the Government were at first under the impression that the large Land Fund deposits lying in the chest at Canterbury were the proceeds of the sale of lands *within the Canterbury Block*.

It may be stated, incidentally, that the Government Regulations did not provide for the practice, which has since been adopted at Auckland, of treating the whole of the purchase money as deposits in cases where the land has not been surveyed. They only provided for deposits of 10 per cent. Under no circumstances could these be likely to amount to so large a sum at Canterbury; it was therefore the natural inference that the deposits at that place were proceeds of Land sales within the block.

If this impression had been correct, the whole of the deposits, after deducting the costs of surveys and the New Zealand Company's Fourths, would have been payable into the Provincial Chests, subject to the Regulations of the Canterbury Association, without any deduction on account of the purchase of lands in other Provinces—at least such appears to have been the view of the Government, for it will be observed that the appropriation clause of Sir George Grey's Regulations does not extend to the proceeds of lands within the Canterbury Block.

The Superintendent pointed out the mistake of the Government. He showed that the deposits were on account of lands outside the Block, and that the appropriation of them must be regulated by Sir George Grey's Regulations.

Thereupon the Commissioner was directed to pay over the deposits to the Provincial Chest, *in accordance with Sir George Grey's Regulations*. Thus adopting the same course as had been adopted with the other Provinces, of leaving the final adjustment until the accounts had come in and the surplus revenues determined.

When the accounts were made up approximately in the Audit Office, and it could be determined how much was likely to be payable to each Province out of the surplus revenues, the Provincial Government was informed that the payment of these deposits would be treated as payments on account of the surplus revenues of the current year, not on account of the year when the deposits were paid in by the land purchasers; and it was further stated that, whether the payment was so treated, or whether it was treated as revenues of the preceding year, the result