

SUPPLEMENTARY

FINANCIAL STATEMENT

BY

THE HON. THE COLONIAL TREASURER.

IN COMMITTEE OF THE WHOLE HOUSE, 6TH OCTOBER, 1868.

WELLINGTON.

—
1868.

SUPPLEMENTARY FINANCIAL STATEMENT.

By the Honorable JOHN HALL, 6th October, 1868.

SUPPLY.

CONVEYANCE OF MAILS BY SEA, £18,650.

Mr. HALL moved the above item *pro forma*, and said,—Sir, the Government stated to the House, in the Financial Statement which I delivered to it some time since, the manner in which it proposed that the finances of the Colony should be dealt with. When making that statement, I gave explanations as to the income and expenditure of the past year, on which subject I need not trouble the House further on the present occasion. I also stated our anticipations with regard to the revenue of the current year, and to the requirements of the public service which will have to be met during the same period. I will now only address the Committee on those portions of our financial proposals which require modification, and will do so in as few words as possible. The financial propositions of the Government must necessarily be modified, for two reasons: first, because the principle upon which we proposed that the financial relations of the General and Provincial Governments should be adjusted, although adopted by the House, and, I believe, accepted by the country, is not to be put into operation during the present year. The principle of the dissolution of partnership is accepted: but its operation is, for the present, suspended. This is one reason why the financial proposals of the Government will have to be modified. They will also, as we all know, have to be altered for another and more serious reason, namely, that the contest—for it must now be called one—in which we are engaged threatens to assume proportions which will require larger provision to be made for our share in it than it was necessary to contemplate when I formerly addressed the House. To the modification in our proposals proceeding from these two reasons I propose to confine myself. In the financial statement it was proposed to divide the year into two financial periods; the first from July to December, 1868, and the second from December, 1868, to July, 1869. The revenue during the first period was to be distributed between the General Government and the Provinces according to the present system, and during the second period upon the principle which I then proposed; the result was that, with an available balance at the commencement of the year of £46,000, there was left an estimated surplus at the end of the year of £384 10s. We are now necessarily thrown back for the whole of this financial year upon the old system, and I have to show to the Committee how, under that system, we shall get through the year. I will refer, first, to the ordinary income and expenditure of the year; and, secondly, to the extraordinary income and expenditure. According to the old system of an equal division of the Consolidated Revenue, the position of the Colony for 1868-69 would be as follows:—

Balance in Bank, 1st July, 1868	...	...	...	...	...	...	...	...	46,979
Colonial Moiety Consolidated Fund	...	...	...	...	...	...	...	...	500,250
Deficiency	...	...	...	...	...	...	...	...	8,877
									<u>£556,106</u>
Treasury Bills to be paid off	...	...	...	...	...	...	...	...	£25,000
Total Charges as per Estimates	...	...	...	...	...	...	...	...	£703,173
Less Provincial Charges	...	...	...	...	...	...	...	...	172,067
									<u>531,106</u>
									£556,106

The Colonial moiety of Consolidated Fund we still put down at £500,250. In the debate on the financial resolutions, some honorable members, whose opinions on this subject are worthy of consideration, stated that I had under-estimated the revenue for the year. I have carefully reconsidered the subject by the light of the most recent returns, and I am sorry that I cannot agree with those honorable members. On the contrary, in spite of the large increase in Customs duties which has taken place in the Northern part of New Zealand, the revenue for the whole Colony, by the last returns, does not quite come up to my estimate. I cannot, therefore, in justice to the Colony, however glad I should be to do so, put down a higher estimate of revenue for the Colonial moiety than £500,250; the total income is, therefore, £547,000. Out of that it is proposed, and the Committee will I am sure agree in this course, to pay off the Treasury Bills issued in the past year, in aid of revenue, to the amount of £25,000. The total charges on the Estimates submitted by the Government, deducting the Provincial Charges, are £531,106, making a total debit of £556,106. That leaves a deficiency at the end of the year of £8,777, without taking into account those extras for which the House will doubtless, as usual, be called upon to provide, in the shape of additional Estimates. Demands of this kind to a considerable amount are already upon the Notice Paper, and my honorable colleagues and myself will have to trouble the House with further items before the Estimates are closed. To some extent, the vote for Steam Services will have to be increased. We can hardly expect that altogether we shall escape without an addition of from £8,000 to £10,000 to the demands we have already made; that would leave a deficiency on the year of some £17,000 or £18,000. The Government has had to consider how that deficiency ought to be met, for met it must be. Anything in the shape of additional taxation is, of course, out of the question. We believe it to be our duty rather to reduce taxation as far as possible. In considering the various items of which the Consolidated Revenue consists, and the payments under the head of General Charges, one feature particularly struck the Government, viz., that whereas, as a general rule, the returns of the various revenue departments are divided equally between the Colony and the Provinces, and the expenses of those departments are locally charged, there are one or two remarkable exceptions to that rule—exceptions which I do not think the House fully realized when it allowed them to be made. The Post Office is locally charged, and the postal revenue is divided between the Colony and the Provinces; the expense of Resident Magistrates' Courts is locally charged, and the revenue derived from them is divided between the Colony and the Provinces; the expense of the Customs Department is locally charged, and the revenue collected by it is divided

