

FINANCIAL STATEMENT

BY

THE HON. THE COLONIAL TREASURER.

IN COMMITTEE OF THE WHOLE HOUSE, 1ST SEPTEMBER, 1868.

WELLINGTON.

—
1868.



FINANCIAL STATEMENT.

By the Honorable JOHN HALL, 1st September, 1868.

On the House going into Committee of the whole,

Mr. HALL said,—Mr. Carleton, if it is usual for the person upon whom it devolves to furnish the annual statement of the financial position of the Colony to bespeak from the Committee an indulgent hearing, I think that the circumstances under which that task devolves upon me give me a claim to a more than ordinary measure of such consideration. I need hardly tell the Committee that I have to speak of financial depression—that, for the first time in the history of this Colony, its revenue exhibits a falling off, corresponding but too truly with the general commercial depression which we know to exist throughout the Colony. I labour also under personal disadvantages, having but very recently undertaken, and being but temporarily in charge of the office of Treasurer, and having had to discharge its functions at the same time with the ministerial and parliamentary duties of my own department. I feel sure, however, that I shall be aided in the discharge of the duty now before me by a large measure of that indulgence of which I have had abundant experience during the time I have occupied a seat in this House. I will promise the Committee, in return for this favour, that my statement shall be as short as I can make it, consistently with a clear explanation of the important facts of which the Committee and the Colony will be anxious to be informed.

It will probably be for the convenience of the Committee that I should recall the anticipations put before it last year by the Colonial Treasurer in his financial statement, and the proposals which he submitted, and which received the sanction of Parliament; that I should show the extent to which those anticipations and proposals have been realized and carried out; that I should then explain to the Committee the provision which the Government believes to be required for the service of the current year; the means by which that provision should be attained; and the manner in which the financial relations of the General and Provincial Governments should be adjusted.

I will refer first to that new system of keeping the Colonial Accounts, and of ascertaining the amounts payable to the Provinces, which was introduced by the Public Revenues Act of last session. That Act became law on the 10th October, 1867, but its operation extends back to the commencement of the last financial year, namely, the 1st July, 1867. We have heard in some quarters expressions of dissatisfaction at the working of this Act; it is complained that it has not placed the Provinces in possession of their accounts as soon as was promised, although it has undoubtedly done so sooner than heretofore, and that full payments of sums due have not been punctually made. I do not deny that the Act requires modification, and the Government hopes to receive, during the present session, such a report from a Departmental Commission which has been appointed on the subject of the accounts as will enable it to propose substantial amendments.

No doubt the Act has introduced improvements into the Colonial Financial System, but in doing so it has set to the Department by which it has to be administered a task of the arduous character of which the Committee is probably not fully aware. It not only imposes upon the Treasury itself a very large increase of work, to be discharged with a promptitude never before required in New Zealand Finance, but it has extended to the 420 Receivers of Revenue, and the 360 Paymasters and Sub-Paymasters scattered throughout the Colony, the duty of keeping in many cases two, and in some cases four sets of accounts, and of rendering these accounts monthly. Any failure on the part of any of these officers to keep the accounts of the several funds entirely separate, or any error in these accounts or in one of the 60,000 vouchers and receipts sent up by them, gives rise to corrections, correspondence, and loss of time. It must be obvious that the getting into complete working order so extended and complex a machinery must necessarily be a work of much time and great labour, if, indeed, considering the qualifications of a great portion of the agents by whom it has to be worked, it can ever, without considerable modifications, realize the expectations of its projectors. The difficulties I have referred to were immensely aggravated by the time at which and manner in which the Act was brought into operation. When it became law, one quarter of the financial year was already closed and a second was commenced under the old system. It was impossible to make arrangements for the adoption of the new accounts, including the preparation of books and forms, and the instruction of the various officers at head-quarters and throughout the Colony, until the 1st of January. Then the accounts for the first half-year, which had already been made up, had to be entirely reconstructed upon the system laid down in the new Act—a work of very great labour, especially as it had to be carried on simultaneously with the ordinary duties of the department. This work has only recently been completed. These difficulties were further increased by the necessity for adjusting a number of unsettled accounts extending back over several years, for which the Public Revenues Act makes no proper provision. It was only after these obstacles were overcome—which has recently been accomplished, at the cost of an amount of continuous exertion on the part of the officers of the department which I confidently assert has not been exceeded in any establishment in the Colony—that the new system can be said to have started, and since that time the monthly statements and payments have, with one exception, been furnished within the time required by law. In future there is no reason to apprehend that the required accounts will not be forthcoming with reasonable punctuality. I of course except that period of difficulty for the Treasury accountants which elapses between the expiration of one Appropriation Act and the passing of another—during which the expenditure of the Colony cannot be classified in the books of the Treasury, because no classification has been established by law. During this period the account-keeping must necessarily fall into arrear, the effects of which will be felt for some time after the passing of the Appropriation Act; but during this period payments will be made to the Provinces as nearly in accordance with the amounts which will ultimately be due as it is possible to estimate them. In spite of the drawbacks I have enumerated, I am now enabled to lay before the Committee detailed accounts (A.) of the Receipts and Expenditure Table A. of the Colony for the past financial year, within the time prescribed by law, and at a much earlier period than has ever yet been accomplished. This is the earliest date at which such accounts have ever been published, and the first occasion on which the Colonial Treasurer has ever been able to embody them in his financial statement.

The Committee will, doubtless, agree with me that the comparatively advanced period of the session to which it has hitherto been found necessary to defer the Financial Statement is a source of considerable public inconvenience, which ought, if possible, to be obviated. It may be done in two ways—namely, either by postponing the meeting of Parliament to a later time of the year, or by making the financial year terminate sooner, and in either case making provision in the Appropriation Act for carrying on the service of the Government for six weeks after the termination of the financial year. The Government will, hereafter, submit a proposition on this subject.

The next point to which I will ask the attention of the Committee is the subject of the claims and counter-claims of the Imperial and the New Zealand Governments. At the time the last financial statement was made there were large disputed accounts outstanding. The mother country claimed from the Colony £1,304,963. The Colony claimed from the mother country £906,856. There did not appear much probability of either claim being paid, but their existence was a source of dissatisfaction, and of serious injury to the Colony. The Committee is aware that these claims are now settled by each party giving to the other a release from all further demands. This settlement cannot, in my opinion, be looked upon as any concession on the part of the Imperial Treasury. It is no doubt an advantage to the Colony to have cleared out of its way a large and formidable claim, consisting though it did of charges which in many instances were quite untenable, and in some actually preposterous, but still a claim urged with all the weight and authority of the Imperial Government, and one the continued existence of which could not but seriously affect the financial credit of the Colony. For these reasons I think it is a source of satisfaction that these accounts can now be considered finally closed on the terms I have mentioned, although I believe that, if the case could have been referred to an independent and impartial tribunal for determination upon considerations of equity and good conscience, and upon a comprehensive review of all the circumstances of the case, New Zealand would have been pronounced a creditor of the mother country to a very large amount. I cannot leave this subject without referring to those persons who have chiefly contributed to the settlement which has been arrived at—to Mr. Weld, who, by the transmission of £500,000 of Debentures, when we had nothing else to send, satisfied the Imperial Authorities of the anxious desire of the Colony to discharge to the utmost its honorable obligations; to my honorable friend the Colonial Secretary, to whom is due the credit of having first asserted the counter-claims of the Colony; to the Hon. Major Richardson, for having, in his valuable and elaborate report, supplied an array of facts and evidence in support of the Colonial claim, without which that claim would doubtless never have been successful; and finally to Mr. Fitzherbert, for the judgment, perseverance, and tact with which he combatted the serious opposition which our claims encountered, and for the success with which his efforts were ultimately attended. Our acknowledgments are also due to the present Secretary of State for the Colonies for the considerate and liberal manner in which he has dealt with the question, and which forms a remarkable contrast to the conduct of the Imperial Treasury. The Committee will doubtless be as glad as is the Government to bid a final adieu to this unpleasant and unprofitable subject.

I now come to the Estimates submitted to the Committee last year of the ordinary revenue of the Colony, and have to show to what extent those estimates have been realized. In doing this I quote from the Public Accounts of the Colony for the financial year 1867-68, already laid upon the Table. It is well known that the revenue has fallen short of the Colonial Treasurer's anticipations. The case stands as follows:—

<i>Estimated Consolidated Revenue,</i> 1867-68.			<i>Actual Consolidated Revenue,</i> 1867-68.		
		£			£
Customs	...	870,000	Customs	...	789,814
Bonded Warehouses	...	5,000	Bonded Warehouses	...	4,851
Stamps	...	75,000	Stamps	...	58,405
Miscellaneous	...	134,000	Miscellaneous	...	127,637
					980,707
			Raised by Treasury Bills	...	25,000
		£1,084,000			£1,005,707

This is a deficiency on Customs of £80,198, and on Stamps of £16,595.

The occurrence of an actual decrease in the revenue of the Colony is so novel, I believe so unprecedented a feature in New Zealand finance, that it may be apt to create a more unfavourable impression than a careful study of the circumstances under which it has occurred will at all justify. The year in which this falling-off has taken place has been one of general depression, not only for this Colony, but for the neighbouring settlements, for the mother country, and indeed for the whole commercial world. It has been a year in which the expenditure occasioned by the presence of large bodies of Her Majesty's troops has been almost entirely withdrawn, and in which the Colony has ceased to feel the stimulating effects of the disbursement of those large sums of money raised by loans, General and Provincial, which only now remain to be paid. When these circumstances and others affecting this Colony in particular, such as the reduction to the extent of nearly one-third in the value of wool, which is one of our main articles of export, are considered, I think the result which I now state to the Committee, so far from being a cause for gloom and despondency, is valuable testimony to the extent and elasticity of the various resources of New Zealand. The returns to be attached to this statement will show that trade, although depressed, is intrinsically sound, the total exports being almost on a par with the imports of the Colony.

There are one or two features in the revenue receipts for the year which appear to deserve the notice of the Committee. The departments with which I am more immediately connected, namely, the Post Office and Telegraph, have not only not shared the general depression, but show an increase both in their gross earnings and in the amount of business transacted by them. This is eminently satisfactory, as the business of those departments is considered to furnish a more correct index to the general condition of the people than any other branches of the public service. The proceeds of Stamps have fallen very short of the amount estimated. To some extent this is no doubt to be attributed to the same causes which have lessened our receipts from other sources, but there is also reason to believe that the use of stamps, in cases where the law requires it, is to a great extent neglected. The Government has under consideration measures for repressing this evil, and has given directions for prosecutions to be instituted whenever and wherever an evasion of the law is discovered. I lay upon the Table a detailed Return of the Duty Stamps sold during the past year; it shows results both curious and instructive.

From the comparison of estimated and actual receipts, I turn to the subject of the expenditure which has been incurred. The actual ordinary expenditure of the Colonial Government for 1867-68, exclusive of payments to Provinces amounting

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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					
<hr/>									
	£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:—

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STATEMENT of COLONIAL and PROVINCIAL LOANS converted into Five per Cent. Consolidated Stock with One per Cent. Sinking Fund, to 30th June, 1868.

