

the work of the Auditor-General in the examination and audit of the public accounts, and also form a direct and necessary preparation for the full introduction of the provisions of the Comptroller's Act of last Session.

The point which I shall first of all be expected to notice relates to the Revenue and Expenditure for the past financial year, and these I shall now proceed to submit to the Committee.

The Revenue for the past year, then, which was estimated by my predecessor, in his Financial Statement of the 30th August, last, at £943,500 (inclusive of £5,000 from distillation and £37,000 from Stamp Duties) has without those duties amounted to the sum of £902,134 8s. 8d., made up as follows:—

	£	s.	d.
Customs	798,100	12	8
Postal	49,391	4	7
Judicial	29,209	4	3
Registration	14,981	1	9
Fees on Issue of Crown Grants	2,732	0	0
Marine Board	*563	6	6
Telegraphs	5,079	16	9
Miscellaneous	2,077	2	2
TOTAL	£902,134	8	8

This the Committee will perhaps agree with me in considering as upon the whole a satisfactory result for the year. The Ordinary Revenue, apart from the Customs Receipts, has nearly equalled the estimate that was made of it. For the large increase, amounting to no less than £155,000, in the Customs Revenue over that of the previous year, we are, I need hardly say, greatly indebted to the increased extent and productiveness of the Westland Gold Fields, which, besides contributing to the Revenue of the Colony one-half the entire Customs Receipts for the two Provinces of Nelson and Canterbury, have yielded to the revenue of those Provinces during the year the very large sum of £65,690, in the shape of duty upon the gold produced and exported. I lay on the table a Return of the year's Customs Revenue for the several ports of New Zealand, together with Returns of the value of Exports and Imports for the same period, of the Produce and Revenue of our Gold Fields, from the first discovery of gold at Nelson in 1857, to the end of June last, and of the Land Revenue for the past year, which Honourable Members may be glad to have printed, and to be able to refer to in connexion with this Statement.

I cannot lay these Returns on the table without shortly noticing some of the remarkable results disclosed by them with respect to the condition and prospects of the trade of the country. The value of the gold export alone during the financial year was £2,859,249, being about 33 per cent. more than the highest previous year, (viz., 1863-4,) and there was paid over to Provincial Governments, as duty thereon, the sum of £92,351, whilst the total export of the metal from New Zealand to the 30th June last shows a value of no less than £10,506,058. The return of the year's Exports and Imports of every kind for the Colony is not so complete as I could have wished it to be, exact accounts not having yet reached the Commissioner of Customs from some of the smaller ports; but it is sufficiently correct for all practical purposes, and presents most satisfactory proof of the soundness, as well as great extent of the year's commercial operations. Consequent upon the great development and increased productiveness of the Gold Fields as well as of pastoral enterprise in the Middle Island, the Exports are larger than for any former year, having attained a value of £4,669,152, against £3,168,776, in 1864-5; whilst the Imports, which amounted to £5,270,072, are less by £913,622 than they then were, and only exceed the Exports of the year by £600,920. Hitherto in New Zealand there has always been a large disproportion between Imports and Exports, and, consequently, unfavorable exchanges, the more especially as regards certain of the Provinces. Now, however, I find that, taking the Colony as a whole, and comparing the Imports and Exports of the seven years from the 1st July, 1859, to 30th June, 1866, and taking 5 as an integer to represent the value of the Exports in each of those years, the Imports bear to that number the proportions of $12\frac{1}{2}$, $13\frac{1}{2}$, $7\frac{1}{2}$, 9, 11, $9\frac{1}{4}$, and $5\frac{2}{3}$ respectively, (as nearly as those proportions can be thus stated) so that while the value of the Imports in 1859-60 amounted to two and a-half times that of the Exports, the excess in 1865-6 was not quite two-seventeenths of the whole amount, which may be considered as representing very closely what sound principles of political economy would suggest as desirable. With her large and rising trade, therefore, her Customs, Miscellaneous, Gold and Territorial Revenues, amounting together for the past year to more than a million and a-half sterling, New Zealand may be said to rank favorably with some of the most advanced and prosperous of the Colonies of Great Britain. Neither South Australia nor New South Wales (the latter with a population of between three and four hundred thousand) raise so large a Revenue as New Zealand, and even the great Province of Canada, comprising two and a-half millions of people, and a territory at least four times larger than ours, had, in the year 1864, a Revenue only one-third greater than that of New Zealand during the last year.

I now pass on to the expenditure for the year—first as against the Revenue, and secondly as against the Three Million Loan.

The Appropriations made by the Appropriation Act for 1865-6, or by specific Acts of the Assembly, were,—

	£	s.	d.
For General Services	200,808	0	0
For Provincial Services	169,882	0	0
Unauthorized Expenditure for the three preceding years	167,655	16	2
Civil List	27,500	0	0
Permanent Charges	224,733	6	8
	£790,579	2	10

* To this amount will probably have to be added a sum of £6500, on account of light dues.