between the Colony and the Provinces; but there is one department in which the moiety of the revenue is received by the Provinces, while the entire cost is thrown upon the General Government. I allude to the Telegraph Department. When we consider that the operations of this department are not extended throughout the whole of the Colony, we think, if there is any instance in which the system of charging departmental expenses locally ought to be carried out, it is in this one. If some Provinces receive the revenue of the Telegraph Department, and reap benefits from it which are not extended to the rest of the Colony, those Provinces may fairly be charged with the expense of that as well as of other departments. There is an additional reason why this is at the present time a reasonable proposal. In the course of my financial statement I pointed out that the cost of the various departments debited to the Provinces has been very largely reduced for the present year. They have been reduced from £204,000, as voted last Session, to £172,000, which is the sum placed on the Estimates for this year, making a saving to the Provinces of £32,000. They are thus charged with £32,000 less than last year; and if we add the Telegraph Department to the provincial charges proposed in the Estimates of this year, the Provinces will still be in a better position than last year. We therefore suggest, as the best means of providing for the deficiency which will arise out of the suspension of the new financial policy proposed by the Government, that the expense of the Telegraph Department should be a provincial charge in those Provinces where it is maintained. The annual cost of this department is from £18,000 to £19,000. If this suggestion is adopted, the ordinary account for the year will stand as follows:—

Balance in Bank	...	...	...	...	...	...	...	...	...	£	46,979
Colonial Moiety	...	...	...	...	...	...	...	...	...	...	500,250
											<u>£547,229</u>
Treasury Bills to be paid off	...	...	...	...	...	...	...	...	...	...	£25,000
Total Charges as per Estimates	...	...	...	...	...	...	...	...	...	£703,173	
Less Provincial Charges	...	...	...	...	...	...	...	...	...	191,067	
											<u>512,106</u>
Surplus	...	...	...	...	...	...	...	...	...	...	10,123
											<u>£547,229</u>

So that upon the Estimates now before the House there would be a surplus of £10,123. I cannot hope that this surplus will be more than is absolutely necessary to meet the additional claims which will be made upon the Treasurer before the close of the Session. I have now stated the manner in which the Government proposes to provide for the ordinary expenditure of the Colony during the current year. There are, however, special cases, which the continuance of the old plan of distributing the revenue renders it indispensable that we should consider. Southland and certain other Provinces are in great danger, if held strictly to the letter of existing arrangements, of being quite unable to maintain the necessary services of the Provincial Government. This is particularly the case with Southland. Marlborough will be in a position of difficulty; and Taranaki will absolutely require some kind of temporary assistance. Southland, Sir, will stand thus: If we charge her with her provincial charges, and the full amount of interest and sinking fund on her debt, her share of the Consolidated Revenue will not suffice to meet these payments by the sum of £13,598. Therefore, not only would she not have any consolidated revenue out of which to defray the ordinary expenses of her government, including police, gaols, and harbours; but her land fund would, without making any provision for these services, be drawn upon to meet interest and sinking fund to the extent of £13,598. That is a state of things which the House will admit it is the duty of the Colonial Government not to neglect. If something is not done, the Government of Southland will collapse, and provision will have to be made there for the protection of life and property. The way in which we think this case should be met is as follows:—Under the Southland Debt Acts of 1865 and 1866, the Southland debts were guaranteed by the Colony, and the Acts provided that they should be paid, with accrued interest, not later than the 31st of December, 1868,—the interest to be capitalized up to the date of payment. Owing to the wording of the Southland Debt Acts, an impression has prevailed that the 31st of December, 1868, was the period up to which the interest on the debts of that Province should be capitalized, and the Province has counted on that result. The Government was for some time under the same impression; but on a closer examination of the law, the Government is advised that, strictly, interest became payable from the time the Government sold the necessary debentures to enable it to pay off the Southland debt. We propose that the interest on the Southland debt should be allowed to be capitalized, as originally contemplated, to the 31st of December next, thus relieving Southland during the present financial year, without entailing any burden on the Colony. The interest for the remaining six months and the provincial charges will still consume the whole of the share of the Consolidated Fund payable to Southland, but will leave its Land Fund to maintain the ordinary service of the Provincial Government, including police, gaols, and harbours. The Province of Marlborough, it is estimated, will, after deducting her interest, sinking fund, and provincial charges, receive during the current financial year, to maintain its Provincial Government, including police, gaols, and harbour establishments, the sum of £240 7s. 7d. It is obvious that some extraordinary provision is indispensable in this case. I am assured by the Provincial Authorities that the pastoral rents would leave a sufficient sum to provide for all indispensable departments, including police and gaols, but that no considerable amount will be received from this source until February next; we propose, therefore, in order to avert a collapse of the machinery of government in this Province, that the House should authorize the Government to make a temporary advance to the Provincial Authorities, to enable them to maintain their absolutely necessary establishments until February. As the Land Fund passes through the hands of the General Government, it can recoup itself without difficulty the sum so advanced. I may state, however, that the permanent provincial debt of Marlborough and Taranaki is so small, that even if the sum required to assist in carrying on their Government during the present financial year should eventually have to be added to that debt, the Provinces in question would still be in a more favourable position than most others. I think, however, in the case of Marlborough, the advance will only be a temporary one, which we shall be able to repay ourselves in the manner I have described. The third case in which we apprehend some special provision is required is that of the Province of Taranaki. According to the best estimate we can form, this Province, after deducting from the Consolidated Revenue its interest, sinking fund, and provincial charges, will receive, during the current financial year, the large sum of £30. This is a case of peculiar difficulty. The harbour, gaol, and police establishments in this Province must be kept up; and we have no alternative but to ask the House to allow us, if funds for this purpose should not otherwise be forthcoming, to advance such a sum as may be absolutely necessary for keeping up those establishments until Parliament meets again; and even if, at the end of the year, these advances should have to be added to the

