

1888.
NEW ZEALAND.

FINANCIAL STATEMENT

(In Committee of Ways and Means, Tuesday, 29th May, 1888.)

BY THE COLONIAL TREASURER, THE HONOURABLE SIR H. ATKINSON.

MR. HAMLIN,—

The recess which has just ended has been so short—only about one-half the ordinary length of our parliamentary recess—and the work imposed upon the Government so much greater than usual, that, with every effort on my part, I have been unable until to-day to submit to the consideration of the Committee the budget proposals of the Government. These proposals necessarily depended to a large extent upon the reduction of expenditure rendered possible through the reorganization of the Civil Service, and it was not until within the last few days that that work had sufficiently advanced to enable me to summarise the results for the information of the Committee.

It will be in the recollection of honourable members that, when the Government took office in October last, the financial position and prospects of the colony were such as to require the immediate and earnest attention of the Government and of Parliament. So far as time permitted, important changes were introduced during the session and others promised or foreshadowed. The Government undertook to largely reduce the loan expenditure upon public works. This has been done, and still further reductions are now both possible and desirable. We also undertook to make large reductions of the expenditure charged against the Consolidated Fund, and, although the sum reduced has not reached the amount we had hoped, we shall, I have no doubt, be able to satisfy the Committee that the reductions we have made and are making, are very substantial in amount, and of a good and permanent character. We further undertook to charge against the ordinary revenue certain works and services the funds for which had hitherto been provided from loan. This also has been done, and honourable members will find in the current ordinary estimates proper provision made for these services.

These salutary changes have not only been immediately and directly beneficial, but have also been indirectly of great advantage to us in their effect outside the colony. It is much to be regretted that our credit in London and elsewhere has been and still is greatly injured by hostile and unfair criticism. No one denies that there are very obvious points in our past finance fairly open to adverse criticism: that for so small a community we have become largely indebted; that in the past we not only borrowed largely, but sometimes spent unwisely and too freely. But assuming the truth of these things, they only touch one side of the case. If we want to see their real, present significance—their bearing upon our financial position and prospects—not one but two aspects have to be viewed. We must obviously, in the first place, and before we can strike a balance, look at the other side of the account, and consider the character of our population, its energy, industry, and skill, and the great resources, developed and undeveloped—the wealth, actual and potential,