

three-eighths; there is no guarantee, that we know of beyond the promise given by the Colonial Treasurer. ("Hear, hear," from Dr. Pollen.) There is no guarantee whatever, and we must take the promises of the General Government for what they are worth. The General Government might trench on the three-eighths if they pleased, as easily as upon what was beyond the three-eighths.

The custom of the Colonial Treasurer is to pay over to us month by month three-eighths of the Customs revenue, with the intention of presently balancing the accounts, and paying over the surplus; that is, should such surplus have accrued, and should the General Government have money enough in the chest to pay their debts to the provinces. The Council will now understand why I have altered the phraseology in my predecessor's estimate, namely "Surplus Provincial Revenue," to "Balance of Surplus General Revenue in excess of three-eighths." The amount is also amended. It had been roughly estimated at £11,000; we have now learned that it amounts to £14,613.

Of the unexpended revenue of the Province for 1864, my predecessor has taken no notice; probably because he had not the means, at the time, of ascertaining the amount. We find that it reaches the sum of £9000; that is,—assuming the short estimates of December last to be repealed. In the statement of Ways and Means, which I shall presently submit to you, it is carried to account.

We now come to the Customs Revenue. My predecessor allowed £60,000 for our share; the Colonial Treasurer, in the House of Representatives, allowed £63,000. But since then the Province of Auckland appears to have been advancing in prosperity. Before preparing these accounts, I wrote to the Collector of Customs, asking for an estimate of the Customs for the whole of the current year. The Collector informed me that £180,000 might be expected as the gross amount. Three-eighths of that is £67,500.

The Land Revenue I have left at the amount calculated by my predecessor in office, £6000. I had been under the impression that we should realise more from this source; but on account of the very large sales of land expected to take place in the Waikato, on account of the General Government, it is not impossible that the purchasing power of Auckland may, to a certain extent, be lessened. Therefore, by way of keeping on the safe side, I leave this item at £6000 still. In the same way, with regard to the Provincial Revenue, I have adopted my predecessor's estimate. It is possible that the sums received on account of licenses may be larger than he has estimated. It is possible that the settlement of the Waikato may bring in additional revenue to the province, although in point of fact it is a General Government scheme. But I can only say, that it is my sincere hope that that settlement will not add much to the Provincial Revenue, because it is only expected to add to it by way of licenses to public houses.

The pilotage and harbor dues, I leave as they were before. These dues, I believe, are derived only from the Manukau, the Bay of Islands, and Auckland. In all the other harbors, the harbor dues go towards paying the expenses of the establishments. The interest on the Harbor Trust debt, amounting to £720, will be payable into the Provincial Treasury. Honorable members will observe that there is £2000, which I have set down as only contingent. The reason of that is that the Government have no absolute certainty at the present moment that they will be able to recover the emigration bonds upon which this £2000 was granted. It is very disagreeable—a very awkward subject to deal with, and I do not wish to make any remarks upon it. It will suffice to say for the satisfaction of the Council, that the Government, at the present moment, are adopting most stringent measures to recover these bonds; and if we should be able to do so, I shall be prepared to come down to the Council with an appropriation for £2000 more. My predecessor has added certain other sums in the assets. Among others, I find interest and sinking fund on loans, £6000; land in lieu of house in Short-street, £16,00. I have spoken of the interest on the Harbor Trust debt: but my predecessor, not content with putting down the interest, has added the principal likewise, £12,000, as part of the revenue, which he intended to recover during the present year. I am unable to see how it is possible to recover the principal as well as the interest, unless indeed it was not recovered until after the close of the present financial year, when it would more properly belong to the Ways and Means of next year. That £12,000 was an advance to the harbor from provincial sources before the great loan was taken. It is now charged against the loan, and the Government, if they thought proper, could recover it and spend it. But it must be recollected that we can only draw upon this loan at the rate of £100,000 a year, or thereabouts; and supposing the Government were to take this £12,000, some other interest would have to suffer. So many are nibbling at this £100,000 that the Government are absolutely obliged to sacrifice this amount, and do without what they might fairly take for general purposes. I shall presently show you how many charges there are against this £100,000; and I can only express my regret that the Government absolutely feel themselves unable to take the £12,000, of which they would like exceedingly to have the disposal. But the Loan Fund cannot suffice for all the calls upon it. If the Government took this sum for their own purposes, other purposes must suffer, the railway, or the waterworks, or the purchase of native land. There is another item set down by my predecessor,—interest and sinking fund on loan. Now I am quite unable to see the use of carrying that amount to the assets. It appears to me to be merely a transfer from one side to the other of the account. The interest of the loan is chargeable partly against the province, and partly against the trusts; but Mr. Newman, has charged the whole of this against the Province as expenditure, recouping from the trusts, and setting down the sum so recovered as revenue; thus swelling the figures on both sides of the account. Now it appears to me impossible, by a complication of figures, to create money. Carrying sums from one side of the account to the other appears to me as valueless to the creation of good money, as shifting it from one pocket to the other. The only effect of this is to swell the amounts on both sides—upon the debit side and the credit side. ("Hear, Hear," from Mr. Coolahan.) Of course it makes a greater show for the Province. It makes it appear we have a larger sum to deal with, but the practice I have adopted is this—to put down nothing as an asset excepting what was likely to come into the exchequer in the shape of hard cash. Those portions of the loan chargeable against the trust, I have charged against the trust; and those portions chargeable against the Province, I have set down so. Amongst the assets, I know of nothing but hard money to come in. In my predecessor's estimate, there is another item of £1600—land in lieu of house in Short-street. Now, I believe the land is worth all that has been spent upon the house, or nearly so. That,