Description of Stock.	Total Amount authorized by Act.	Rate of Interest and Sinking Fund.		Amount converted	Original Annual Charge on Amount converted	Rate of Conversion.	Amount when converted.	Total Charge for Interest and Sinking Fund after Conversion.	Total Annual Saving.	Total Increase in Nominal Debt.
		Interest.	Sinking Fund.							
	£	Per cent.	Per cent.	£	£	Per cent.	£	£	£	£
<i>General—</i>										
"New Zealand Loan Act, 1860" ...	150,000	6	2	54,300	4,344	113½	61,630	3,698	646	7,330
"New Zealand Loan Act, 1863" ...	3,000,000	5	1	410,600	24,636	99½	408,547	24,513	123	Less 2,053
		6	2	861,300	68,904	113½	977,575	58,654	10,250	116,275
<i>Provincial—</i>										
"Auckland Loan Act, 1863" ...	500,000	6	2	457,500	36,600	109	498,675	29,920	6,680	41,175
"Canterbury Railway Loan, 1860" ...	300,000	6	2	156,400	12,512	109	170,476	10,229	2,283	14,076
"Canterbury Loan Ordinance, 1862" ...	500,000	6	1	163,800	11,466	109	178,542	10,713	753	14,742
"Otago Loan Ordinance, 1862" ...	500,000	6	1	341,300	23,891	109	372,017	22,321	1,570	30,717
TOTALS ...	4,950,000			2,445,200	182,353		2,687,462	160,048	22,305	222,262

Already, therefore, a reduction in the annual charge upon the Colony on account of its loans, far more than commensurate with the increase of the capital debt, has been obtained; and there is every reason to believe that the ultimate result of the mission on which the Colonial Treasurer is now engaged will be a further considerable diminution of these annual charges, as well as the accomplishment of that desirable object, the substitution of one description of New Zealand Stock for the great variety of loans by which the Colony, up to the present time, has been represented in the London money market. I feel sure the Committee will agree with me as to the advantages of such a result, and will concur with the Government in its appreciation of the judgment, care, and zeal displayed by Mr. Fitzherbert in the discharge of the important task entrusted to him, and the successful accomplishment of which, we are assured on the most satisfactory, independent testimony, is mainly to be attributed to his exertions and his ability.

In addition to the financial operations in London which I have mentioned, the Colonial Government has, under the provisions of the Public Debts Act, been called upon to provide £27,280 for the payment of debentures issued under "The Nelson Debentures Act, 1858," and which became payable on the 1st July last. These debentures are, by section 2 of the Public Debts Act, made payable by the Colony, but the Act makes no provision for the recovery from the Province of Nelson and Marlborough of the money thus paid; the matter stands over, therefore, for adjustment by the General Assembly.

In compliance with a request from the Superintendent of Wellington, twelve months' notice has been given for paying off, on the 1st July, 1869, loans amounting to £50,000, raised under the Wellington Loan Acts of 1854 and 1855, and bearing interest at 8 per cent. This further proof of the value of the provision made by the Assembly for the consolidation of Provincial Liabilities cannot be otherwise than satisfactory to the Committee.

By the Public Debts Act, expenditure was authorized for taking up Loans of Southland and other Provinces, and for extraordinary services, such as Lighthouses, Marine Surveys, Telegraph Extension, &c., to the amount altogether of £1,114,000. This sum has been raised under the Consolidated Loan Act, or rather bonds to that nominal amount have been issued in London, realizing at 97 per cent. a sum of £1,080,580. The manner in which this money has been or will be disposed of is shown by the tabular statement which I beg to lay upon the table. (See p. 7.)

In reference to the figures given in this table, I beg to add the following remarks:—The payment of the certificated liabilities of the Province of Southland mentioned in this statement has chiefly to be made in London, and, by the last advices from Mr. Fitzherbert, he was about to take steps for effecting this payment. The Lighthouses, Telegraph Extension, and Marine Surveys, are in progress: the latter work has been seriously impeded by the boisterous weather which has prevailed during the last autumn and winter, and which has been most unfavourable for operations of this nature; the expense of this survey will exceed the estimate by about £3,000. The amount appropriated for Lighthouses, although not actually expended, has been to a considerable extent contracted for, and the full amount of £19,725 will be required. The sum set apart for ordinary Defence service has been expended in the manner and for the purposes shown in the detailed estimates laid before the House last session. These estimates included sums payable on account of pay and rations of Military Settlers, and for expenses incurred in locating them on their land. I need not point out that these items, which have figured so often and so largely in New Zealand Estimates of late years, is a legacy to us from former Governments, from the obligations of which we have been powerless to escape. The Committee will hear with satisfaction that, except a trifling payment still to be incurred for surveys, the obligations entered into with the Military Settlers are at last completely discharged, and the gulf in which, year after year, so much of the good money of the Colony has been swallowed, is at length closed. It will be recollected that the sum set apart for Contingent Defence was intended to meet expenditure in which the Government might become involved by renewed Native disturbances. Although events during the past year in the neighbourhood of Opotiki would, in strictness, have justified the expenditure of a considerable portion of this sum, it had, as will be seen by the tabular statement, been untouched, except to a small extent, before the 30th June. Since that date, claims upon this vote have been considerable; but I still entertain the hope expressed on a recent occasion, that, unless the existing operations assume wider dimensions, or are more protracted than there is at present reason to anticipate, their cost will be covered by the unexpended balance of the vote for Contingent Defence. The Committee will perceive that the amount authorized to be raised in lieu of unissued Provincial Debentures is in excess of that which has been actually wanted. This is owing to the fact that, a few days before the Public Debts Act was passed, a considerable portion of the Canterbury Debentures, which this Act was intended to cover, had been sold in the London market, of which fact neither the Government nor the Legislature could be aware when the Act was passed.

The general result, Sir, of proceedings taken under the Public Debts Act is, that the total sum realized is, owing to the discount at which the bonds were issued, less by £26,000 than the nominal amount authorized to be raised, but is still, for the reasons shewn in the Table I have produced (see p. 7), in excess by about £43,068 of the amount really required for the various purposes specified in the Act. This amount the Government proposes, after defraying the cost of raising this loan, and which will amount to £10,000 at least, to devote to the paying off Treasury Bills now in circulation. The indebtedness of the Colony will therefore not be increased, if the whole sum raised should not be required for the purposes specified in this Act.

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:—

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	£
Customs	800,000
Bonded Warehouses	6,500
Stamps	63,000
Telegraph	15,000
Post Office	60,000
Miscellaneous	56,000
	1,000,500

The principal item in this estimate, namely, the proceeds of Customs duties, is put down at but little more than the amount which it realized during the past year. Many members of the Committee will doubtless consider that more sanguine anticipations would have been justifiable, and it is undeniable that the extraordinary richness of the Northern gold fields furnishes a strong argument for such an opinion. It is however but prudent to anticipate, from the increasing attractiveness of the Northern district, some diminution in the population and revenue of other parts of the Colony. We have estimated the Customs revenue of Auckland at £25,000 in excess of last year, but we must expect a corresponding reduction in Westland, North and South, and the same may be expected in the case of Otago. The Stamp Duties may fairly be estimated to yield a larger sum than has been realized during the preceding year, as a considerable amount of legacy duty, the payment of which could not be enforced before the present time, will be received during the current twelve months.

I have next to state the amount of money which, after the practice of that resolute economy with which, as already stated, the estimates for the current year have been prepared, appears to the Government indispensable for the efficient maintenance of the Public Service of the Colony. The estimates are as follows:—

	£		£	
<i>Authorized Ordinary Expenditure, 1867-68.</i>		<i>Estimated Ordinary Expenditure, 1868-69.</i>		
Civil List	27,500	... ..	27,500	
Permanent Charges	314,265	... ..	320,542	<i>increase 6,277</i>
Class I. Public Domains	4,076	... ..	2,880	<i>decrease 1,196</i>
Class II. Public Departments	43,567	... ..	37,863	" 5,704
Class III. Law and Justice	69,148	... ..	55,587	" 13,561
Class IV. Postal	148,579	... ..	106,401	" 42,178
Class V. Customs	44,471	... ..	41,781	" 2,690
Class VI. Native	23,544	... ..	12,384	" 11,160
Class VII. Miscellaneous, Special & Temporary	48,083	... ..	30,029	" 18,054
Class VIII. Militia and Volunteers	24,538	... ..	22,183	" 2,355
Total	747,771			
Defence (charged on loan in 1867-68)	109,025	... ..	47,497	
	£856,796		£704,647	

The only item in which there is any increase, is that of "Charges on Public Loans." This is accounted for by the interest, &c., on the additional sum of £260,000, which, as I have already explained, has been raised for the several services enumerated in the Public Debts Act of last session.

In nearly every other class of expenditure there is a decrease, the amount being in many cases considerable. This has not been arrived at without much care and exertion, not merely in the preparation of these estimates, but by a constant endeavour on the part of the Government during the recess to effect reductions and combination of offices whenever and wherever this could be done, and public money could be saved, without real injury to the public service. I have no faith in the economy which is merely attempted during the sitting of Parliament. The largest savings which these estimates exhibit are in the Postal Service, in the departments of Law and Justice, and in the Native and Defence Departments. The diminution in the sum proposed for Postal Services is caused in a great measure by the smaller contribution which, owing to the establishment of the Panama Mail Service, is now made by New Zealand to the cost of that by way of Suez, causing a saving of not far from £20,000 a year. The other steam mail services maintained by the Colony are also fewer in number than formerly; and I have been compelled, though reluctantly, to diminish to some extent the accommodation hitherto furnished by the inland mail services. The savings on Postal Services amount altogether to £42,178.

In the department of Law and Justice a considerable number of district magistrates have been dispensed with, and other reductions have been effected as opportunities presented themselves.

The sum asked for Native purposes is reduced from £23,544, as voted for 1867-68, to £12,384 for the present year. In both cases this is in addition to the £7,000 provided by the Civil List, and to the permanent appropriation of £4,000 contained in the Native Schools Act. It is only fair to state that a portion of the sum provided on the Civil List for Native purposes remains unexpended, and will be drawn if required. The following statement of the outlay on Native purposes during the past ten years will show that this expenditure has been reduced to an extent which will, I think, elicit the approval of the most ardent economist:—

	£	s.	d.
Expenditure in year 1858-59	11,109	15	4
" " 1859-60	17,140	8	7
" " 1860-61	17,800	14	0
" " 1861-62	25,372	7	11
" " 1862-63	53,412	19	1
" " 1863-64	52,599	3	2
" " 1864-65	60,291	6	9
" " 1865-66	49,547	19	0
" " 1866-67	30,751	4	0
" " 1867-68	21,200	19	8

As has been already stated to the Legislature, steps have been taken for abolishing the Defence Office as a separate Ministerial Department. The office of Under-Secretary for Defence has been done away with, and that of Defence Minister will also be dispensed with within a very short time after the operations at present being carried out are brought to a close. The reductions effected last year in the provisions for Militia and Volunteer services were so considerable, that no further savings of large amount have been found practicable. The capitation grant for

Volunteers throughout the Colony has, however, been considerably reduced, and if the Legislature should be of opinion that, in consideration of the financial exigencies of the country, the Volunteers may be reasonably expected to forego even this reduced allowance, a further saving to the amount of £6,216 5s. may be effected. The remaining expenditure for Defence Office and for the Armed Constabulary is now for the first time charged upon the ordinary revenue of the year instead of upon loan, so that although there is an apparent increase under this head in the ordinary expenditure of the year, the cost of this service has, in fact, been brought down from £109,025, including outstanding liabilities, which was authorized for its maintenance during the year 1867-68, to £47,497 for the present year. The Government has reduced to the utmost to which its sense of duty will allow both the numbers and the cost of the small Constabulary Force which a regard for the peace of the Colony precludes it for the present from entirely dispensing with; but having brought down this cost to the amount which it has now reached, they believe that it should be borne so long as it continues indispensable, as one of the ordinary burthens of the Colony, and should not be allowed to add to its indebtedness. This remark applies only to the ordinary annual cost of the Constabulary Force, and not to any extraordinary outlay which may be entailed upon us by the suppression of such disturbances as those which have recently occurred on the West Coast. The total amount, Sir, required for the services charged on the ordinary revenue of the present year is less by £152,149 than that voted for the same services during 1867-68.

I fear that these savings, large as they are, will not satisfy those advanced financial reformers, whose objects I entirely sympathize with, but whose zeal appears to me in many cases larger than is their information as to the effect which their suggestions would have on the subjects with which they are dealing. The Government believes that in the course of time further reductions may be attained in the cost of the public service, but they do not think that further immediate savings to any extent can be effected without real injury to the public interests. At the same time they will welcome any practical suggestions which may be made to them on this subject, and will give them their candid and careful consideration. There is, however, one direction in which I think that such additional savings should not be looked for, namely, any farther general reduction in the rate of salaries now paid to public officers. As a rule, and especially in the junior classes, these salaries are very moderate. For the last four or five years hardly any advance has been given to public officers, who in many cases are receiving remuneration little if at all in excess of that paid to a good mechanic. I need hardly point out to the Committee that this state of things has had and must continue to have a very discouraging effect upon all ranks, especially the juniors in the public service, and must effectually prevent the Government of New Zealand from obtaining the services of men of more than ordinary energy and ability, who can usually obtain from banks or other private employers more adequate remuneration than they can hope to receive from the Government of the Colony. Owing principally to this cause the Treasury has, during the past year, lost some of its best and most experienced officers. The result of this is not real economy.

