

FINANCIAL STATEMENT.

PART I.

By the Hon. Mr. FITZHERBERT, 3rd Dec., 1864.

MR. CARLETON,—

For various reasons, which will suggest themselves to the Committee, I am deeply sensible of the very grave responsibility now imposed upon me.

The extensive and somewhat intricate character of the transactions, requiring a reference to lengthy documents and accounts, and a careful study of various acts (some of which appear to have been drawn with refined acumen) would alone have furnished sufficient grounds for diffidence on my part, even had I been possessed of those financial abilities which, it is well known, distinguish several other honorable members, on some one of whom ought properly to have devolved the difficult task which I am to-day called on to discharge.

And when the Committee take into account the brief space of time allowed me for this investigation, broken as that has necessarily been by the various interruptions incident to accession to office during a Session of the Legislature, I trust, Sir, that I may claim at their hands a more than ordinary share of consideration. Repetition, which may be regarded as a defect in any usual ministerial statement of policy, becomes, I conceive, the reverse in the delivery of a financial statement; for without recourse to that process it is almost impossible to “talk arithmetic” so as to be intelligible. The practice is, no doubt, a sore trial of patience, and should my repetitions become very tedious I still crave the utmost indulgence.

The documents and returns I have laid on the table are to the latest date, and are in the hands of the printers, together with a return compiled by my honorable friend the late Colonial Treasurer, shewing the expenditure up to the 30th September last, under the “Loan Appropriation Act, 1863.” I regret there is no copy of the contract for the sale of one million of Debentures, effected by the Crown Agents to the Credit Mobilier Co., and that I am therefore unable to produce it.

In the performance of this task I shall be as brief as the nature of the subject will permit, and whilst it will be my duty to disclose the real financial condition of the Colony, I shall confine myself to a bare statement, and so far as possible abstain from unnecessary remarks.

As regards the accuracy of my figures, I will only say that I have carefully endeavoured to avoid over-statement—that will be the direction in which error, if any, may be found.

On occasions like the present it is usual to bring down what is called a *budget*, which I understand to mean, a rendering up to the House of Representatives an account of the expenditure (distinguishing authorized from unauthorized) of the past year, with a comparative statement of the estimated revenue and actual income for that year,—a statement of estimate of expenditure for the current year, and proposals of ways and means to provide for such expenditure,—and also to embrace a general review of the financial position and prospects of the Colony.

I do not propose, Sir, to bring down a complete budget on this occasion, and for these reasons. In making any statement at this early period of the Session, I am anticipating the usual and, generally speaking, convenient course pursued; which is to wait until after the exposition of the Ministerial policy shall have been discussed and finally disposed of. I have deviated from this course, as is known to the Committee, in deference to the very natural wish of the House of Representatives to be informed at the earliest moment of the financial position of the Colony. But I am not prepared on the present occasion to make proposals for ways and means, which will require further thought and calculation. These, however, I shall be prepared to submit to the consideration of the Committee (if the House should so please) on Wednesday or Thursday next.

The usual financial statement will, therefore, be made in two parts (which course will, in this instance, be found I think to have its advantages), and it will not become an equation for examination before the committee until after the proposal of Ways and Means to which I have alluded shall have been submitted through you, Sir, to the committee on Wednesday next.

I shall, however, by a tentative process, test to what extent the extraordinary supplies voted by the House of Representatives last Session have been applied in terms of appropriation, and with what nett result. My aim, in fact, will be to satisfy the anxiety of the Committee as to “how the Colony stands,” by producing, as a preliminary step to a “budget,” what may be termed “a trial balance sheet.”

I separate the consideration of the subject into two principal divisions, which it will be desirable for a clear perception of our financial position, to bear in mind throughout. I term these *ordinary* and *extraordinary*.

Before entering upon a statement of the ordinary or normal condition of our finances, I observe that in terms of Clause XXIII. of the Appropriation Act of last Session, provision is made according to present estimates for the ordinary expenditure up to the 30th June, 1865; and therefore that it is unnecessary to come down with fresh estimates (supplementary or other) until after the expiration of that date. That, in fact, the two years 1863-64 and 1864-65, may be regarded as rolled into one financial period.

I first pass under a comparative review the revenue and expenditure for the year 1863-64, which may be stated as follows:—

Revenue	£703,906
Expenditure—	
General Colonial purposes	£452,748
Within Provinces	229,622
Payable to Provinces	22,945
	£703,906

This expenditure is exclusive of supplementary expenditure, which for the year 1863-64 is £38,246. To which, however, must be added the sum of £5287 1s. 2d., being supple-