debt of Taranaki, it will still be largely below the average of indebtedness of other Provinces of the Colony. I am aware that these proposals to meet special provincial embarrassments are open to criticism on general principles; they are, however, in our opinion, the only practicable provision for a case of peculiar difficulty. The only other alternative is for this Legislature to take the responsibility of saying that the necessary machinery for the protection of life and property in some parts of the Colony may, so far as it is concerned, be allowed to lapse altogether. It is not our fault that I have now to propose exceptional provision for these services. The Government made different proposals, which would have provided for such services, as I think, on a more safe and satisfactory principle; but owing to circumstances which I will not now enter into, although this principle has been adopted by the House, we are not enabled to give practical effect to it during the present Session; we are therefore thrown back on the old system, of which the present difficulty is the inevitable result. I have now stated what changes the Government propose in respect to the ordinary services of the year. I will proceed to refer to the extraordinary services. In the Financial Statement submitted to the Committee on a former occasion, the extraordinary sources of income for the year were described as two; first, an available surplus under the Public Debts Act, amounting, after providing the estimated expense of raising the Loan, to about £33,068; and, secondly, the repayment of the advance of £55,117 made to the Province of Southland. On these sums, amounting in the aggregate to £88,185, we propose to charge the following services. For the cost of a new Government House and Offices, £15,000; for Marine Survey £3,000; for Telegraph Extension, £24,000. This latter item has been increased by final payments on account of the Cook Strait cable, of which intimation has recently reached us, and includes £7,000 for the extension to Wanganui. After providing for these services, there remains a balance of £46,185 still available from the extraordinary income of the year. This account will stand as follows:—

		£
Estimated Surplus under Public Debts Act after providing for expense of raising Loan	...	33,068
Advance to Southland, to be repaid	... ..	55,117
		<hr/>
		£88,185
		<hr/>
Government House and Offices	... ..	£15,000
Marine Survey	... ..	3,000
Telegraph Extension	... ..	17,000
Do. do. Wanganui	... ..	7,000
Balance available	... ..	46,185
		<hr/>
		£88,188
		<hr/>

The Committee will remember that the Government proposed to devote a part of this balance to Contingent Defence, and the remainder to paying off outstanding Treasury Bills. Additional expenditure, I need hardly state, is now required under the head of Defence. While it is the duty of the Government, as, indeed, of every member of the Legislature, not to exaggerate or lend itself to any exaggeration of the difficulty or the danger of the position in which the Colony is placed, it is still more the duty of the Government not to underrate, or to allow the Legislature to underrate, the character and extent of these dangers and difficulties; while exhibiting no alarm in the face of our enemies, we should nevertheless make preparation for every contingency. The Government proposes to deal with this important question in this spirit, determining to make such arrangements for meeting any crisis as will find us prepared for the worst, but believing that the whole of the sums for which we ask will not actually be expended. I am sorry that the Hon. the Defence Minister, who believes that his duty has called him elsewhere, is unable to be in his place, as I am unable to give the House such full explanations with respect to the preparations for Defence as he would be able to do. It will be better for me on the present occasion not to attempt more than to indicate generally the course which the Government proposes to adopt. We propose to raise the permanent Constabulary Force for the present to five hundred men, to increase their pay by 1s. a day, and to make some addition to the pay of the officers. We do not propose to increase the number of divisions, but to raise the strength of each division from sixty-six to one hundred men. If, in time of emergency, additional men are required, we propose, instead of raising special corps, as was recently done, to add men to the Constabulary Force itself, and, when the emergency shall have passed away, to weed the whole force, thus retaining the best men. We believe, from recent experience, that this will be found a more satisfactory way of temporarily increasing our forces than that lately adopted. The cost of the Armed Constabulary during the present year will be raised from £47,497, as it now stands in the Estimates, to £81,000, being an increase of about £33,000. This is not, however, all the provision for Defence which it is our duty to propose. We feel bound to ask, in addition, for a contingent vote for this purpose, which vote will not be spent unless absolutely required. Honorable members will recollect that out of the vote of £45,000 for Contingent Defence granted last year, only £5,000 was actually expended; and although we feel bound to ask for this additional contingent vote, we trust that at any rate the whole of it will not be required. In addition to the £40,000 available for Contingent Defence at the commencement of the present year, we ask for £50,000, making the total Contingent Defence vote for the year £90,000. The sums I have mentioned will enable the Government, if necessary, to keep in the field, during twelve months, one thousand men, or a larger force for a correspondingly shorter period. We trust and believe this force will not be required, but it is no larger than ought to be placed at the disposal of the Government under existing circumstances. The additional demands which we make on the resources of the Colony amount, therefore, to £83,000, being £33,000 for additions to the Armed Constabulary, and £50,000 for the addition to the Contingent Defence vote. The ordinary cost of the Constabulary as first proposed in the Estimates for the year, will be charged to the ordinary revenue, but the additional £33,000 required to meet the present emergency, as well as the votes for Contingent Defence, will be charged on the extraordinary resources of the Colony. This sum of £83,000 we propose to provide as follows. I have already explained that there is a balance available of £46,000: the remaining £37,000 will have to be provided by the issue of Treasury Bills. I have now stated to the Committee the proposals of the Government for dealing with the exigencies of the present position. I promised the House to make my statement a brief one, and I think I have kept my promise, having confined myself to those changes in our financial proposals which recent occurrences have rendered necessary. We do not underrate the gravity of the position. We recognize that on the West Coast we are in the presence of a formidable difficulty, the importance of which has greatly increased while Parliament has been in session, and that the description which properly applied to it at the commencement of the Session is now no longer applicable. We further admit that in addition to the storm which exists on the West Coast, there are dark clouds hanging over other parts of the Colony, which may, and we trust will disperse, but which it is our duty to carefully watch, and for the bursting of which we ought to be prepared. For this reason we ask the House for the