So long as the present Government continues to administer the affairs of this Colony, they will not cease their efforts for reduction in the public expenditure by which such considerable savings have already been effected. But it would be useless to disguise from ourselves the unpleasant fact that the peculiar manner in which these islands have been settled, and in which their population is now distributed, involving as they do a very great multiplication of the machinery of government, must effectually prevent the Government from ever being a comparatively cheap one.

The facts and figures I have already given will have prepared the Committee for the announcement that the Government is unable at present to propose any reduction in the heavy taxation of the Colony. The Government is alive to the weight of existing burdens, and has anxiously considered the practicability of relief. But these figures will, I trust, satisfy every impartial and prudent financier, that though it might not be difficult to change the incidence of taxation, we cannot afford to diminish at the present time the sum total which that taxation produces. Before I leave this part of my subject, I must be allowed, while admitting the weight of the burdens laid upon the shoulders of the people of this Colony, to deprecate the exaggeration with which this subject has been treated in many quarters, and which appears to me calculated to excite unnecessary discontent within the Colony, as well as seriously to injure its position in the estimation of persons at a distance. The positive as well as the comparative weight of the taxation of New Zealand has been frequently over-stated. The sum per head paid for duties of customs, which constitutes four-fifths of the public revenue, amounts, it is true, to £3 11s.; but of this sum no less than £2 1s. 8d. is paid on spirits, wine, beer, and tobacco, which are generally considered fair subjects for the operations of the tax-gatherer. It may be interesting to note the different proportions in which the tax on these articles is paid in different parts of the Colony. Leaving out of consideration the case of the Westland gold fields, which, of course, occupy in the matter a somewhat exceptional position, I find that the most generous contributor to this portion of the Colonial Revenue is the Province of Hawke's Bay; while the most apparently economical is that of Marlborough. In the latter case, however, I fear the character is rather assumed than real, and that a considerable proportion of its expenditure on these luxuries appears in the accounts of its Wellington neighbour.

Again, although the amount of taxes paid by each individual in New Zealand is considerably higher than in Great Britain, being £4 10s. (including provision for many local services) in the former, as compared to £3 0s. 7d. (including local taxation) in the latter; yet when it is considered that the average earnings of the labouring classes in the Colony are, as a rule, more than twice as large as in the mother country, it will be found that, testing the weight of taxation by the proportion which that taxation consumes of the earnings of each adult, the position of the Colonist will compare favourably with that of the taxpayer in the United Kingdom. With regard to this question of taxation generally, it has, in many of the discussions on this subject which have taken place throughout the Colony, been somewhat hastily assumed that heavy taxation, if not incompatible with, is at least rarely coincident with National prosperity. I think this is a very false and a mischievous impression. A reference to the statistics of the principal countries of Europe will show that, so far from this opinion being true, countries like Turkey and Russia, where the taxation is 8s. 4d. and 16s. 1d. per head respectively, are those which are far from being the most prosperous or wealthy; while the State in which (with the well-known exception of the United States) taxation is the highest, namely, the Kingdom of Holland, where the general taxation is £2 11s. 3d. per head, is admittedly one of the most flourishing. I do not mention these facts as any incentive to the people of this Colony to indulge in further taxation, or even to be content with our present position, but rather as a consideration which may afford us some amount of consolation under the weight of a burden which, for the present, we cannot escape, but which will, I trust, be gradually lessened by the increase in the wealth and population of the Colony, and by improvement in its administration.

A full consideration, Sir, of this important subject, on the part of any person whose duty it has been, as it recently has been of my colleagues and myself, to deal practically with the difficult question of governing this Colony in the most efficient manner at the smallest cost, must, I believe, bring home to the mind a deep conviction that one of the most serious obstacles to be found in the way of affording relief from the weight of present taxation, is to be met with in the financial relations of the General and Provincial Governments. I can illustrate my meaning by a reference to the estimates of expenditure now before the Committee.

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The estimates of expenditure for those services of the General Government which are provincially charged have been, by strict economy on the part of the Government, reduced from £204,173, which was voted for them during the last session, to the sum of £172,069 for the current year, being a saving of no less than £32,104. Instead, however, of this saving being available for the purpose of effecting an instalment of that reduction in the taxation of the country which we are all anxious to see accomplished, the whole of it will swell the payments to be made from the Colonial Treasury to the several Provincial Governments. I need hardly say that under a financial system, of which this is an essential feature, any large reduction in the taxation of the Colony must be almost hopeless.

The payments made to the Provincial Treasuries during the last ten years have been as follows :—

	£	s.	d.
1858-59	60,615	1	5
1859-60	68,881	11	1
1860-61	108,174	0	8
1861-62	129,378	7	11
1862-63	214,531	12	2
1863-64	282,961	1	4
1864-65	289,273	6	1
1865-66	307,347	14	8
1866-67	322,902	9	2
1867-68 (Eleven months), including Interest and Sinking Funds, &c., paid for Provinces	292,506	19	8
TOTAL	£2,076,572	4	2

Instead, therefore, of its being true, as is often alleged, that the Colonial Government has crippled the action of the Provinces by a diminution of their resources, it has, whilst providing for the large and growing burdens of the Colony supplied them with constantly increasing funds, drawn, in the three last years, from the augmented taxation of the people. What, however, do we find to be the practical result upon the Provinces themselves of this financial system? If the estimated provincial moiety of Consolidated Revenue for the present year is compared with the necessary deductions to be made from it, on account of services provincially charged, and on account of Interest and Sinking Fund on Provincial Loans, it will be found that in four Provinces out of the nine, not only is there no surplus available for police, gaols, and harbour services, but the Provinces will actually be left in debt to the Colonial Government. In most instances, this result is owing to the heavy sums which have now become payable for Provincial Interest and Sinking Fund; in some to an actual falling off of revenue; and in many cases to the unfairness of the system by which the revenue accruing to each Province is at present determined. According to this system, the Consolidated Revenue is now credited to the particular Province in which it happens to be collected. No reference is made in the case of Customs duties, to the localities in which the duty-paid goods are consumed, and by the inhabitants of which, therefore, the duty is really paid. The practical result of this arrangement is that the Province of Otago receives a large share of the revenue really paid by the inhabitants of Southland and of Canterbury; in the same manner, Westland lives to some extent upon Nelson, which Province again despoils Marlborough; and this latter Province is in the unfortunate position of supplying revenue both to Nelson and Wellington. The extent to which this injustice operates may be estimated by the fact that, whereas the Customs duties collected in Wellington average during the past financial year £3 19s. 7d. per head of the population, in Marlborough the amount so collected averages only £1 7s. 8d., although there is no reason to suppose that its population consumes a less amount of duty-paid goods than that of Wellington. Various proposals have been made for remedying or alleviating the unfairness of the present mode of distributing the Customs Revenue, which has practically beggared Marlborough; but no solution of the difficulty has been found which would not interfere, to an almost unbearable extent, with the ordinary commercial operations of the country.

There are, however, still graver objections to which the partnership between the Provinces and the Colony are open. If, as has been asserted, concurrence of authority in matters of legislation is apt to produce uncertainty, confusion, and conflict, how much more must this principle be applicable to the case of a common purse? That part of the Constitution Act which made the Provinces and the Colony sharers in one common purse, has always appeared to me as one of its greatest defects. Bad in theory, it has proved most pernicious in practice; it has interfered grievously with the fair action of Representative Government in this House, delivering over one Ministry after another to provincial factions, presenting to the Government of the day the usual alternative of "More money, or your life." It is, Sir, I think, all but universally admitted to be radically wrong in principle that one Government should raise money and another spend it. Nothing is less likely to ensure care and economy in the disbursement of the proceeds of taxation; while, on the other hand, nothing is better calculated to ensure a prudent and economical administration of Public Revenues by any Government than that it should be brought face to face with the taxpayers, by whom such revenues are contributed.

After a careful consideration of the evils of the existing system, of the impediments which it presents to any early reduction in the taxation of the country, of its incurable unfairness as between different parts of the Colony, and in view of the financial difficulties under which some of the Provinces are now labouring, we have decided to recommend to Parliament that on the 1st of January next the partnership account should be finally closed, and that the funds, if any, which may be issued from the Treasury for provincial administration should be voted annually and for specific services by this Legislature. This will end the distinction which has for ten years been maintained between general and local charges. All the appropriations will be general appropriations. There will be no contingent balances to be the subject of dispute between the Colonial and Provincial Treasurers. The accounts will be reduced to the simpler and more natural form which they present in other civilized countries. As a necessary consequence of such a change it appears to us that the several Provincial Debts, which, by the Public Debts Act, have received the colonial guarantee, should cease to be charged to the Provinces by which they were incurred. A similar course will have to be adopted with respect to those portions of the Colonial Debts which have been allocated to particular Provinces. We have carefully considered the provision which will have to be made for police, gaols, and harbour departments. The latter we consider as a matter of economy, by means of combination with the Customs service, and as a safeguard affecting external commerce, should be placed entirely under the Colonial Government, which would, of course, receive the port dues and pilotage fees now paid to the Provinces. With respect to police and gaols the Government is of opinion that although it is incumbent upon it to make a reasonable provision for these indispensable services, it is desirable to preserve, where possible, the advantages of local administration. We propose, therefore, that the Assembly shall vote to the governing bodies in the several Provinces or other divisions of the Colony, a capitation grant based upon the census and annual estimates of population to enable or assist them to maintain police and gaols; that it should be a condition of such grants that they should be devoted to the specified services, and that accounts of the expenditure,

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like that of all other votes, should be furnished to the Government to be laid before the Legislature; also that the police and gaols should be subject to inspection and report by an officer to be approved by the Colonial Government, with a view of enabling it to satisfy this House that its votes have been usefully applied. I may state at once that the amount which the Government is enabled to propose for the current year is seven shillings per head in each case. There would remain to the Provinces the Land Fund collected within their borders, and the strictly local revenue raised under provincial enactments, the amount of which is shown, by a return already on the table of this House, to be not inconsiderable. We believe, Sir, that if Parliament is pleased to assent to this important change, not only will the work of the Government of the Colony be considerably simplified and facilitated, but in most instances the Provinces themselves, freed from their present debts and relieved from all doubt as to their financial resources, will be placed in a better position to devote themselves to the discharge of those important functions of colonization and settlement which in many parts of New Zealand are still left to them to fulfil.

Of course, Sir, it will be suggested that such a change as I have indicated, however desirable on general grounds, may affect very unequally the various Provinces of the Colony, and may in some cases, unless this inequality is adjusted, cause considerable practical injustice. In order to assist the Committee in arriving at a correct judgment on this point, I lay before it a table showing how much for the present year each Province would gain or lose by the proposed change. This table is framed on the basis of the population and estimated revenue for the present year, any changes in which would of course seriously affect its results. It was prepared before the result of the conversion of some of the Provincial Loans was fully known, and as that operation is still incomplete it has not been thought expedient to embody its partial results in this table. It proceeds on the assumption that the current financial year will add £25,000 to the revenue of Auckland, and take away £10,000 each from Westland and Nelson, from which a considerable migration is now going on.

