

and the Secretary to the Treasury. I myself asked the Under Secretary for Public Works whether these were all absolute engagements for contracts entered into, and was informed that such was the fact. That seemed to me sufficient authority for the statements I have made. I was, of course, very much startled when I found that the amount was so large, and I took a good deal of pains to see whether I could not fairly state it at a less amount; but I found, on questioning the officers in whose departments the expenditure was to be made, that such an amount would be required if effect were given to present engagements. Included in this £2,220,104 is £200,000 for the purchase of Native lands. Of this we have already spent £36,561, and we are engaged to spend up to December next £84,500 more. That, the department assures me, is also necessary. And we have a further liability upon these lands—unless we are prepared to abandon them—and to which we are apparently committed, amounting to £957,177, or, in round numbers, to nearly £1,000,000 more, to be provided for the purchase of Native lands. We have also, after June next, to provide for contracts now let, £128,815 more than I have stated. Of course it is not for me at the present time to say anything with regard to the policy of continuing to purchase these lands, or of completing the engagements already commenced. That will be for the House to discuss presently. It is only my duty now to lay before the House the facts which I have obtained from the department. Our position then is this: we have actually spent up to the end of September half a million of the loan. We have engaged to spend by Christmas £733,000 more, and we have engaged to spend by June next £2,220,000 of that loan. And this, Sir, before we know whether it is possible to raise the loan—before we have the slightest news from Home as to whether it is likely we shall get the money. We have so conducted our finances that we have not considered it wrong or unadvisable to pledge the credit of the colony in this way without the slightest knowledge of whether we can meet our engagements. That, to my mind, is a most serious position for the colony to take up. It is beginning entirely at the wrong end. We are bound, if we are to maintain our credit, first of all to be sure that we have the money before we proceed to spend it. Of course it is not for me to say how far we may be successful in raising the whole loan. The credit of the colony, fortunately, has hitherto been very good; but I say nothing can justify us in spending money at this rate before we have got it. Such then, Sir, is shortly the position of our finances at the present time. I will simply say, in conclusion, that I am very much obliged to the House for the patience with which it has heard me. I would the tale I have had to tell had been of a more cheerful nature, and that I had been able, as it has been my lot before now to do, to speak of surpluses instead of deficits; but it is clearly my duty to trace in bold outline the present position of our finances, leaving to honorable gentlemen to fill in the picture with information which I shall place, in the shape of tables, in their hands in the course of a few days. The position is undoubtedly an exceedingly grave one. It will require, as I have already said, the serious and immediate attention of this House. If we are not to get into very great difficulties we shall have to give up many things now considered necessary, and turn our attention to providing a remedy for the state of things I have shown to exist. It seems to me that it is