large sums of money I have just enumerated. The difficulties of New Zealand at the present time are undoubtedly serious, but the issue is mainly in the hands of the Colonists themselves. That issue depends not principally or even so much on the conduct and proceedings of the rebel Natives, as on the manner in which they are met by us. If we do not shrink from whatever sacrifices may be necessary to meet the emergency with energy and success; if we will, for the time at any rate, stay the political and domestic strife by which we are now distracted, and afford hearty support to whatever men may for the time have placed in their hands the government of the country; if we present to our rebel foe the aspect of a determined and united people, instead of an opponent whose ranks are weakened by dissension and discord, then I have no fear of the result. But if we cannot, in the presence of difficulty and danger, suspend even for a time our political wrangling; if we must cripple the hands and fetter the action of the Government and encourage our opponents by the absence of any unity or concord amongst ourselves, then I am bound to say I have the gloomiest forebodings for the future. I ask the Committee to deal with our proposals in the spirit I have indicated. So far as the Government is concerned, no party considerations actuate them; we desire not to promote the success of any section or party, but to insure the safety and the welfare of the Colony at large—to free it from its present embarrassments, dangers, and difficulties—without considering the political consequences to ourselves of any action we may adopt. With these views we are ready to proceed with the difficult work which at the present time lies before the Government of this Colony, and we appeal to the patriotism and the public spirit of members of this House to support us in that arduous task.

REPORT

OF THE

AUDITOR-GENERAL

ON THE

FINANCIAL STATEMENT OF THE COLONIAL TREASURER

FOR THE YEAR 1866-7.

PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY, BY COMMAND OF
HIS EXCELLENCY.

WELLINGTON :

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1868.

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REPORT OF THE AUDITOR
ON THE
FINANCIAL STATEMENT OF THE COLONIAL TREASURER
FOR THE YEAR 1866-7.

THE Revenues collected by the General Government are—

1. *Ordinary Revenues* raised under Acts of the General Assembly, subject to the provisions of "The Surplus Revenues Act, 1858." (This Act ceased to be in operation on the 1st July, 1867.)
2. *Special Revenues* raised under Acts of the General Assembly, and not subject to the provisions of "The Surplus Revenues Act, 1858."
3. To these are to be added *Loans* raised under Acts of the General Assembly, and *Advances from Banks* in anticipation of the negotiation of Loans.

The Ordinary Revenues are defined by "The Ordinary Revenues Act, 1858," and are carried to the credit of the Provinces in which they are levied. (The Ordinary Revenues Act ceased to be in operation on 1st July, 1867.)

The following Abstract of the Receipts and Disbursements on account of the Ordinary Revenues differs in one respect from that of the preceding year, by the introduction of "Revenues of 1865-6 voted but not expended during the currency of that year," amounting on the General Account to £15,298 8s. 2d., and on the Provincial Account to £18,117 0s. 6d., making together the sum of £33,415 8s. 8d. (See foot-note Government *Gazette*, No. 53, 1867, page 382.) This transfer of a portion of the revenues of one year to the account of the following year is made under the authority of "The Comptrollers Act, 1865," which provides that moneys not expended during the financial year for which they were appropriated shall be carried to the credit of the revenues of the following year, subject, however, to any outstanding liability. It will be seen in the Abstract that the outstanding liabilities paid during the currency of the year 1866-7 amounted on the General Account to £10,529 3s. 6d., and on the Provincial Account to £5,153 13s. ; so that the actual savings on the votes were £17,732 12s. 2d. ("The Comptroller's Act, 1865," ceased to be in operation on 1st July, 1867.)