TABLE SHOWING FOR THE FINANCIAL YEAR 1867-8—

Province.	Estimated Moiety of Consolidated Revenue, 1868-9.		Estimated Charges.		Interest and Sinking Fund on Loans.		Total Charges.		Balance.		Contribution to Provinces of 7s. per head.	Cost of Harbour Departments, less Fees and Dues.	Loss to Provinces.	Gain to Provinces.						
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.										
Auckland	85084	0 0	29476	0 0	45400	0 0	74876	0 0	...	10208	0 0	16912	7 0	2491	11 11	...	9195	18 11		
Taranaki	4986	0 0	3546	0 0	1500	0 0	5046	0 0	50	0 0	...	1525	13 0	391	7 3	...	1967	0 3		
Wellington	55465	0 0	20088	0 0	15712	0 0	35800	0 0	...	18665	0 0	7682	10 0	881	14 5	11100	15 7	...		
Hawke's Bay	13960	0 0	6900	0 0	7720	0 0	14620	0 0	660	0 0	...	1849	1 0	584	13 7	...	3093	14 7		
Nelson	47936	0 0	14293	0 0	5171	2 5	19464	2 5	...	28471	17 7	8334	18 0	*316	4 3	20453	3 10	...		
Marlborough	4710	0 0	3723	0 0	1323	14 0	5045	14 0	335	14 0	...	1529	17 0	266	15 2	...	2132	6 2		
Canterbury	76629	0 0	30506	0 0	30187	0 0	60893	0 0	...	15936	0 0	13448	15 0	1719	18 7	767	6 5	...		
Westland	59912	0 0	19124	0 0	30187	0 0	49311	0 0	...	10601	0 0	5366	6 0	2991	6 2	2213	7 10	...		
Otago	131918	0 0	43667	0 0	57865	1 7	101532	1 7	...	30385	18 5	16999	3 0	2491	16 5	10894	19 0	...		
Southland	18711	0 0	7635	0 0	24674	9 0	32309	9 0	13598	9 0	...	2780	1 0	1595	16 0	...	17974	6 0		
TOTALS	499321	0 0	178953	0 0	219739	7 0	398697	7 0	14044	3 0	115267	16 0	76453	11 0	13414	19 6	45429	12 8	34363	5 11
														316	4 3					
														13098	15 3					

* Harbour Receipts in excess of Expenditure.

It will be seen that the loss to some of the Provinces would in the present year be considerable, while the gains of some would be of importance. In those cases in which the loss is in reality the loss of the revenue collected in one Province, but in reality paid by the inhabitants of another, in the manner which I have already described, we do not consider that any real injustice is involved in the change we now propose, and no adjustment is therefore necessary. This remark applies chiefly to the case of Otago and partially to Wellington. There are, however, other cases, as Nelson and Southland, which stand on a different footing.

Southland has borrowed excessively, and the Interest and Sinking Fund on her debts amounts to a large sum, while her contribution to the Consolidated Fund, on which the aggregate of the Provincial Debts will, if our proposals are adopted, be hereafter charged, is a comparatively small amount. It is not reasonable that she should be altogether relieved at the expense of the Colony from the consequences of her borrowing. According to the Estimates of the present year she would gain £17,974 per annum by the new arrangement. We propose that she should, during the period over which the repayment of her loans would extend, contribute £12,000 per annum from her Land Fund to the Consolidated Fund, and that in the event of her Land Revenue in any one year exceeding £52,000, the surplus should be applied to the redemption of this annual subsidy.

In the case of Nelson we find an adjustment required in an opposite direction. She has been economical in her expenditure, and prudent in her borrowing. The annual Interest and Sinking Fund on her own Provincial Loans is very much less than the share which, according to her present population and revenue, she would contribute to the aggregate Interest and Sinking Funds of all the Provincial Loans if they were made a general charge on the Consolidated Fund. Nelson is therefore clearly entitled to some redress. In determining the amount of her claim, several contingencies must be taken into consideration. The effect which the proposed change will have upon the interests of Nelson, as shown in the table, is of course calculated upon her present revenue and population; it is a result for the present year only, and must vary from year to year in the same proportion as that which the revenue and population of Nelson bears to the rest of the Colony also varies. One reason why the debt of Nelson is at present small in proportion to her population is the fact that that population has, by means of the North Westland gold fields, been more than doubled within the last two years; and the removal of any large part of her gold-mining population to more attractive regions would immediately place Nelson more nearly on a par with the other Provinces than she is at present. A similar effect would follow in the not impossible event of the district

of Westland North desiring and obtaining separation from the Province; for, as no part of those Provincial Loans have been spent in that district, it is probable that, in any financial adjustment between it and Nelson, the Province would be charged with the greater part, if not the whole, of its original debt. It is clear, therefore, that the loss to accrue to Nelson from our proposed consolidation is not a definite and fixed annual loss, certain to continue for the full period of thirty-six years. After fully considering the above circumstances, and the various political contingencies by which, within a period of thirty-six years, the present condition of things may be modified, the Government is of opinion that the reasonable claim of the Province of Nelson will be met by a payment to her of the sum of £90,000.

The case of Wellington is even more difficult to determine. She would lose by the new arrangement, because she would no longer receive any part of her neighbours' revenue; but also, to some extent, because her debts are small in proportion to her present population, which has increased considerably since the removal of the Seat of Government. We propose that payment should be made to Wellington of a lump sum of £15,000.

I must now ask the attention of the Committee to the subject of the Sinking Funds on both Colonial and Provincial Loans. With regard to the Sinking Funds on Provincial Loans, it was an evident omission in the Acts of last session that when the liability for their repayment was undertaken by the Colony, the control of the Sinking Funds by which that repayment was to be provided for, was not also vested in the Colonial Government, or, at any rate, in some body appointed by the General Assembly. We propose to remedy this defect, and to introduce a Bill vesting the Sinking Funds, both General and Provincial, in Commissioners, consisting of the Colonial Treasurer for the time being, of the Comptroller, and of two trustees, to be appointed by the General Assembly. Two exceptions must be made to this arrangement—First, the case of the Guaranteed Loan of 1856, of which the Sinking Fund is required to be invested by the Lords of the Treasury; and second, the guaranteed portion of the Loan of 1863, the Sinking Fund of which will doubtless continue to be invested as now by the Crown Agents. Nor can the arrangement apply to the new Consolidated Loan, the Sinking Fund of which will be applied in London, as it arises, in paying off portions of the Loan.

It will be seen from the tabular statement of the Colonial and Provincial Loans I have laid before the Committee that the accumulated Sinking Fund amounts on Colonial Loans to £194,595, and on Provincial Loans to £123,525. Of the first mentioned sum about £112,000 may be taken to belong to the loans guaranteed by the Imperial Government and issued at 4 Per cent., not affected by the consolidation, but assuming the whole of the remainder of the loans to be converted, there will be released for general purposes, as the consolidation progresses, £82,595 of the General Government Sinking Fund, and the whole of that on the Provincial Loans. The amount applicable to the bonds already converted is £31,081 13s. 1d. and £47,141 12s. 11d. respectively. The first question to be settled is to whom shall the Provincial Sinking Funds, as they become freed be paid over, and it is of course a question for the Legislature to determine. The Government is of opinion that if the Colony absolutely undertakes the payment of the Provincial Debts, it is but fair and reasonable that the Colony should have use of whatever provision has already been made towards such payment.

If the House should agree in this view of the case, there will come into the hands of the Commissioners of the Sinking Fund for immediate disposal a sum of £78,223 6s., and by degrees, as the holders of the remainder of the Provincial and Colonial Debentures agree to the terms of conversion, there will be a further sum so available of £115,724 15s. 7d., making a total of £193,948 1s. 7d. We propose that out of this sum there shall be paid to the Province of Nelson, in satisfaction of claims arising out of the consolidation of Provincial Loans, £90,000, and to the Province of Wellington £15,000—the balance, as it becomes available, to pay off, as far as practicable, Treasury Bills now in circulation. It may probably be suggested that this balance should be devoted to appliances for improving the penal discipline of the Colony. This will no doubt be discussed hereafter.

It is more than probable that by the time the funds for the above purposes are actually required they will have become available by the realization of Sinking Funds; but to provide for any temporary deficiency, we shall ask this Assembly for authority to issue, if found necessary, Treasury Bills to an amount not exceeding £30,000, to be repaid out of the first funds coming into the hands of the Sinking Fund Commissioners available for the purpose.

Having thus stated generally the proposals of the Government, I will briefly show their immediate effect on the finance of the current year. As already stated, we propose these changes should come into operation on the 1st January next. The year will therefore be divided into two financial periods, which will be provided for as follows:—

July to December, 1868.

			£	s.	d.				£	s.	d.
Balance in Bank, 1st July, 1868	...	...	46,979	0	0	Six months' Charges as per Estimates	...	...	352,325	0	0
Six months' Consolidated Revenue, Colonial	...	...				Less Provincial Charges, six months	...	...	82,034	10	0
Moiety	...	...	250,125	0	0				£270,290	10	0
						To pay off Treasury Bills...	...	...	25,000	0	0
						Balance	...	...	1,813	10	0
									£297,104	0	0
									£297,104	0	0

January to July, 1869.

			£	s.	d.				£	s.	d.
Balance	...	...	1,813	10	0	Six months' Charges as per Estimates	...	...	352,325	0	0
Six months' Consolidated Revenue	...	...	500,250	0	0	Harbour Departments	...	...	11,000	0	0
" Southland contribution	...	...	6,000	0	0	" Capitation grant for Police and	...	...	
" Harbour fees	...	...	4,000	0	0	Gaols	...	...	39,229	0	0
						" Six months' Interest and Sinking	...	...	
						Fund of Provincial	...	...	
						Loans	...	...	110,125	0	0
									£511,679	0	0
						Balance	...	...	384	10	0
									£512,063	10	0
									£512,063	10	0

The small balance here shown will probably be increased by further reductions in the charges for Interest and Sinking Fund, both on General and Provincial Loans.

There are one or two possible objections to the proposals of the Government, which I am anxious to anticipate. The first is that it is a disturbance of the financial arrangements of 1856, under which £200,000 of debt, incurred to pay off the New Zealand Company, was made a charge on the Territorial Revenue of the Middle Island. This is true; but on the other hand it is to be borne in mind that by the same arrangement a sum of £180,000 expended for the purchase of Native Lands in the North Island was charged upon the revenues of the Provinces of that Island. We propose to release both Islands from these special charges, and a reference to their respective contributions to the Consolidated Fund will show that the advantages of such a release are at the present time considerably in favour of the North Island. I refer to this subject because I wish to state that the Government adheres firmly to the financial arrangement of 1856—to the compact itself as well as to the principle on which it is based. We hold that sound principles of political economy require that the land fund of any part of the Colony should be locally applied.

Another objection to the Government proposals will be that they release the Territorial Revenue of the Middle Island Provinces from its present liability on account of the respective Provincial Debts, and may possibly throw the payment of those debts on the Consolidated Revenue of the rest of the Colony. Except in the case of Southland, which is to be specially dealt with, this objection, though theoretically true, is of no practical weight. In the other Middle Island Provinces, the Consolidated Revenue, if fairly distributed, is, and is likely to continue, amply sufficient to meet the loan charges. The condition of Canterbury and Otago is not now abnormal; no feverish excitement of any kind sustains either of them above its natural financial level, and there is so little reasonable probability of the Consolidated Revenue of these Provinces being insufficient for the payment of these debts, that as a representative from the Middle Island I should not object to the liability of the Land Revenue being retained. I believe, however, that it would be an unnecessary and a troublesome provision.

I trust the Committee will consider that the scheme as a whole is as near an approximation to justice as is attainable between the various parts of the Colony, and that the advantages of a final and complete settlement of accounts between the Colony and the Provinces are so great as altogether to outweigh the objections to which I have just referred. Every member of this Committee will, I am sure, be heartily glad to see the last of these accounts, which for the last ten years have been a constant source of confusion and dispute; and which, even under the system introduced by the Public Revenues Act, have not yet ceased to be the occasion of unpleasant and unprofitable discussion.

But the Government claims for its proposals not merely the abolition of a set of troublesome accounts, nor even the satisfactory solution of difficult and complicated financial questions; it believes that these proposals are fraught with large and important political advantages. If adopted they will, to a great extent, remove the inducements to the formation of, and the mischief resulting from, separate provincial factions in this House, each looking rather to the advantage of its own particular Province than to the welfare of the Colony; they will facilitate the formation of those rational political parties, indispensable to healthy political action on the great political, social, and commercial questions which are looming in the not distant future; and especially, Sir, they will disembarass the Local Government question of half its difficulties. At present one of the main obstacles in the way of any alteration of the existing territorial divisions of the Colony consists in the presence of large provincial liabilities imposed on the revenues of the whole Province, which must be allotted on any sub-division of the Province; another difficulty is, the securing to any new territorial divisions of such a share of the consolidated revenue as will enable it to provide, where necessary, for police and gaols. Both these obstacles are entirely removed by the proposals now before the Committee. The Provincial Debts are disposed of, the police, gaols, and harbours provided for; the position and the powers of the Provincial Governments are defined and simplified; and the question of further local organization is reduced to one of how the local and territorial revenue, including the gold revenue, can be most advantageously disposed of in the promotion of settlement and the construction of public works. The shape which the Government proposes to submit this important question for the decision of the Legislature is in a series of resolutions, which I shall conclude by proposing to the Committee.

