

however, is a question with which the Council will have to deal when they come to the supplementary estimates. It is not the intention of the Government at the present moment to sell this land; but if we did, I think the proceeds would be more properly carried over to the land fund. Now we come to the military prisoners, £1300. I believe that the Home Government admit the claim, but do not feel inclined to pay it for the present. As nearly as I can learn, they consider that under the enormous expenditure going on in New Zealand at the present moment, a claim of this sort can be deferred. That settlement, I think will not take place during the present financial year; and although this is due to the Province, yet, as we shall not absolutely touch the money during the present year, I have not set it down among the assets.

I have now explained the various causes of departure from the estimate of my predecessor; but it is due to him to say, that the changes are mainly attributable to changes of circumstance.

My own estimate will stand as follows:—

Available—		£	s.	d.
Balance of Surplus General Revenue in excess of three-eighths		14,618	0	0
Unexpended Revenue of 1864		9,000	0	0
Customs		67,500	0	0
Land Revenue		6,000	0	0
Provincial Revenue		7,000	0	0
Pilotage and Harbor Dues		3,600	0	0
Interest on Harbor Trust Debt of £12,000		720	0	0
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		£108,438	0	0
Contingent—		<hr/>		
Repayment of Assisted Passages		£2,000	0	0
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In preparing these estimates, I have reversed the usual mode of procedure. As far as my memory carries me back, it has generally been the object of Provincial Treasurers to make as great a show as possible of assets, and the least possible show of expenditure. The inclination appears to me generally to have been to swell the assets and cut down the expenditure. Well, what has been the consequence? By not bringing the estimates up to the full amount of expenses that must necessarily be incurred, successive Treasurers have found themselves under the absolute necessity of transgressing the law by exceeding the appropriations. The requirements of the Province must be met even if they be not voted by Council. There is nothing for it but payment, or stopping the machinery of Government. It is no use blinking necessary expenditure. On the contrary, I have, so far as I am aware, brought up the expenses to their full amount. I have taken the sums paid during the last month, and having multiplied them by 12, I have brought down those sums and asked the Council to vote them. Some of them may appear large, yet they have to be paid; and I think it a great deal better honestly to come down to the Council and ask for the amount I shall want, instead of pretending economy, and afterwards exceeding the amount voted. The assets that I have brought down I believe to be *bonâ fide* assets. There is only one I have any misgiving about; that is, the balance of £14,800 from the General Government. A letter has been received by the Superintendent from the Colonial Secretary, informing us that this was the amount due to the Province. It was possible that when the Colonial Secretary wrote the letter stating that that sum was payable to the Province, he might have been under the impression that the whole of the General Government debentures had been taken, and of course the Treasurer supposed that he had been relieved from all financial difficulties. I have, on the whole, very little fear about the matter. I think that payment may be delayed, but after a few months, and certainly during the course of the present financial year, that sum will be brought to book. So long as there is any doubt about the matter, of course the Government will economise as far as possible, and check some of the works which are the least necessary, lest we should be brought into a state of financial confusion for the want of this sum which we had calculated upon. I have brought the establishments up to their actual amounts, instead of increasing them during the recess, and asking pardon afterwards; for, as I have often told this Council before, my great ambition is to get to the end of my Provincial Treasurership, and retire without having in any one single instance transgressed the law. This promise can only be carried out in the event of the Council granting a large amount beyond the specific votes for unforeseen contingencies. I have set down for this purpose in the estimates £3000. Of course, if the Council think proper to refuse, the bargain is off. In that case I have nothing to do but to follow in the steps of all Provincial Treasurers who have gone before me, and make the best of a bad job. As to giving an absolute pledge for the future, no man in his senses would do that; but my strong desire is, to go out of the Provincial Treasurership with a clear conscience, however long that term of office may endure. This much I may say, that the shorter it is the better I shall be pleased. I have often been told, often been warned, that such a thing as leaving office without having transgressed the law was impossible; but that very term, Impossibility, makes one only the more anxious to try. The Council will now observe, that the available assets, exclusive of the loan and trust funds, amount to £108,438. The permanent charges on the revenue, fixed by law, amount to £14,560. There remains for appropriation by Council, £93,878. I now come to the trusts. The Harbor Trust is in a sound condition. The present income is £7500. The lease of Customhouse-street will probably bring in about £2000 more. The Harbor Endowments have been freed by means of the £30,000 provided by the Loan Act, and being free will be kept so. The actual amount of the Harbor Debentures is £25,000; but the Chief Justice, for satisfactory reasons, and *ex abundanti cautela*, has required £30,000 to be paid into the Supreme Court for the purpose of taking them up. The interest and sinking fund on this, together with that upon other £30,000 appropriated to the Harbor works, and upon the £12,000 originally advanced by the Province, amounts to £6120; the Harbor Trust establishment, with contingencies, amounts to £911. The City Trust is not so clear as the Harbor Trust, but I hope shortly to see it so. The rent of the City endowments amounts to £1877. The transactions between the Government and the City are also much more complicated than