REPORT OF THE AUDITOR ON THE FINANCIAL

I.—ORDINARY REVENUE ACCOUNT FOR THE

	£	s.	d.	£	s.	d.
RECEIPTS.						
General Receipts not credited to Provinces, but shown on the opposite side in reduction of the General Expenditure, namely:—						
Revenues of 1865-6, voted for general purposes, but not issued during the currency of that year	15,298	8	2			
Revenues of 1866-7 under Marine Act	5,522	4	10			
Other Incidental Receipts	4,200	16	3			
						25,021 9 3
General Revenues, credited as the Ordinary Revenues of the Provinces, namely:—						
Revenues of 1865-6, voted for Provincial purposes, but not issued during the currency of that year, and now brought to the credit of the respective Provinces, as follows:—						
Auckland	1,916	0	3			
Taranaki	122	3	6			
Wellington	1,008	19	4			
Hawke's Bay	826	1	10			
Nelson	1,177	1	11			
Marlborough	776	2	2			
Canterbury	1,260	3	9			
Otago	9,670	0	7			
Southland	1,360	7	2			
						18,117 0 6
Revenues of 1866-67, credited as the Ordinary Revenues of the Provinces in which levied, in accordance with "The Surplus Revenue Act, 1858," as follows:—						
Auckland	165,161	11	3			
Taranaki	16,183	2	6			
Wellington	110,183	8	0			
Hawke's Bay	26,804	1	9			
Nelson	74,896	10	3			
Marlborough	9,470	5	9			
Canterbury	313,702	0	6			
Otago	258,096	11	2			
Southland	40,392	15	10			
						1,014,890 7 0
						£1,058,028 16 9

FINANCIAL YEAR 1866-7.—(Printed Statement from page 1 to page 63.)

		£	s.	d.	£	s.	d.
DISBURSEMENTS.							
I.—General Charges.							
Outstanding Liabilities of the Year 1865-6	...	10,529	3	6			
Expenditure of the Year 1866-7:—							
Civil List	...	27,500	0	0			
Interest and Sinking Funds	...	217,900	0	6			
Permanent Charges	...	63,439	15	3			
Public Domains and Buildings	...	7,228	13	0			
Governor's Establishment	...	1,600	0	0			
Legislative	...	13,167	0	0			
Executive	...	8,893	0	0			
Stamp Office	...	3,000	0	0			
Printing	...	4,340	0	0			
Geological Department	...	3,850	0	0			
Registration of Land and Deeds	...	15,782	7	3			
Postal	...	68,515	0	0			
Telegraph Department	...	49,855	4	0			
Marine Engineer's Department	...	6,577	1	8			
Customs	...	3,450	0	0			
Native Department	...	29,986	15	10			
Miscellaneous	...	42,517	15	4			
Defence	...	159,022	19	3			
Refunds of Revenue	...	659	4	2			
		737,813	19	9			
The above sum of £737,813 19s. 9d. is charged against the Provinces in proportion to the amount of Revenue levied in each Province (as required by "The Surplus Revenues Act, 1858"), less the sum of £25,021 9s. 3d., as a set-off against the "General Receipts not credited to Provinces" on the opposite side, as follows:—							
Set-off against General Receipts	...	25,021	9	3			
Auckland	...	115,286	7	1			
Taranaki	...	11,250	18	8			
Wellington	...	76,724	12	7			
Hawke's Bay	...	19,065	6	1			
Nelson	...	52,492	1	3			
Marlborough	...	7,070	3	10			
Canterbury	...	217,329	4	3			
Otago	...	184,763	9	2			
Southland	...	28,810	7	7			
		737,813	19	9			
II.—Provincial Charges.							
For maintenance of Departments within each Province, debited wholly against the Province in which the expense was incurred, namely:—							
		Arrears of 1865-6.			On account of 1866-7.		
		£	s.	d.			
Auckland	...	330	17	11	32,925	18	3
Taranaki	...	122	3	6	3,870	7	1
Wellington	...	183	11	3	16,412	3	2
Hawke's Bay	...	422	14	5	5,327	10	9
Nelson	...	71	3	6	8,629	9	11
Marlborough	...	96	18	9	5,931	19	11
Canterbury	...	650	14	4	51,357	5	6
Otago	...	3,269	9	7	51,089	6	8
Southland	...	5	19	9	8,042	16	0
		5,153	13	0	183,586	17	3
							188,740 10 3
III.—Surplus Revenues.							
To Credit of Provinces, namely:—							
Auckland	...	18,534	8	3			
Taranaki	...	1,061	16	9			
Wellington	...	17,872	0	4			
Hawke's Bay	...	2,814	12	4			
Nelson	...	14,880	17	6			
Marlborough	...						
Canterbury	...	45,625	0	2			
Otago	...	28,644	6	4			
Southland	...	4,893	19	8			
		134,327	1	4			
Deduct overpayments on account of Marlborough	...	2,852	14	7			
							131,474 6 9
							£1,058,028 16 9

The foregoing Abstract differs also from that of the preceding financial year in its containing no charge against the Ordinary Revenues on account of the Unauthorized Expenditure of former years. A supplementary vote was taken to cover that expenditure, and by a provision in "The Appropriation Act, 1866," it is directed that the expenditure in excess of the sums appropriated for the years 1863-4 and 1865-6, amounting to £61,140 9s. 10d., is to be treated as expenditure authorized by "The Appropriation Act, 1865," and charged as such; but as the account for the year 1865-6 is closed, this supplementary expenditure has necessarily been charged against the Provinces in their respective Surplus Revenues Accounts, as follows:—

	£	s.	d.
Auckland	10,423	12	10
Taranaki	1,096	15	7
Wellington	5,249	13	11
Hawke's Bay	1,325	12	2
Nelson	3,555	10	9
Marlborough	818	13	7
Canterbury	15,713	5	0
Otago	21,118	6	5
Southland	1,838	19	7
	<u>£61,140</u>	<u>9</u>	<u>10</u>

(See page 89, eighth column, of printed Statement.)