Upon the main principle which these resolutions embody, namely, the termination of the partnership account between the Provinces and the Colony, the Government will stand or fall. The details of the plan, including the proposed adjustment, are fair subjects for amendment to any extent which will not be antagonistic to the principle of the scheme. If these resolutions should be adopted by the Assembly, Bills will be brought down for giving effect to them, and it will also be my duty to submit supplementary estimates providing for the payments to the Provinces of Nelson and Wellington, and the votes required for the Harbour Departments, the erection of a Government House, and the capitation grant to the Provinces on account of Police and Gaols.

I should not be doing justice to my own feelings, if it were possible for any one standing in my position to make such an omission, were I to leave this part of my subject without referring to an honorable member of this House whose name is especially associated with the main principles of financial proposals now under consideration. I allude, of course, to the honorable member for Selwyn, Mr. Stevens. That honorable member does not probably claim credit for having originated this scheme, but the country knows what time and labour he has spent in the difficult and useful task of forcing this question on the attention of the public. This work he has done in a way in which it would not have been possible for persons in the position of a Government to do. He has brought his faith, ability, and perseverance to bear on the public mind, and has succeeded in convincing all who are capable of understanding the subject that the change is advantageous, may necessary, and that it should be made without further delay. I am glad to have this opportunity of ascribing to the honorable member, and those who have been associated with him in this work, a large measure of the credit for whatever benefits may result to the Colony from the abandonment of the peculiar system of finance under which it has hitherto laboured, and the adoption of a wiser and simpler system, and from the effecting the greatest reform in the constitution of the Colony which has ever yet been accomplished.

I am sure the Committee will now be glad to hear that my task is completed. When I consider the extent and importance of the proposals I have submitted to it, the effect they may have on the future progress and welfare of this Colony, I must say, without affectation, I am painfully conscious of the inadequate manner in which my task has been discharged. On the one hand, I feel that I must have wearied the Committee by the length of my address; and on the other, that I have but lightly touched upon many subjects that should have been carefully dwelt upon. If I have been tedious, I can only say I have made a long speech because I have not had time to make a short one. To those members, on the other hand, who may think that I have dwelt too perfunctorily upon the many important subjects comprised in my propositions, I reply that my difficulty has been not to find reasons and arguments, but so to condense them as to bring them within the necessary compass of an address like the present. I now commend the proposals of the Government to the earnest, careful, and patriotic consideration of members on all sides of the House, believing them to be fraught with consequences of the most vital importance to the future progress and welfare of this Colony, and I sincerely thank the Committee for the patience and attention with which they have listened to me.

I now beg to move the following Resolutions:—

1. That in order to simplify the relations between the Colonial and Provincial Governments, to remove uncertainty from Provincial Finance, and to facilitate the ultimate reduction of taxation, it is expedient, that the system of Provincial Charges on the General Revenue be abolished, that the Consolidated Fund be at the disposal of the General Assembly, and be charged generally with the Interest and Sinking Fund on the Colonial and Provincial Loans, and with the expenses of the Colonial Government, including the maintenance of the Harbour establishments.
2. That in order to equalize the effect of the above change as between the several Provinces, a sum of £90,000 out of the proceeds of the accrued Sinking Funds realized by the operation of the Consolidated Loan Act, be paid to the Province of Nelson, and a sum of £15,000 to the Province of Wellington, and that an annual sum of £12,000 be deducted from the Territorial Revenue of the Province of Southland in aid of the Consolidated Fund, until the repayment of the Consolidated Loan shall be effected.
3. That annual appropriations in proportion to population be made to the several Provinces and other divisions of the Colony for the maintenance of Gaols and Police.
4. That the above arrangements be brought into operation on the 1st January, 1869; and that leave be given to bring in a Bill for giving effect to these Resolutions.



FINANCIAL STATEMENT.

Table A.—continued.

B.—No. 1A.

STATEMENT of the RECEIPTS and EXPENDITURE of the PUBLIC ACCOUNT of NEW ZEALAND for the YEAR ended 30th JUNE, 1868.

	GENERAL.	PROVINCIAL.										TOTALS.
		AUCKLAND.	TARANAKI.	WELLINGTON.	HAWKE'S BAY.	NELSON.	MARLBOROUGH.	CANTERBURY.	WESTLAND.	OTAGO.	SOUTHLAND.	
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
II.—SPECIAL FUND—continued.												
EXPENDITURE.												
"Public Debts Act, 1867," Schedule B. :—												
Defence	97,571 2 2											
Telegraph Extension	35,215 6 2											
Lighthouses	3,462 6 9											
Marine Survey	2,786 18 11											
Payments under Surplus Revenue Adjustment Act	30,752 6 3											
"Loan of 1863" :—												
Charges on Negotiation, &c.	3,580 2 0											
Interest on Taranaki Debentures	2,703 15 0											
"Debentures Act, 1864 and 1865,"—												
Debentures Redeemed	489,001 11 0											
"New Zealand Settlements Act" :—												
Compensation	7,894 15 0											
Surveys	17,465 8 4											
Purchase Money, Waiuku	1,050 0 0											
"Gold Duty Act, 1858"									10,958 19 9	4,000 3 11		
"Gold Fields Act, 1858"										4,931 19 4		
"Otago Gold Fields Judicial Officers Act, 1867"										3,795 16 8		
Totals	691,483 11 7								10,958 19 9	12,727 19 11		715,170 11 3
III.—LAND FUND.												
RECEIPTS.												
Land Sales		1,513 18 9		14,801 0 0	4,708 7 9	4,533 7 6	5,166 13 8	54,675 19 1	828 15 0	97,077 16 4	40,446 5 8	223,752 3 9
Depasturing Licenses and Assessments		80 0 0			907 11 6	379 16 0	448 16 8	34,198 3 10	125 0 0	48,755 7 6	152 0 7	85,046 16 1
Miscellaneous		5 0 0		355 18 8	239 19 6	2,464 14 1	2,884 10 9	612 1 4		1,278 4 0	15,882 19 0	23,723 7 4
Gold Fields Revenue		8,278 13 10				244 12 6		6,858 3 0		5,624 14 5	90 2 0	21,096 5 9
Gold Duty		2,873 8 5				30,063 8 3	87 8 6	18,407 3 3		11,976 18 8	1,337 17 8	64,746 4 9
Fees and Duties, Native Lands Courts		1,458 0 11		441 2 1	1,114 18 1							3,014 1 1
Totals		14,209 1 11		15,598 0 9	6,970 16 10	37,685 18 4	8,587 9 7	114,751 10 6	953 15 0	164,713 0 11	57,909 4 11	421,378 18 9
EXPENDITURE.												
Land Revenue :—												
Receivers' Salaries		91 13 4		75 0 0	68 15 0	150 0 0	50 0 0	291 13 4		400 0 0	50 0 0	1,177 1 8
Payments to Provincial Accounts		8,026 0 5		12,961 16 10	250 12 6	16,208 15 11	4,859 10 8	87,366 12 0		149,374 19 7	40,224 3 5	319,272 11 4
Colonial Treasurer, for Interest &c.		459 1 10		1,539 15 0	3,375 17 8	900 0 0		2,220 0 0		1,890 0 0	270 0 0	10,654 14 6
Timaru and Gladstone Board of Works								838 0 5				838 0 5
Miscellaneous		40 0 0		76 14 9	43 5 0	107 10 0	3,399 3 7	547 18 9			15,171 0 4	19,376 12 5
Refunds of Revenue				24 0 0	63 0 0			950 7 7			114 5 10	1,151 13 5
Gold Fields Revenue :—												
Expenses of Administration		41 14 0								514 6 5		556 0 5
Gold Duty :—												
Paid to Provincial Account						17,902 19 8	3 4 2	15,010 7 1		0 8 0	603 1 6	33,520 0 5
Totals		8,658 9 7		14,677 6 7	3,801 10 2	35,269 5 7	8,302 18 5	107,224 19 2		152,179 14 0	56,432 11 1	386,546 14 7
IV.—TRUST FUND.												
RECEIPTS.												
Money Order Account	57,938 17 11											57,938 17 11
Post Office Savings Banks	90,280 17 3											90,280 17 3
Intestate Estates Account	10,066 6 1											10,066 6 1
Intestate Estates' Expenses Account	708 15 9											708 15 9
Real Estates' Administration Account	333 19 5											333 19 5
Unclaimed Dividends	161 2 2											161 2 2
Unclaimed Property	29 14 5											29 14 5
Native Reserves	4,878 14 6											4,878 14 6
Trustees' Relief Act	493 11 2											493 11 2
Bank Deposits	6,031 18 9											6,031 18 9
Land Assurance Fund	0 9 5											0 9 5
Pilotage Rates		7 5 4		7 18 0								15 3 4
Estates of Deceased Soldiers	84 7 0											84 7 0
Civil List Fund Account	15 0 0											15 0 0
Military Savings Bank	611 10 7											611 10 7
Wairarapa Five per Cents.	76 14 9											76 14 9
Unclaimed Balances	102 9 1											102 9 1
Miscellaneous	2,411 10 8											2,411 10 8
Totals	174,235 18 11	7 5 4		7 18 0								174,251 2 3
EXPENDITURE.												
Money Order Account	59,977 9 0											59,977 9 0
Post Office Savings Banks	6,541 13 7											6,541 13 7
Intestate Estates	11,135 0 4											11,135 0 4
Real Estate Administration	343 2 4											343 2 4
Intestate Estates' Expenses Account	327 9 4											327 9 4
Estates of Deceased Soldiers	384 11 1											384 11 1
Unclaimed Dividends	197 2 3											197 2 3
Unclaimed Property	16 12 6											16 12 6
Military Savings Bank Account	616 4 9											616 4 9
Native Reserves	2,283 16 8											2,283 16 8
Dunedin Disputed Reserves	6,031 18 9											6,031 18 9
Law Practitioners Act	15 0 0											15 0 0
Civil List Fund Account	538 13 8											538 13 8
Supreme Court Account	275 0 0											275 0 0
Wairau Memorial Fund	17 15 3											17 15 3
Trustees' Relief Act	57 19 0											57 19 0
Miscellaneous	2,673 18 2											2,673 18 2
Trust Fund Investment Account	130,000 0 0											130,000 0 0
Pilotage Rates				7 18 0								7 18 0
Totals	221,439 1 8			7 18 0								221,446 19 8

