

This present method consists in charging the permanent-way and rolling-stock, when ordered from England, to a suspense account, in terms of section 4 of the Immigration and Public Works Appropriation Acts passed each year, and it has the daily and hourly disadvantage that the Minister can never tell what the state of the vote actually is from time to time, the whole amount of the suspense account being a charge upon the whole class of votes for railways, but the amount chargeable to each railway being indefinite and undeterminable until the close of the year's transactions.

By the system now proposed, of taking a separate vote for permanent-way and rolling-stock, all these complications will be avoided, and the statements of accounts from time to time under votes taken for actual construction works will show clearly the amount actually expended, and also the amount still available for expenditure upon that class of works.

On the 1st April, 1884, there was an available balance for expenditure (assuming that the advances outstanding were cash) of £877,912. This does not include a payment of £75,203 due from the Land Fund.

The outstanding liabilities on the 31st March, 1884, after deducting a large sum for Native land purchases not likely to be wanted for some time, amounted to £1,313,550. Between the 31st March and the 31st August, 1884, further liabilities of £236,446 have been incurred, making the total liabilities £1,549,996.

I have already stated the available balance at the end of March last was £877,912: deducting this from the liabilities there is a deficiency of £672,084. But then there is the third million of the 1882 loan, and, assuming it to come into the year's account and to net par, there will be a balance of £327,916 only available for the votes of this year beyond liabilities. With the exception of this small balance, therefore, the votes of last year practically disposed of the Three-Million Loan, and not only of that, but of the £250,000 raised under the Local Inscribed Stock Act, the proceeds of which have also been drawn into the fund.

As far as I can see, from careful examination, it was intended that the Three-Million Loan should last out the year 1885–86. The financial year ends on the 31st March, and the Act prescribes that one million only shall be borrowed in the three years 1883, 1884, and 1885. The third million could not have been expected to be available many weeks before the end of March: thus, it must have been intended to spend the money before it was borrowed, or that the third million should last till 1886. But the then Government declared that they would not spend money before it was borrowed; so it must have been intended that the loan should last out next year; whilst, as I have said, with an additional loan of £250,000, there is only for new votes of this year, £327,916.

It is necessary that I should point all this out, so that we may have on record the point at which the new loan which the Government propose intervenes, as also that you may realize that a great part of that new loan is required to fulfil the Schedule of the Three-Million Loan Act, besides the £250,000 which has also been absorbed.

On the other hand, so far as the votes are concerned, it is only justice to my predecessor to point out that the votes of each year include much more than can be expended within the year. A system has grown up of voting sufficient to cover the probable cost of contracts, whether or not these contracts can be executed during the year. If I follow the same system, and take large votes for new works, honourable members must understand that in the few months that remain of this year only a small portion will be spent, so that up to the end of March next I estimate we shall not trench upon the actual cash proceeds of the proposed new loan of a million and a half much, if any, more than £200,000: for that loan the Government is, in fact, providing for expenditure for the year 1885–86.

The House will agree with me that it is sound policy to provide the money before incurring the expenditure. We propose to take authority for a loan of a million and a half, as has already been intimated by the Colonial Treasurer. Adding that to the available balance at the end of March last and to the third million of the loan of 1882 we shall have a total of £3,377,912