As stated in the Report of the previous year, the Surplus Revenues have been increased by a fictitious sum. The Expenditure on account of the General Establishment in the Province of Marlborough exceeded the Ordinary Revenues collected in that Province by the sum of £2,852 14s. 7d. The Province of Marlborough is accordingly charged in account with this excess, and the Surplus Revenues distributed to the other Provinces are increased by a corresponding sum. (Printed Statement, page 63.)

The over issue of Surplus Revenues to the Provinces, which in the last year's Statement was shown to be £36,537 14s. 7d., is found on the 30th June, 1867, to have increased to £325,776 12s. 1d. (Printed Statement, page 89, 10th column.) "The Surplus Revenues Act, 1867," releases the Provinces from all charges on this account prior to 30th June, 1867, and closes the whole of the Provincial Surplus Revenue Accounts on that day, by providing, as an ultimate settlement, that certain fixed sums, amounting altogether to £31,053 10s. 7d., shall be paid *by* the Provinces of Hawke's Bay, Otago, and Southland, and that other fixed sums, amounting to £31,053 10s. 7d., shall be paid *to* the Provinces of Auckland, Wellington, Nelson, and Canterbury. This adjustment was based on a Statement laid before the House of Representatives (Appendix to Journals, 1867, B. 13.), which assumes that the total Surplus Revenues *distributable* under "The Surplus Revenues Act, 1858," for the period included between 1st July, 1858, and the 30th June, 1867, amounted in the gross to £1,597,842 11s. 9d., and that the sum distributed on account of the same period was £1,781,531 1s. 3d. It is found, however, on examination of the Accounts, that the sum distributable is overstated by £50,634 18s. 7d., and, besides this, that a deduction of £61,140 9s. 10d. has to be made for Supplementary Expenditure required by "The Appropriation Act, 1867-8," to be paid out of the Revenues of 1865-6, thus making the total sum distributable £1,486,067 3s. 4d. It is also found that the sums over-issued to Provinces amount to £306,887 2s. 4d., instead of £183,688 9s. 6d., as stated in "The Appropriation Act, 1867-8." In the Annual Statement of the Treasury, the over-issue is stated to be £325,776 12s. 1d.; but in this sum the Treasury has included certain moneys owing by Provinces for Interest and Sinking Fund on the Half-Million Loan, amounting altogether to £18,889 9s. 9d. These transactions are now struck out, as they do not properly belong to the Surplus Revenues Account. They are as follows:—

	£	s.	d.
Auckland	14,482	16	9
Taranaki	2,598	7	3
Wellington	1,722	1	3

They should be transferred to a separate Account as outstanding liabilities of the Provinces.

The issues of Surplus Revenues in excess appear to be as follows:—

	£	s.	d.
Auckland	39,445	8	7
Taranaki	6,132	6	5
Wellington	21,281	14	4
Hawke's Bay	7,993	9	6
Nelson	12,533	11	3
Marlborough	13,745	9	0
Canterbury	65,976	15	0
Otago	120,296	3	4
Southland	19,482	4	11
	<u>£306,887</u>	<u>2</u>	<u>4</u>

Adding, therefore, this total sum (£306,887 2s. 4d.) to the aggregate Surplus Revenues (£1,486,067 3s. 4d.), the total sum distributed to Provinces would be £1,792,954 5s. 8d. instead of £1,781,531 1s. 3d., as stated in the Parliamentary Paper.

If, now, this amended sum of £1,792,954 5s. 8d. were redistributed among the Provinces, the difference between the results which would then be obtained and those on which "The Surplus Revenues Adjustment Act, 1867," was based, would be important. But a fallacy has crept into the method by which the adjustment of 1867 was calculated. The Province of Marlborough, instead of being a sharer in the sum proposed to be divided, was mulct of an additional sum for the benefit of the other Provinces. The

Auditor would therefore suggest that it is not advisable to disturb the adjustment of the whole Surplus Revenues from the year 1858, as is done in the Parliamentary Paper. The proposition to be worked out is a simple one: it is to distribute the sum of £306,887 2s. 4d. equitably among the Provinces. Under this proposal each Province would receive a share of the dividend, and the sum allocated to each should bear the same proportion to the gross sums to be distributed as the Revenues bear to the aggregate Revenues of the Colony, taking into the calculation the whole Revenues collected since the year 1858.

Redistributing the sum of £306,887 2s. 4d. among the Provinces in the proportions now proposed, the new adjustment is shown in the following tabular Statement. It will be seen, on comparing it with the Parliamentary Paper, that no important change is made. It is thought best, however, to supply it for the information of the Provinces.