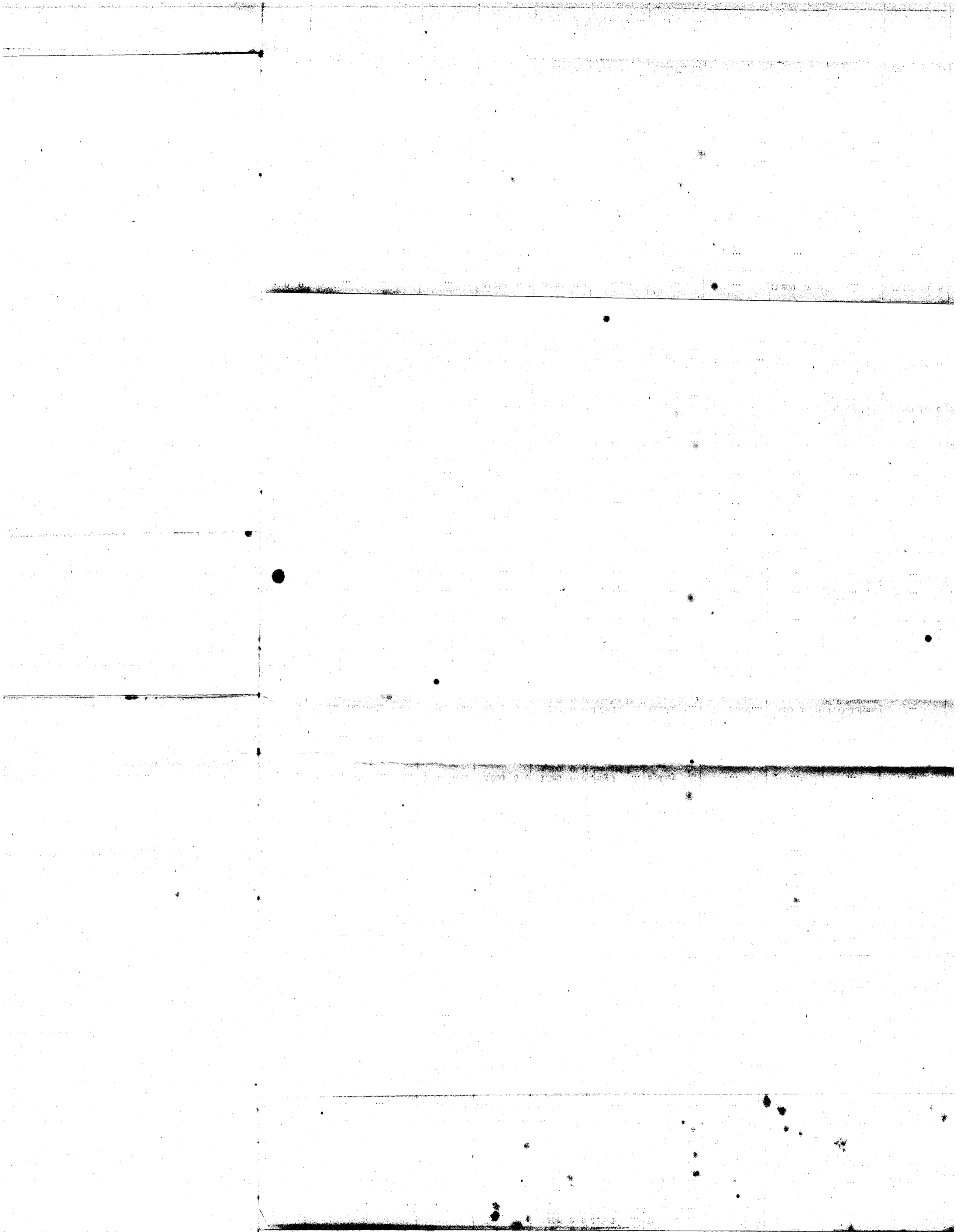
SUMMARY of the RECEIPTS and EXPENDITURE of the PUBLIC ACCOUNT of NEW ZEALAND for the Year ended the 30th JUNE, 1868.

	RECEIPTS.				EXPENDITURE.			
	Balance in hand on first day of Year.	Receipts during Year.	Imprests unaccounted for last Year.	Totals.	Balances in hand on last day of Year.	Expenditure during Year.	Imprests unaccounted for.	Totals.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Consolidated Fund		1,082,581 15 2	20,272 3 5	1,102,853 18 7	46,979 15 11	961,085 5 1	94,788 17 7	1,102,853 18 7
Special Fund		780,091 1 5	235,024 8 0	1,015,115 9 5	7,183 14 11	715,170 11 3	292,761 3 3	1,015,115 9 5
Land Fund		421,378 18 9	5,291 15 11	426,670 14 8	36,856 13 2	386,546 14 7	3,267 6 11	426,670 14 8
Public Trust Fund	39,838 1 7	174,251 2 3	45,004 12 3	259,093 16 1	36,782 3 6	221,446 19 8	864 12 11	259,093 16 1
TOTALS	39,838 1 7	2,458,302 17 7	305,592 19 7	2,803,733 18 9	127,802 7 6	2,284,249 10 7	391,682 0 8	2,803,733 18 9

NOTE.—Sums recovered or transferred during the year are deducted on both sides in this Account.

Treasury,
Wellington, 27th August, 1868.

C. T. BATKIN,
Accountant to the Treasury.



FINANCIAL STATEMENT.

Table C.

TABLE SHOWING THE ANNUAL LIABILITY OF THE GENERAL AND PROVINCIAL GOVERNMENTS OF NEW ZEALAND, FOR INTEREST AND SINKING FUND ON LOANS, TO THE 30TH JUNE, 1868.

	LOANS AUTHORIZED.	LIABILITY ON THE 30TH JUNE, 1868.				REMARKS.
		DEBENTURES IN CIRCULATION ON THE 30TH JUNE, 1868.	ANNUAL CHARGE.			
			INTEREST.	SINKING FUND.	TOTAL.	
		£ s. d.	£ s. d.	£ s. d.	£ s. d.	
General Government NEW ZEALAND	Overdue Debentures issued under Ordinance of Legislative Council ... "New Zealand Loan Act, 1856," £500,000.—"The Public Debt Apportionment Act, 1858," made £380,000 of this a charge on the Provinces, leaving chargeable on the General Government ... But the Interest and Sinking Fund on £36,000, the portion allotted to Taranaki, is by the same Act to be paid by the Colony until certain conditions are fulfilled ... "New Zealand Loan Act, 1860," £150,000 ... "New Zealand Loan Act, 1863," £3,000,000 ... "Debenture Acts, 1864 and 1865" ... "Treasury Bills Act, 1866" ... "Public Debts Act, 1867."—Telegraph extension, Lighthouses, Defence, redemption of Taranaki Debentures, and Marine Surveys ...	316 0 0 120,000 0 0 36,000 0 0 150,000 0 0 3,000,000 0 0 48,527 15 11 150,000 0 0 260,000 0 0	4,800 0 0 1,440 0 0 9,000 0 0 160,000 0 0 3,882 4 6 9,125 0 0 13,000 0 0	2,400 0 0 720 0 0 3,000 0 0 45,000 0 0 2,600 0 0	7,200 0 0 2,160 0 0 12,000 0 0 205,000 0 0 3,882 4 6 9,125 0 0 15,600 0 0	Interest in 1868 (Leap Year) will be £9,150.
	TOTAL GENERAL GOVERNMENT	3,764,843 15 11	201,247 4 6	53,720 0 0	254,967 4 6	
Provincial Governments— AUCKLAND	"Loan Act, 1863," £500,000 ... "New Zealand Loan Act, 1856," £500,000.—Portion allotted by "The Public Debt Apportionment Act, 1858" ...	500,000 0 0 90,000 0 0	30,000 0 0 3,600 0 0	10,000 0 0 1,800 0 0	40,000 0 0 5,400 0 0	By "The Public Debts Apportionment Act, 1858," Auckland is to be credited with the annual charge on £11,151 10s. 1½d. in diminution of the £90,000; the amount so credited, is to be paid by the other Provinces. By Resolution of the House of Representatives in 1860, £1,460 18s. 11d. was deducted from the £11,151 10s. 1½d., and Auckland is now credited annually with £581 8s. 8d., the same being charged on the other Provinces in the Colonial Treasurer's Account.
	TOTAL PROVINCE OF AUCKLAND	590,000 0 0	33,600 0 0	11,800 0 0	45,400 0 0	
TARANAKI	"Loan Ordinance, 1862," £25,000 } "The Public Debts Act, 1867" } "New Zealand Loan Act, 1856," £500,000.—Portion allotted by "The Public Debt Apportionment Act, 1858," is at present chargeable on the General Government. See above.	25,000 0 0	1,250 0 0	250 0 0	1,500 0 0	
	TOTAL PROVINCE OF TARANAKI	25,000 0 0	1,250 0 0	250 0 0	1,500 0 0	
WELLINGTON	"Loan Act, 1854 and 1855," £50,000 } Hawke's Bay will eventually have to bear a portion of this debt, meanwhile that Province contributes £2,500 per annum "Loan Act, 1866," £50,000 } towards the interest. All the Debentures in circulation are shown here, but the contribution of Hawke's Bay is deducted from the interest ... "Loan Act, 1862," £25,000 ... "Wanganui Bridge Act, 1863" ... "Loan Act, 1860," (Manawatu), £30,000 ... "New Zealand Loan Act, 1856," £500,000.—Portion allotted by "The Public Debt Apportionment Act, 1858," £54,000. On the separation of Hawke's Bay from Wellington, this charge was divided equally between the two Provinces, see Resolution of the House of Representatives, 3rd November, 1860, confirming the compromise between Hawke's Bay and Wellington, referred to in Appendix to Journals, House of Representatives, 1862, B. No. 3. Wellington is therefore charged with ...	49,900 0 0 50,000 0 0 25,000 0 0 16,000 0 0 30,000 0 0 27,000 0 0	2,742 0 0 2,750 0 0 2,000 0 0 1,600 0 0 3,000 0 0 1,080 0 0	1,000 0 0 1,000 0 0 ... 540 0 0	2,742 0 0 3,750 0 0 3,000 0 0 1,600 0 0 3,000 0 0 1,620 0 0	In addition to the liabilities shown here, the sum of £32,000 has been raised by a mortgage on the reclaimed land in the City of Wellington.
	TOTAL PROVINCE OF WELLINGTON	197,900 0 0	13,172 0 0	2,540 0 0	15,712 0 0	
HAWKE'S BAY	"Loan Act, 1863-4," £60,000 } "The Public Debts Act, 1867" } "Wellington Loan Act, 1854 and 1855," and "Wellington Loan Act, 1866." See above ... "New Zealand Loan Act, 1856," £500,000.—Moieties of sum allotted to original Province of Wellington. See above.	60,000 0 0 27,000 0 0	3,000 0 0 1,080 0 0	600 0 0 540 0 0	3,600 0 0 1,620 0 0	
	TOTAL PROVINCE OF HAWKE'S BAY	87,000 0 0	6,580 0 0	1,140 0 0	7,720 0 0	
NELSON	"Debentures Act, 1858," £29,000.—"The Nelson and Marlborough Public Debt Apportionment Act, 1860," directs the respective liability of the two Provinces, after the separation of Marlborough, to be fixed by arbitration. Umpire awarded £21,500 to Nelson and £7,500 to Marlborough ... "Lunatic Asylum Act, 1862," £5,000.—This amount has not been raised; if raised, it will form part of the £400,000 authorized by "The Public Debts Act, 1867" ... "Water Works Loan Act, 1864," £20,000 ... "New Zealand Loan Act, 1856," £500,000.—Portion allotted by "The Public Debt Apportionment Act, 1858," £45,000; this, by "The New Provinces Act, 1858," is divided between Nelson and Marlborough in proportion to the Annual Revenue of each, the amount therefore varies each year. In the Financial Year, 1866-7, this was to Nelson, £30,687; to Marlborough, £14,313	*22,165 0 0 20,000 0 0 30,687 0 0	1,108 5 0 1,600 0 0 1,227 9 8	221 13 0 400 0 0 613 14 9	1,329 18 0 2,000 0 0 1,841 4 5	*This loan has been paid off in terms of the Loan Consolidation Act, but as no direction has yet been given by the Legislature in respect to this repayment, the interest and sinking fund have been computed on the terms on which the money has been raised under the Act referred to.
	TOTAL PROVINCE OF NELSON	72,852 0 0	3,935 14 8	1,235 7 9	5,171 2 5	
MARLBOROUGH	"Nelson Debentures Act, 1858," £29,000.—Portion allotted to Marlborough. See above ... "New Zealand Loan Act, 1856," £500,000.—Part of sum allotted to original Province of Nelson. See above	† 7,732 0 0 14,313 0 0	386 12 0 572 10 4	77 6 5 286 5 3	463 18 5 858 15 7	†The above remarks apply to this part of the loan also.
	TOTAL PROVINCE OF MARLBOROUGH	22,045 0 0	959 2 4	363 11 8	1,322 14 0	
CANTERBURY	"Loan Ordinance, 1856," £30,000 ... "Railway Loan Act, 1860," £300,000 (£50,000 cancelled) ... "Loan Ordinance, 1862," £500,000 ... "Public Debts Act, 1867" ... "New Zealand Loan Act, 1856," £500,000.—Portion allotted by "The Public Debt Apportionment Act, 1858," and "The Public Debt Apportionment Act, 1858, Amendment Act, 1861"	30,000 0 0 250,000 0 0 233,400 0 0 266,600 0 0 74,000 0 0	2,400 0 0 15,000 0 0 14,004 0 0 13,330 0 0 2,960 0 0	1,200 0 0 5,000 0 0 2,334 0 0 2,666 0 0 1,480 0 0	3,600 0 0 20,000 0 0 16,338 0 0 15,996 0 0 4,440 0 0	By "The County of Westland Act, 1867," the annual charge in respect of the loans of the Province of Canterbury, is divided between Canterbury and Westland, in proportion to the Customs revenue received in each. The proportions paid for the six months ending 30th June have been— Canterbury ... £10,316 18 3 Westland ... 12,064 8 8 £22,381 6 11
	TOTAL PROVINCE OF CANTERBURY	854,000 0 0	47,694 0 0	12,680 0 0	60,374 0 0	
OTAGO	"Loan Ordinance, 1856," £35,000.—(£24,700 paid off) ... "Loan Ordinance, 1861-2," £50,000 ... "Loan Ordinance, 1862," £500,000 ... "Harbour Loan Ordinance, 1862," £50,000 ... "Public Buildings Loan Ordinance, 1862," £50,000 ... "New Zealand Loan Act, 1856," £500,000.—Portion allotted by "The Public Debt Apportionment Act, 1858," and "The Public Debt Apportionment Act, 1858, Amendment Act, 1861," £81,000. "The Otago and Southland Public Debt Apportionment Act, 1861," directs the respective liability of the two Provinces after the separation of Southland to be fixed by arbitration. Arbitrators awarded £63,000 to Otago and £18,000 to Southland. "Public Debts Act, 1867."—To enable the Province to fulfil the terms of "The Surplus Revenue Adjustment Act, 1867"	10,300 0 0 50,000 0 0 500,000 0 0 50,000 0 0 50,000 0 0 63,000 0 0 25,918 0 0	1,030 0 0 4,000 0 0 30,000 0 0 4,000 0 0 4,000 0 0 2,520 0 0 1,295 18 0	1,500 0 0 5,000 0 0 1,500 0 0 1,500 0 0 1,260 0 0 259 3 7	1,030 0 0 5,500 0 0 35,000 0 0 5,500 0 0 5,500 0 0 3,780 0 0 1,555 1 7	
	TOTAL PROVINCE OF OTAGO	749,218 0 0	46,845 18 0	11,019 3 7	57,865 1 7	
SOUTHLAND	"Public Debts Act, 1867."—Amount required to pay off debts of the Province of Southland, as per certificates issued by the Auditor-General under the Southland Provincial Debts Acts of 1865 and 1866, with accrued interest thereon to 30th September, 1868 ... "Public Debts Act, 1867."—To enable the Province to fulfil the terms of "The Surplus Revenue Adjustment Act, 1867" ... "New Zealand Loan Act, 1856," £500,000. Part of sum allotted to original Province of Otago. See above	387,455 8 7 5,785 9 0 18,000 0 0	19,372 15 5 289 5 5 720 0 0	3,874 11 1 57 17 1 360 0 0	23,247 6 6 347 2 6 1,080 0 0	
	TOTAL PROVINCE OF SOUTHLAND	411,240 17 7	20,382 0 10	4,292 8 2	24,674 9 0	
	TOTAL GENERAL	3,764,843 15 11	201,247 4 6	53,720 0 0	254,967 4 6	
	TOTAL PROVINCIAL	3,009,255 17 7	174,418 15 10	45,320 11 2	219,739 7 0	
	TOTAL	6,774,099 13 6	375,666 0 4	99,040 11 2	474,706 11 6	

