

in an efficient condition. When all these old balances are removed, the account will be properly available for future action. I think that all moneys borrowed for specific purposes should be paid into the Special Fund Account; and I would go further than has hitherto been done. I would return to the practice of keeping a separate banking account for the Special Fund, and a separate Paymaster's account. You are aware that when the Public Revenues Act was brought into operation, a separate banking account was kept for each of the four different funds. The practice was not found to answer, and in the next Session it was altered. It seems to me that the weak point of the practice was, that although there were four banking accounts, so far as the Comptroller was concerned, there was only one such account for the Paymaster. As long as the separation does not apply to the absolute disbursement of the money, no object is served by keeping separate banking accounts; but if a separate account is kept for the Paymaster, and also for the fund itself from which the Comptroller makes his issues, you will absolutely put a stop to that application of Special Fund moneys to revenue which has partly led to many of the difficulties in adjusting the accounts, and which now makes the Special Fund so complicated a one to deal with.

What moneys should be paid into the Account.

THE CURRENT YEAR.

I have now to turn to the year which in these Statements is usually termed the past year, but which on this occasion is the current year. The financial year expires at the end of this month. But to have based the Statement on the actual results to the end of the year would have required a delay of at least two months to enable the accounts to be made up. I propose to give you approximate results for so much of the year as was not concluded on the 31st March. These results will, I think, be near enough to enable you to arrive at sufficiently close conclusions upon all the subjects to which they relate, with which you will have to deal. The estimate of the expenditure necessary to be made after the 31st March is somewhat complicated, because the expenditure is of two classes—one which is and one which is not divided equally over the year. Each vote has been separately considered. The Return B, to which I have already referred in connection with liabilities, will give honorable Members an idea of the onerous work this early Statement involves.

Results, to what extent approximate.

The Return gives the actual expenditure up to the end of March—it gives, also, the estimated expenditure from the 1st of April to the 30th June, including all liabilities on account of the year's service. You will observe that the amount payable from the 1st of April appears very much out of proportion to the amount paid during the previous portion of the year—more so than would be accounted for by the fact, that up to the 1st of April there was, in most cases, only eight months' expenditure. The reason why the amount is so much larger than it would appear likely to be, is because it contains a very considerable amount of advances (including those for payment of interest and sinking fund) not brought to account, but which will be brought to account before the end of the year. It also contains other items of exceptional expenditure, which are not divided over the year, but for which liabilities are contracted, and which will have to be expended. I have already referred to that part of the return which concerns the liabilities and engagements for 1868–9. What we have now to deal with is the expenditure on account of the current year.

Exclusive of the redemption of Treasury Bills, which we need not take into consideration, the total expenditure on account of the current year is £1,360,454 1s. 10d. This amount includes the expenditure on account of the General Government, and also that on account of the Provincial moiety. It includes the whole of the payments on account of the Provincial moiety—the payments actually made to the Provinces up to date, and those which have to be made to complete the year. Seeing that the Provinces are entitled to one-half of the revenue, and that the payments made to the Provinces, together with the payments made on their account, exactly balance the amount to which they are entitled, we may put out of consideration the Provincial portion as a whole, and proceed to the consideration of the ex-

Provincial moiety.