PROVINCES.	OVER-ISSUED.		TO BE ISSUED UNDER PROPOSED ADJUSTMENT.		SUMS TO RECEIVE.		SUMS TO PAY.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.
Auckland	39,445	8 7	67,151	11 0	27,706	2 5	...	...
Taranaki	6,132	6 5	6,396	11 0	264	4 7	...	...
Wellington	21,281	14 4	33,530	15 4	12,249	1 0	...	...
Hawke's Bay	7,993	9 6	7,995	16 0	2	6 6	...	...
Nelson	12,533	11 3	19,051	0 0	6,517	8 9	...	...
Marlborough	13,745	9 0	2,695	12 0	...	...	11,049	17 0
Canterbury	65,976	15 0	63,447	2 0	...	...	2,529	13 0
Otago	120,296	3 4	91,936	17 0	...	...	28,359	6 4
Southland	19,482	4 11	14,681	18 0	...	...	4,800	6 11
Totals	306,887	2 4	306,887	2 4	46,739	3 3	46,739	3 3

This adjustment is only a settlement of differences: it leaves untouched the more important question, How is the sum of £306,877 2s. 4d. to be made good to the Treasury? The over-issue has not been made out of the Ordinary Revenues, but out of other moneys held by the Treasury; nor has the Legislature been called upon to make provision for more of it than £183,688 9s. 6d. "The Appropriation Act, 1867-8," appears to charge this last-mentioned sum on the Ordinary Revenues of 1867-8; but the Comptroller is of opinion that the Act simply indemnifies the Colonial Treasurer for the unauthorized issue, without charging it on any particular fund. As the case stands at present the Colonial Chest is deficient by the whole of the sums issued in excess, and the Treasury is only enabled to carry on its operations by the disposal of Treasury Bills, and by the use of Savings of Votes, Reserve Fund, and other moneys, as will be seen on reference to an analysis of the Treasury Balances, near the end of this Report.

ABSTRACT II.

The Advances made out of the General Chest on account of "Auckland Reserves" and the "Bay of Islands Settlement" are still outstanding.

The Land Revenue Account of the Province of Otago, as shown in the Colonial Treasurer's Statement, includes no Gold Fields Revenue for the months of April, May, and June, 1867, nor for the previous months of January, February, and March, for Nokomai. On reference to the Accounts for the Financial Year 1867-8, it is found that the greater portion of the deficient Accounts are introduced into the Treasury Accounts for the month of December, 1867.

ABSTRACT III.

It will be observed that the Half-Million Loan, 1856, has been credited with the sums issued to the Half-Million Provinces of Auckland and Wellington in excess of the moneys allotted under "The Provincial Debt Loan. Apportionment Act, 1858."

The total charge for Interest and Sinking Fund on this Loan is £30,000. Of this sum £9,360 is a charge on the General Revenues of the Colony; the remainder is apportioned among the Provinces in the several amounts shown at page 15 of the printed Statement. The Colonial Treasurer states that the following sums have been *reimbursed by Provinces*, viz.:—

	£
Auckland	5,400
Wellington	1,620
Hawke's Bay	1,620
Nelson and Marlborough	2,700
Canterbury	4,440
Otago	3,780
Southland	1,080
Total	£20,640

On reference, however, to the Land Revenue Accounts, page 100, it will be seen that the sums actually reimbursed by Provinces are as follows:—

	£	s. d.
Auckland	3,853	15 9
Wellington	485	5 0
Hawke's Bay	Nil.	
Nelson and Marlborough	2,925	0 0
Canterbury	4,440	0 0
Otago	3,780	0 0
Southland	1,080	0 0
Total	£16,564	0 9

The moneys paid by Nelson include a deficiency of the preceding year of £225. Deduct this, and we have £16,339 0s. 9d. reimbursed by Provinces; the remainder, £4,300 19s. 3d., was treated in the following manner:—Auckland was debited in the Surplus Revenue Account with £1,546 4s. 3d.; Wellington, in the same Account, with £1,134 15s.; and Hawke's Bay with £1,620 in her "Separate" Account. The first two items have thus gone to increase the over-payment to Provinces, while in fact they were outstanding liabilities, and should now, on redistribution of the Surplus Revenues, be charged to the respective Provinces in their "Separate" Accounts. If not so charged, the Provinces of the Middle Island may complain that, while they have duly discharged out of their Land Fund the whole of the Interest and Sinking Fund on their respective portions of the Half-Million Loan, the Provinces of Auckland and Wellington have escaped payment, because, their Land Funds being inadequate to meet the charge, they were debited with their proportions of Interest and Sinking Fund in the Surplus Revenues Account; where, by the operations of "The Surplus Revenues Adjustment Act, 1867," these debts, together with those arising from over-issues of Surplus Revenues, are swept away, and the Surplus Revenues Account absolutely closed on the 30th June, 1867.

The Crown Agents in London were instructed on the 15th March, 1866, to deliver £100,000 New Zealand 6½ cent. Bonds to the Bank of New Zealand, as a collateral security for advances to be made by the Bank to the Provincial Government of Auckland for the service of the Waikato Settlements. These Bonds were subsequently placed in the market by the Bank, and sold for £92,448 5s.

For effecting this sale the Bank charged £1,000, in accordance with an agreement proposed by Mr. Whitaker, the Superintendent of Auckland, on the 7th March, 1866, by which the Bank was to receive 1 per cent. commission on all sales of Securities effected by them. If the sale had been negotiated by the Crown Agents, the commission would have been only £250; but although the Crown Agents did not negotiate the sale, they nevertheless took full commission for having transferred the Bonds to the Bank, so that the Colony has paid commission twice on the disposal of the same set of Debentures.