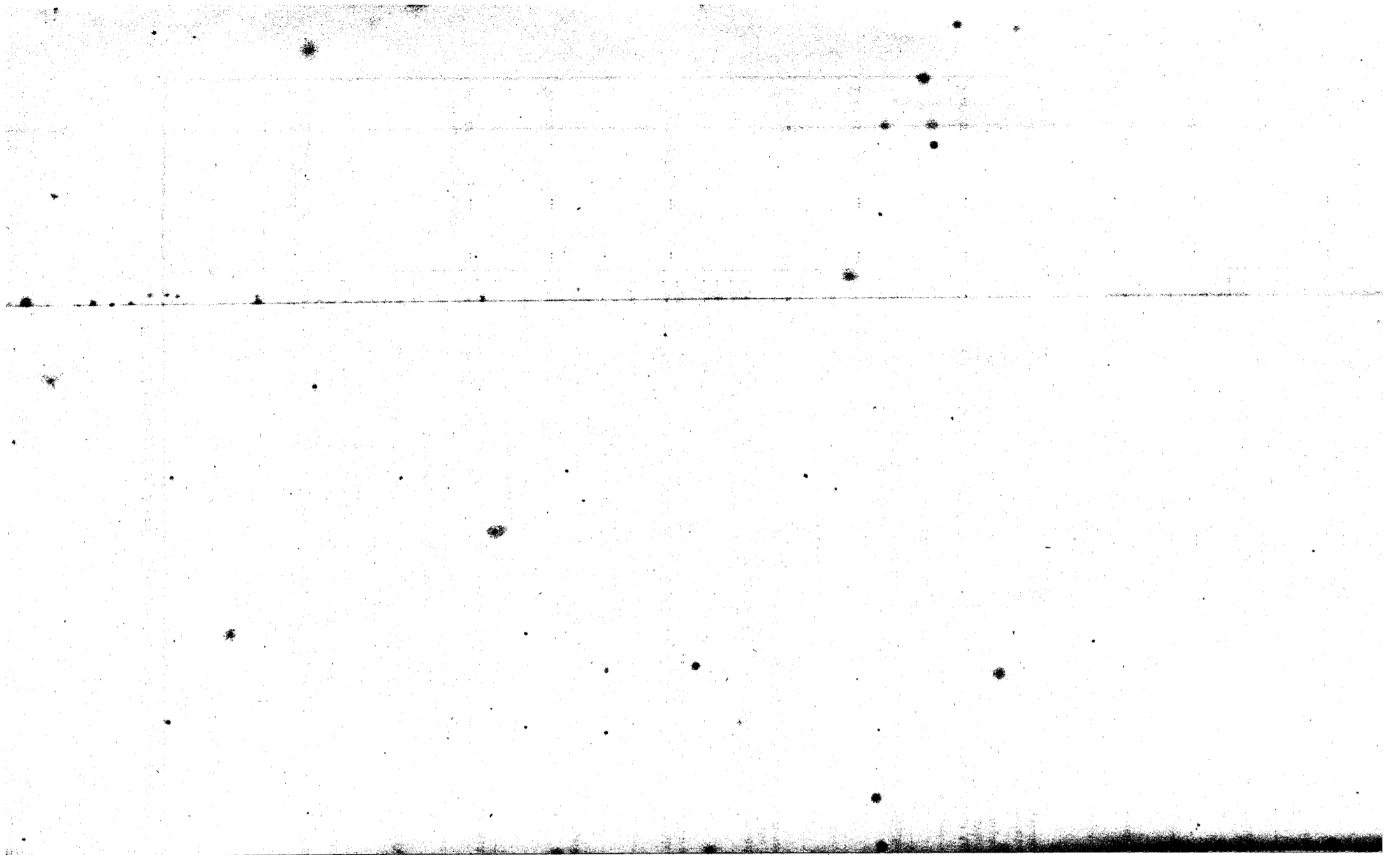


Table E.
STATEMENT showing the REVENUE RECEIVED FROM STAMP DUTIES during the Financial Year 1897-8.

PROVINCE.	IMPRESSED. £ s. d.	ADHESIVE.				BANK COMPOSITION. £ s. d.	FEES, FINES, AND PENALTIES. £ s. d.	TOTALS. £ s. d.
		Under Schedule I. £ s. d.	Under Schedule II. £ s. d.	Under Schedule III. £ s. d.	Under Schedule IV. £ s. d.			
<i>General</i> —	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Chatham Islands	...	3 10 10	3 10 10
<i>Provincial</i> —								
Auckland	526 11 0	5,110 2 2	283 13 0	39 15 6	970 15 9	142 12 3	7,073 9 8	
Taranaki	96 9 4	344 7 3	23 0 0	...	188 15 2	7 19 6	660 11 3	
Wellington	918 1 7	3,922 14 1	315 6 1	11 0 0	1,106 10 4	69 15 4	6,343 7 5	
Hawke's Bay	127 16 2	988 12 9	10 10 0	...	296 14 10	36 3 0	1,459 16 9	
Nelson	214 13 8	2,575 4 11	236 15 0	...	2,454 15 3	27 16 0	5,509 4 10	
Marlborough	47 19 2	322 14 2	23 10 0	...	194 5 10	2 17 0	591 6 2	
Canterbury	1,390 2 10	9,025 1 4	430 10 0	2 4 0	2,837 12 0	234 8 0	13,929 17 4	
Westland	398 17 3	1,171 1 1	29 10 0	...	361 11 7	0 16 6	1,961 16 5	
Otago	1,326 9 2	12,485 16 9	622 6 1	154 9 11	4,018 6 6	98 13 8	18,728 6 9	
Southland	133 10 4	1,606 17 9	86 1 0	...	311 4 4	5 19 6	2,143 12 11	
	5,180 10 6	37,556 3 1	2,061 1 2	207 9 5	12,740 11 7	627 0 9	58,405 0 4	

C. T. BARKIN,
Accountant to Treasury.

Return I.

RETURN of the GROSS CUSTOMS REVENUE for each Quarter, from September Quarter, 1857, to the Quarter ended the 30th June, 1868, inclusive.

FINANCIAL YEAR 1857-8.				FINANCIAL YEAR 1862-3.			
September Quarter	...	£31,251	}	September Quarter	...	£94,754	}
December	„	34,730		December	„	118,526	
March	„	31,126		March	„	127,465	
June	„	41,891		June	„	147,777	
FINANCIAL YEAR 1858-9.				FINANCIAL YEAR 1863-4.			
September Quarter	...	£40,420	}	September Quarter	...	£145,594	}
December	„	38,199		December	„	171,001	
March	„	41,884		March	„	147,778	
June	„	40,333		June	„	152,629	
FINANCIAL YEAR 1859-60.				FINANCIAL YEAR 1864-5.			
September Quarter	...	£41,491	}	September Quarter	...	£140,872	}
December	„	44,607		December	„	150,995	
March	„	46,298		March	„	167,690	
June	„	45,721		June	„	183,740	
FINANCIAL YEAR 1860-1.				FINANCIAL YEAR 1865-6.			
September Quarter	...	£45,790	}	September Quarter	...	£180,160	}
December	„	51,359		December	„	198,418	
March	„	52,236		March	„	208,794	
June	„	55,227		June	„	208,855	
FINANCIAL YEAR 1861-2.				FINANCIAL YEAR 1866-7.			
September Quarter	...	£66,935	}	September Quarter	...	£199,452	}
December	„	86,466		December	„	227,253	
March	„	98,050		March	„	220,183	
June	„	87,942		June	„	217,780	
FINANCIAL YEAR 1867-8.							
	September Quarter	...	£196,916	}			
	December	„	209,118				
	March	„	194,618				
	June	„	192,742		£793,394		

Custom House, Wellington,
8th August, 1868.

WILLIAM SEED,
Secretary and Inspector.

Return II.

RETURN showing the AMOUNT and VALUE of GOLD EXPORTED during the Financial Years from 1856-7 to 1867-8.

	1856-7.		1857-8.		1858-9.		1859-60.		1860-1.		1861-2.		1862-3.		1863-4.		1864-5.		1865-6.		1866-7.		1867-8.	
	Ozs.	Value. £	Ozs.	Value. £	Ozs.	Value. £	Ozs.	Value. £	Ozs.	Value. £	Ozs.	Value. £	Ozs.	Value. £	Ozs.	Value. £	Ozs.	Value. £	Ozs.	Value. £	Ozs.	Value. £	Ozs.	Value. £
Auckland
Nelson
Otago
Marlborough
Canterbury
Westland
Southland...
TOTAL...	976	3,784	17,220	66,730	9,482	36,747	6,147	23,818	6,341	24,568	449,279	1,740,956	504,896	1,953,354	559,727	2,165,672	420,598	1,631,179	738,816	2,858,078	674,545	2,605,789	678,653	2,696,642

TOTAL AMOUNT OF GOLD EXPORTED, 4,066,680 OUNCES.

