

I have thus stated generally what has been done under the Finance Acts of last session.

Table B.
Table C.

With a view of supplying full information as to the indebtedness of New Zealand, I lay before the Committee two tables, showing the position of the debts of the Colony on the 30th June last. The first (B.) gives full particulars of each of the existing loans of the Colonial or of the several Provincial Governments; the second (C.) shows the actual annual payments required from the Colony and from each Province on account of these loans.

There are two subjects which came before the House last session which the Government has again to submit for its consideration, namely, the case of the Province of Taranaki, and the question of the Confiscated Lands.

The Committee is doubtless aware of the nature of the claims of the Province of Taranaki arising under the financial arrangements of 1856. According to the terms of that arrangement, £20,000 was allocated to Taranaki, without interest, for the purchase of Native land, and until the whole sum was expended an annual subsidy of £2,200 was to be paid to the Province. Only £4,000 has been expended in purchasing Native lands, and the annual subsidy continues to be paid. We propose to extinguish this claim by a special arrangement, which will require a Bill to be introduced for this purpose.

The second subject to which I alluded, viz., the Confiscated Lands, is doubtless a most unsatisfactory one to many members of this Committee, and to none more so than to the Colonial Treasurer. In the last session of the Assembly the Government was authorized to expend out of proceeds of confiscated lands a sum of £34,750 to defray certain liabilities and charges in respect of these lands. These liabilities consist principally of payments for surveys actually executed, of compensation due to friendly Natives for their land included in confiscated blocks, and for which, in most cases, courts of law have decided the exact sums they are entitled to receive; there were also payments to be made for public works contracted for when the confiscated lands were under the management of the Superintendent of Auckland. During the year some new expenditure has been incurred in surveying land for sale; but the greater part of the outlay has been for obligations actually due before the last session, or becoming due under contracts entered into before that time; they were, in fact, quite beyond the control of the Government. The sum realized from the confiscated lands during the year has proved altogether insufficient to meet these liabilities; but, considering their origin and character, we have felt it to be a duty to the Colony to take upon ourselves the responsibility of discharging, at any rate, the most pressing of these debts, and upon furnishing this House, as is needful in such cases, at the earliest opportunity, with a full statement of our proceedings, of asking for its sanction and approval. Unpleasant as it may be to see the Treasury of the Colony still drawn upon for an estate which we were led to believe would long since have become a source of considerable income, I feel sure there is hardly one member of this House who will deny that the honor of the Colony required that the obligations I have described should be discharged without further delay; and especially that it would have been a national disgrace if the Government had turned a deaf ear to those friendly allies whose property has been taken from them by the authority of an Act of this Legislature, and who have for years been waiting for payment. The total receipts from the confiscated lands during the year, including fees on Crown Grants, has been £11,929. The expenditure has been £26,410. Unfortunately this does not exhaust the subject. The claims already paid are only the most pressing ones; to discharge the remainder, and complete such surveys and other preliminaries as are indispensable for effecting a sale of the land, will require a sum of £28,000. We are satisfied, after careful inquiry, that the confiscated lands will realize at least this amount within the next two years. But the debts of the Colony ought not to remain unpaid for that time, nor can sales be effected unless preliminary expenses are incurred for surveys; we shall therefore ask the House to authorize the above sum to be advanced by means of Treasury Bills, repayable within two years, and made a first charge on the proceeds of the confiscated lands. Thus no expense will eventually be thrown upon the Colony. The subject will be more fully stated to the House by my honorable friend the Commissioner of Customs on a future occasion. In the meantime I lay before the Committee a tabular statement showing the total amount of land confiscated, the amount already disposed of, and the amount now saleable. This statement tends to show that these lands may still return some considerable sums to the Colonial Exchequer.

Table D.

I have thus endeavoured to place the Committee in possession of as full information as time will allow respecting the income and expenditure of the Colony for the past year, respecting the action taken under the important Acts passed during the last session of this Assembly, and respecting the present position of the Colony so far as it is the result of such action. Notwithstanding the period of depression through which we have passed, I cannot but consider the result to be on the whole highly satisfactory.

I now turn to the future. Before, however, proceeding to the estimates for the year 1863-69, I will briefly state to the Committee the disposition which the Government proposes to make of the £55,117 which, as I have already stated, will be recovered from the Province of Southland during the present year. We propose to devote £15,000 to the erection of a new Government House, and to providing increased office accommodation for the officers of the Legislature and of the Government. As to the necessity for this item, I believe that little if any difference of opinion will be found to prevail. The character and condition of the residence now provided for His Excellency the Governor must be admitted to be discreditable to the Colony; and while in the present condition of the Colonial finances we are as anxious as Parliament can be to avoid any large expenditure, we believe that a sum of £10,000 (in addition to the proceeds of Lowry Bay, which we hope to dispose of) is the least that will provide a suitable and commodious residence at the seat of Government for the Representative of Her Majesty. The necessity of further accommodation for officers of the Government as well as of the Legislature, for which the remaining £5,000 will be required, is very obvious. A considerable number of the departments of Government are now located in rented buildings in different parts of the town, an arrangement involving not only a considerable annual outlay, but constituting a serious obstruction to the prompt and efficient transaction of the public business.

The Marine Survey, for the reasons already referred to, has proved more expensive than was anticipated; to meet this outlay, and to complete the survey of the West Coast which is now in hand, a further vote of £3,000 will be required. The completion of the Telegraph to Auckland will probably cost £1,500 in addition to the sum estimated for it last year. For a sum of £7,000 the Telegraph could be extended to Wanganui; looking to the important advantages to be anticipated from telegraphic communication between that place and the seat of Government, and to the probability of the line being highly remunerative, the Government will be glad if the House should think right to sanction this work being proceeded with. The remaining balance of about £28,000 the Government proposes should be reserved to meet any extraordinary expenditure which it may be necessary to incur in the suppression of renewed Native disturbances, if such should unfortunately occur. I know that this proposal will meet with opposition in some quarters; but anxious as the Government is to avoid involving the Colony in any fresh outlay which can with safety be avoided, we feel we should be shrinking from a solemn duty if we did not ask the Legislature to place in our hands the means for dealing so promptly and efficiently with any renewed disturbance as may prevent it being developed into a general outbreak.

I will now ask the attention of the Committee to the Ordinary Income and Expenditure of the current year. After a very careful consideration of the condition of the Colony, and the circumstances by which its sources of revenue are likely to be affected, I feel justified in estimating that the receipts of the Colonial Treasury for the financial year ending 30th June, 1869, will probably be as follows:—