

The deficiency under the head Telegraphic, is partly to be accounted for by a change in the rates of charge, and partly by the fact of the non-completion of the line to the Thames. I refer you also to Statements H, 1 to 9, in continuation of those presented last Session, and which, I have no doubt, you will find very interesting, as exemplifying the trade of the Colony. We have, then, as you will gather, a total of receipts amounting to £1,248,581 6s. 8d. on account of the year, to which has to be added the surplus of £76,281 5s. 11d., making together £1,324,862 12s. 7d. The expenditure for the year, including all liabilities for the year, will be—General, £823,236 11s. 1d.; Provincial, £537,217 10s. 9d.; making a total of £1,360,454 1s. 10d., and showing a deficiency of £35,591 9s. 3d. I will ask you, however, to recollect that, as against this apparent deficiency, the expenditure includes the items to which I have already referred:—Two sums due by Southland, of £15,285 13s. 3d. and £8,130 6s. 5d.; paid on account of Roads in the North Island, £25,000; Advances to Patea Settlers, £10,000; Wanganui Bridge, £15,000. I shall have occasion to speak of these items when I am dealing with the question of Ways and Means for the present year.

Revenue, adding surplus, equals
£1,324,862 12s. 7d.
Total expenditure,
£1,360,454 1s. 10d.
Apparent deficiency,
£35,591 9s. 3d.

Results, how verified.

Very great pains have been taken to verify the result as to income and expenditure which I have already stated; and I think it will interest and satisfy you, if I add that, by a totally different process, exactly the same result is arrived at. In Statement B, which has been so often referred to, you will observe that the amount which it is estimated will have to be expended from March 31st to the end of the year, for the year's services, is £796,583 17s. 9d. You will readily see that if I take the liabilities of that particular period of the year, estimate the ways and means which we have to meet them, and bring out exactly the same result as I have already stated, the accounts are verified in a remarkable manner. I do not expect that you will at all realize the labour which has resulted in putting into a comparatively simple form the results of the investigations which have been instituted: I say, "comparatively simple," because it would be a mistake to suppose that figures or accounts can ever be reduced to so simple a form that they may be understood without some little trouble. In the account I have already given you, I have not taken the assets in the order of their receipt: on the contrary, some of those assets have yet to be realized.

The calculations which I am now about to give you consist, on the one hand, of the amounts to be paid after the 31st March; and, on the other hand, of the assets available between that date and the end of the year. The assets are—Cash at the Bank on 31st March, £87,955 4s. 2d.; anticipated Receipts for the June quarter, as shown in Statement H, £348,043 9s. 4d.; making together a total of cash, £435,998 13s. 6d.; Advances in the hands of Paymasters and others, including amounts remitted for payment of Interest and Sinking Fund not brought to account on the 31st March, £324,993 15s.: or a total amount of £760,992 8s. 6d. Deduct these Ways and Means from the payments to be made, which, as already stated, amount to £796,583 17s. 9d., and which you will find detailed in the column headed "Estimated Expenditure to 30th June," including all liabilities to that date, in Statement B, and you will have a deficiency of £35,591 9s. 3d., or precisely the amount at which we arrived by taking the assets of last year and the liabilities for that year, the whole of the present year's expenditure and the whole of its receipts.

Interest on Debt not
paid out of borrowed
money.

I have frequently heard it said that we are borrowing money in order to pay the interest on our debts; that our revenue is not in proportion to our expenditure; that, in fact, we are not raising, as from the people of the Colony, sufficient money to pay our ordinary charges. If such were the case, very serious considerations would arise as to whether it was not desirable, or, I might almost say, necessary, that we should increase our taxation. I have, however, felt it to be my duty to look very closely into the question, with the view of settling all doubts upon the subject; and I am glad to be able to lay before you particulars which I think will entirely free your minds from any impression of the kind to which I have referred. The total expenditure on General Government account during the year, including liabilities, is, as we have already seen, estimated to amount to £823,236 11s. 1d. That total may be divided as follows:—