TOTAL VALUE OF GOLD EXPORTED, £15,807,317.

Return III.

RETURN of the VALUE of IMPORTS and EXPORTS for each PORT of NEW ZEALAND for the Year ending 30th June, 1868.

PORTS.	VALUE OF IMPORTS.	VALUE OF EXPORTS.
	£	£
Auckland	500,929	298,549
Wangarei ... ..	...	...
Russell	632	628
Mongonui	378	151
Hokianga	702	7,014
Kaipara ... ..	...	1,120
New Plymouth	18,750	631
Wanganui	56,396	15,487
Wellington	461,861	184,328
Napier	78,539	45,332
Wairau	11,794	35,842
Picton	3,568	4,042
Havelock	116	149
Nelson	375,837	72,427
Westport	106,396	511,725
Brighton	1,596	168,375
Greymouth	187,990	439,953
Hokitika	582,853	812,836
Okarito	4,281	30,857
Lyttelton and Christchurch	521,501	490,198
Akaroa	3,607	18
Timaru	36,996	131,251
Oamaru	22,204	4,374
Dunedin	1,521,190	1,067,458
Invercargill	115,065	160,704
Bluff Harbour	27,405	4,459
Riverton	9,965	...
Chatham Islands	43	20
	£4,650,594	£4,487,928

Custom House,
Wellington, 6th August, 1868.

WILLIAM SEED,
Secretary and Inspector.

RETURN of the VALUE of IMPORTS and EXPORTS for each PROVINCE for the Year ending 30th June, 1868.

PROVINCE.	VALUE OF IMPORTS.	VALUE OF EXPORTS.
	£	£
Auckland	502,641	307,462
Taranaki	18,750	631
Wellington	518,257	199,815
Hawke's Bay	78,539	45,332
Marlborough	15,478	40,033
Nelson	483,829	752,527
Canterbury	1,337,228	1,805,113
Otago	1,543,394	1,071,832
Southland	152,435	165,163
Chatham Islands	43	20
	£4,650,594	£4,487,928

Custom House,
Wellington, 8th August, 1868.

WILLIAM SEED,
Secretary and Inspector.

Return IV.

RETURN showing the ANNUAL EXPENDITURE authorized by the General Assembly for COLONIAL SERVICES, out of the ORDINARY REVENUE, for the Financial Years from 1858-9 to 1867-8.

	1858-9.			1859-60.			1860-1.			1861-2.			1862-3.			1863-4.			1864-5.			1865-6.			1866-7. (a.)			1867-8.			TOTALS.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.			
Civil List ...	19,000	0	0	19,000	0	0	19,000	0	0	19,000	0	0	25,000	0	0	27,500	0	0	27,500	0	0	27,500	0	0	27,500	0	0	19,031	4	3	230,031	4	3
Permanent Charges, Interest, &c. ...	20,565	19	1	21,591	8	3	20,901	2	10	35,473	0	11	79,139	8	4	96,055	4	5	108,196	1	2	186,451	8	8	287,745	19	0	243,062	16	9	1,099,182	9	5
Annual Appropriations	27,717	12	0	30,207	18	1	65,772	9	7	92,226	17	8	108,437	7	5	152,242	6	8	120,794	1	1	329,623	9	6	444,086	5	7	176,012	18	2	1,547,121	5	9
TOTAL ...	67,283	11	1	70,799	6	4	105,673	12	5	146,699	18	7	212,576	15	9	275,797	11	1	256,490	2	3	543,574	18	2	759,332	4	7	438,106	19	2	2,876,334	19	5

RETURN showing the ANNUAL EXPENDITURE authorized by the General Assembly for PROVINCIAL SERVICES, out of the ORDINARY REVENUE, for the Financial Years from 1858-9 to 1867-8.

	1858-9.			1859-60.			1860-1.			1861-2.			1862-3.			1863-4.			1864-5.			1865-6.			1866-7. (a.)			1867-8.			TOTALS.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.			
Auckland ...	11,972	15	11	11,960	3	6	14,783	1	10	18,261	0	8	19,521	3	7	24,428	1	9	28,954	8	10	39,704	13	0	33,509	19	4	36,097	10	10	239,192	19	3
Taranaki ...	1,841	12	5	1,445	14	4	1,482	3	8	1,967	6	4	2,532	15	1	2,696	3	7	3,344	0	10	4,547	7	3	3,994	15	1	3,706	10	0	27,078	8	7
Hawke's Bay ...	747	14	3	1,529	1	1	2,320	2	1	2,737	10	8	3,643	3	6	3,872	17	0	3,633	18	4	5,685	7	8	5,765	11	2	7,890	3	8	37,825	9	5
Wellington ...	7,391	7	10	6,816	0	7	8,270	2	3	10,306	13	8	10,324	2	7	11,152	4	7	12,258	17	6	16,753	13	2	16,658	14	3	20,448	14	5	120,410	10	10
Nelson ...	6,229	14	11	5,410	16	9	4,862	2	0	6,852	14	3	6,067	13	3	7,007	7	0	6,843	16	4	9,329	3	10	9,214	2	0	13,199	17	6	75,017	7	10
Marlborough ...	...	...	...	395	6	9	1,064	7	2	1,501	5	3	2,280	18	8	3,535	16	10	3,462	19	10	9,344	17	6	6,048	4	4	4,239	18	10	31,873	15	2
Canterbury ...	5,915	19	6	6,130	3	1	8,340	1	2	12,321	17	6	16,166	18	2	22,455	11	5	23,852	6	10	43,386	16	6	52,860	8	10	37,197	7	10	228,667	10	10
Westland ...	...	...	...	...	...	...	5,798	4	1	18,289	3	2	44,832	2	9	57,262	6	11	48,815	18	3	76,850	11	2	55,038	16	3	46,458	2	6	360,864	6	8
Otago ...	3,868	1	4	...	...	...	452	9	8	1,995	13	2	4,626	1	9	17,256	3	0	10,228	6	1	14,097	15	10	8,048	15	9	7,519	17	6	64,225	2	9
Southland ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	37,467	6	2	37,338	6	4	47,372	13	11	74,233	4	8	110,014	19	4	149,696	12	1	141,394	12	10	219,710	5	11	191,169	7	0	183,176	1	6	1,191,573	9	9

(a.) This column is corrected according to the published accounts of the year 1866-7 including amounts added to expenditure of that year by the reconstruction of the Accounts.

J. WOODWARD,
Assistant Treasurer.

Return V.

RETURN showing the ANNUAL AMOUNT distributable out of the ORDINARY REVENUE as SURPLUS REVENUE, to the credit of the PROVINCES, for the Financial Years from 1858-9 to 1867-8.

—	1858-9.			1859-60.			1860-1.			1861-2.			1862-3.			1863-4.			1864-5.			1865-6.			1866-7. (b.)			1867-8.			TOTALS.			
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.				
Auckland	20,643	6	2	31,620	13	7	22,672	15	3	36,960	10	5	43,758	3	11	62,337	7	11	103,216	5	3	28,098	1	8	18,534	8	3	36,936	13	6	404,828	5	11	
Taranaki	2,069	7	6	2,557	1	7	4,005	16	9	2,692	14	0	2,746	2	5	4,823	15	9	8,129	3	1	2,651	8	1	1,061	16	9	1,192	0	7	31,929	6	6	
Hawke's Bay	1,442	7	0	3,721	7	4	1,855	6	0	3,566	14	7	2,898	14	11	4,813	12	3	9,236	5	1	5,533	8	9	2,814	12	4	5,796	4	5	41,678	12	8	
Wellington	20,664	3	9	17,656	3	1	12,237	17	7	16,556	11	3	18,130	19	8	21,064	1	6	31,410	15	2	24,690	19	7	17,872	0	4	33,928	15	3	214,192	7	2	
Nelson	4,553	3	6	7,168	4	6	6,375	6	11	8,860	13	4	9,967	17	7	11,476	14	0	16,637	6	5	15,550	15	7	14,880	17	6	38,697	19	8	134,168	19	0	
Marlborough	...	...	...	...	...	...	111	4	2	633	7	2	60	16	11	Dr. 18	13	10	3,392	1	2	Dr. 6,623	13	11	Dr. 2,852	14	7	378	1	0	Dr. 4,601	1	9
Canterbury	14,653	12	11½	17,874	14	10½	13,599	13	2	20,007	8	9	28,362	19	10	39,820	9	6	50,701	18	8	72,979	0	9	45,625	0	2	69,747	9	2	373,372	7	10	
Westland
Otago	6,533	15	1	14,270	18	5	15,733	8	7	76,388	17	8	103,832	11	1	114,255	5	2	103,016	5	8	Dr. 310	19	4	28,644	6	4	85,322	15	8	25,401	4	0	
Southland	...	...	...	...	...	...	338	16	7	3,605	15	8	20,027	11	3	24,931	6	5	15,203	7	9	Dr. 2,494	4	6	4,893	19	8	10,823	15	11	547,667	4	4
TOTAL...	70,559	15	11½	94,987	13	6½	76,930	5	0	169,252	12	10	229,785	17	7	283,533	18	8	341,143	8	3	140,074	16	8	131,474	6	9	308,224	19	2	1,845,967	14	5	

RETURN showing the ANNUAL AMOUNT distributed out of the ORDINARY REVENUE as SURPLUS REVENUE, to the credit of the PROVINCES, for the Financial Years from 1858-9 to 1867-8.

—	1858-9.			1859-60.			1860-1.			1861-2.			1862-3.			1863-4.			1864-5.			1865-6. (a.)			1866-7. (b.)			1867-8.			TOTALS.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.			
Auckland	18,466	16	3	21,780	14	9	34,817	12	11	28,780	12	1	42,120	13	0	57,437	16	4	74,208	7	1	68,508	12	2	50,772	3	7	6,365	13	6	403,279	1	8
Taranaki	1,825	8	10	2,045	17	10	4,237	6	11	2,846	6	9	3,169	16	3	4,038	5	5	6,470	12	2	6,184	17	6	4,304	5	3	1,030	17	3	36,803	14	2
Hawke's Bay	1,258	9	2	2,676	2	5	2,551	9	0	3,179	14	5	3,762	16	0	4,752	9	8	9,065	8	2	9,072	9	8	8,679	17	1	4,766	6	1	47,379	1	8
Wellington	15,801	2	5	14,614	17	10	18,274	9	2	14,273	2	8	15,779	7	6	17,766	16	8	31,694	4	5	32,570	2	1	35,521	9	7	31,245	16	5	227,541	8	9
Nelson	5,671	3	9	5,547	16	7	7,305	6	4	7,847	17	5	8,925	11	4	11,359	8	3	13,397	13	10	20,340	6	0	24,178	16	4	41,979	11	4	146,553	11	2
Marlborough	...	...	...	...	...	...	601	18	0	339	15	2	...	...	...	...	...	...	1,918	16	4	2,433	16	5	...	...	...	551	4	3	8,498	16	11
Canterbury	11,854	14	6½	12,919	11	9	20,698	16	3	16,806	16	6	26,496	18	5	37,151	8	5	43,463	2	9	83,869	10	0	100,835	16	8	65,545	19	0	419,642	14	3½
Westland	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Otago	5,737	6	6	9,066	15	7	19,687	2	1	51,804	5	4	100,414	19	7	121,259	3	9	98,695	10	4	72,380	4	5	82,676	18	0	21,447	18	8	640,088	5	6
Southland	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL...	60,615	1	5½	68,881	11	1	108,174	0	8	129,378	7	11	214,531	12	2	282,961	1	4	289,273	6	1	307,347	14	8	322,902	9	2	260,683	12	5	2,044,748	16	11½

(a.) This column is increased by the amounts paid in 1866-7 for the previous year. The amounts paid for the year 1866-7 are similarly diminished.
(b.) These columns are corrected according to the published accounts of the year 1866-7.

J. WOODWARD,
Assistant Treasurer.

Treasury, 17th August, 1867.

