

FINANCIAL STATEMENT.

5 B.—No. 1A.

to £260,683, and of payments amounting to £31,823, chargeable to Provinces under Special Acts (as Provincial Interest and Sinking Fund, Provincial Auditors' Salaries, &c.), was as follows:—

<i>Authorized Ordinary Expenditure for General Government Services for 1867-68.</i>	£ s. d.		<i>Actual Ordinary Expenditure for General Government Services for 1867-68.</i>	£ s. d.		£ s. d.		£ s. d.	
Civil List	27,500	0 0	19,026	1 3	<i>saving</i>	8,473	18 9		
Permanent Charges	314,265	5 5	220,436	11 9	"	83,823	0 0		
Class I.—Public Domains	4,076	4 0	4,434	6 0	<i>excess</i>			358	2 0
Class II.—Public Departments	43,567	10 4	40,585	8 8	<i>saving</i>	2,982	1 8		
Class III.—Law and Justice	69,148	19 4	59,425	13 8	"	9,723	5 8		
Class IV.—Postal	148,579	9 0	125,855	4 9	"	22,724	4 3		
Class V.—Customs	44,471	7 6	38,527	6 7	"	5,944	0 11		
Class VI.—Native	23,544	5 10	21,200	19 8	"	2,343	6 2		
Class VII.—Militia and Volunteers	24,538	8 11	18,708	7 2	"	5,830	1 9		
Class VIII.—Miscellaneous, Special, } and Temporary ... }	48,083	0 8	45,026	1 10	"	3,056	18 10		
Audit Committee ...			150	0 0					
Expenditure unauthor- ized by Parliament			202	3 1					
£747,774	11 0		£593,578	4 5		£154,196	6 7		

This would leave an apparent saving upon the expenditure authorized by Parliament of £154,196 6s. 7d. A considerable portion of this saving is apparent only. Prior to the passing of "The Public Revenues Act, 1867," payments made on account of services rendered in a given financial year, were, as far as practicable, included in the published accounts for that year, although actually made in the year succeeding. In accordance with this custom the accounts for 1866-67 were kept open until the 9th July, 1867, so as to include the salaries for June, which were, of course, not paid until the beginning of July; these salaries appear, therefore, in the published accounts for the year 1866-67. Under the Public Revenues Act, however, the accounts for the year must include only sums actually disbursed during the year; and as the salaries for June, 1868, could not be paid until the month of July, it has not been possible to include them in the accounts for 1867-68. Hence the accounts for that financial period will be found to include only eleven months' salaries, and the expenditure of the Colony appears to be diminished thereby to the extent of about £51,000. I am anxious that this point should be clearly understood, in order that it may not be supposed the Government is claiming as an actual saving what is after all but an involuntary transfer from one year's account to another. There have, however, been actual savings of some considerable value.

The expenditure I have stated to the Committee, is that for which duly authenticated vouchers have been received in the Treasury, but does not include sums issued from the Treasury by way of advances, but not yet accounted for; this mode of dealing with the accounts is prescribed by the Public Revenues Act. To arrive, therefore, at the total cash issued during the year, we must add to the expenditure brought to account, the difference between the advances outstanding at the commencement and at the close of the year. This difference amounts, in the present case, to £75,405, making the total issues from the Treasury, for the services above enumerated, £668,983.

Deducting the total issues from the Consolidated Fund during the year, for all purposes, from the total receipts, there remains to the Treasury, as shown by the printed accounts, a balance in the Bank of £46,979 15s. 11d. Of this sum £25,000 will be required to pay off the Treasury Bills to that amount issued during the past year in aid of revenue: the balance is fairly available for the service of the current year.

In addition to this cash balance there also remains to the Colony an available asset in the shape of the advance made some time ago to the Province of Southland, and amounting (with interest to 31st December next) to £55,117. This money can now be drawn at any time, having been raised under the Consolidated Loan Act. I shall, when treating of the expenditure for the current year, state how it is intended to dispose of this amount.

It has not been in the power of the Government during the past year to take up any of the Treasury Bills issued in preceding years in aid of Revenue. The amount of these Bills now in circulation (exclusive of the £25,000 already mentioned) is £125,000.

The amount of the Trust Funds in the hands of the Government is at the present moment larger than it has been at any previous period of the history of the Colony, having reached, on the 30th June last, the sum of £167,000. The increase is mainly attributable to the extent of the deposits which have been made in the Post Office Savings Banks, which reached £115,000 on the last day of July, and is valuable testimony to the usefulness of these institutions, as well as to the foresight and thrift of a large part of the population. A part of the sum I have named has been invested by the Comptroller in Treasury Bills, a part in Colonial Debentures, and the balance was in the bank on the 30th June last. It has, I believe, been the practice of every successive Treasurer of New Zealand to draw the attention of the Legislature to the fact that Trust Funds had, by his predecessor, been appropriated to the exigencies of the public service, and to express his own steadfast determination to adopt a different course; this is however the first occasion on which these excellent intentions have been fully realized.

Leaving the subject of the current income and expenditure of the past year, I will now lay before the Committee a statement of what has been done under the Finance Acts of last session. The Surplus Revenues Adjustment Act provided that £31,053 10s. 7d. should be paid by the Provinces of Hawke's Bay, Otago, and Southland, to the Colonial Treasury, and by it paid over to the Provinces of Auckland, Wellington, Nelson, and Canterbury. The payments to the latter Provinces have been effected in quarterly instalments. The contributions of Otago and Southland have been raised under the provisions of the Public Debts Act; and the interest and sinking fund on the sums so raised now form a charge against those two Provinces, in the proportions specified in the Surplus Revenues Adjustment Act.

Of the action taken by the Government under the Act for consolidating the numerous loans of the Colony and Provinces, full information has already been laid before the House. Mr. Fitzherbert, acting in London on behalf of the Colonial Government, has offered to the holders of both Colonial and Provincial Five and Six per Cent. Debentures terms of conversion which, while presenting to those holders considerable advantages, will secure to the Colony and the several Provinces, if the whole of these loans are so converted, an annual saving of interest and sinking fund of £40,000, against which must be set an increase in the amount of capital debt to be ultimately repaid of £385,150. The result of this operation, up to the latest dates of which we have advices, is as follows:—