A similar charge of full commission was made by the Crown Agents on delivery of £500,000 of Bonds to the Imperial Treasury, as collateral security for the debt that might be found due to the Home Government. It is considered that a charge of £1,250 for signing and handing over the Debentures is unreasonable. The negotiation and sale of Debentures may involve much care and judgment, but the mere transfer of them to the Imperial Treasury as security, or to a Bank for negotiation and sale, is a very different transaction, for which no charge should have been made by the Crown Agents. The Crown Agents have been informed of the opinion of the Auditor, but they have not been instructed to repay the sum objected to.

The Colonial Treasurer shows a receipt under the War Loan of £100,000 as the proceeds of his draft on the Crown Agents in London in favour of the Bank of New Zealand. It is found that on the same day the Bank of New Zealand issued its draft on London in favour of the Crown Agents. As the two drafts were contemporaneous they virtually cancelled each other; and it is found that the Crown Agents in London exchanged one draft for the other. For this transaction the Bank has been paid £1,000, as appears on Voucher No. 1,612 of the Colonial Treasurer's Account. The voucher states that the £1,000 is the amount paid for exchange on draft on London in favour of Crown Agents, dated 10th April, 1867.

In the month of September following, the Treasury proposed that this sum of £1,000 should be treated as a payment on account of Treasury Bills. The transaction, under this new arrangement, may be explained as follows:—Dropping out of view altogether the exchange of drafts on London, it appears that on the 10th of April, 1867—the day on which the drafts were exchanged—Treasury Bills for £100,000 were issued to the Bank of New Zealand, and on the same day a corresponding sum was placed by the Bank to the credit of the Colonial Treasurer's Advance Account. It is also found that on the same day the Colonial Treasurer entered into a contract with Mr. Thomas Russell, of Auckland, for the disposal of £150,000 Treasury Bills,—that is, of all the Bills that the Treasurer was authorised to issue,—with an undertaking to pay him one per cent. commission for all Bills put in circulation. On the same day as the contract was signed the £100,000 Treasury Bills were issued to the Bank. As this transaction occurred on the day the contractor entered upon his engagement, it cannot be supposed that he was put to any trouble or expense, or that he did any service which an officer of the Government could not have done as readily as he did. He appears, therefore, to have waived his claim for commission, while the Bank charged a corresponding sum as the exchange for its draft on London. This sum the Treasury now proposes to charge in the Public Accounts as a payment for commission on the issue of Treasury Bills.

It is necessary to explain that "The Treasury Bills Regulation Act, 1866," does not give expressly to the Treasurer power to issue bills, but to "prepare" and "make" them. Probably this omission in the Act was an oversight. It gives to the Treasurer, however, permissive authority to contract with any person for exchanging Treasury Bills for ready money, and under this provision the contract was entered into. It is not understood why the Treasury went to the expense of £1,000 to avoid a technical difficulty, or how the Bank can be entitled to such a sum for an interchange of draft.

On the 3rd July, 1867, another set of bills for £25,000 was disposed of to the Bank. In this case the Bank has formally claimed the commission as due to the Bank, and has given its receipt for the amount. In the previous case, as the accounts stand at present, the transaction is unsupported either by the receipt of the Bank or by that of the contractor.

The draft of the Colonial Treasurer for £100,000, which is inserted among the receipts of the Three-Million Loan Account, the Auditor has excluded from Abstract III., and has struck out a corresponding sum from the balance at page 79 (printed Statement). Unless this is done, or the liability for the concurrent draft of the Bank is shown, the public balance is fictitiously increased by £100,000.

ABSTRACT IV.

Reserve Fund.	The particulars of the moneys reserved are as follows:—	£	s.	d.
	Main Line Steam Subsidy	17,050	0	0
	Native Schools	3,200	19	3
	Manual of New Zealand Botany	300	0	0
	Native Purposes	13,649	17	6
		<hr/>		
		£34,200	16	9

ABSTRACT V.

Surplus Revenue Account. It has already been explained that the Comptroller is of opinion that no provision has been made by the Legislature to charge any portion of the over-issue against the Ordinary Revenues.

ABSTRACT VI.

It will be seen that the balance outstanding on the 30th June, 1866, £61,140 9s. 10d., has been charged against the Surplus Revenues, and the amount written off from this Account. The Supplementary Expenditure for the year ending 30th June, 1867, is £10,385 11s. 8d., for which no provision has been made—if the opinion of the Comptroller is maintained that “The Appropriation Act, 1867,” merely indemnifies the Colonial Treasurer for the unauthorized issue of public moneys, without determining against what fund the issue is finally to be charged.

ABSTRACT VII.

The Treasury Statement includes a sum of £97,931 2s. 2d. in charge of the Agents in London, but deposited for a few days in a London bank for security and interest. It will be more useful, in an analysis of the financial position of the Treasury, to include this sum among the available balances in the hands of the Agents of the Treasury. (See Statement of Balances, after Abstract IX.)

ABSTRACT VIII.

Attention is called to the sum of £132,221 7s. 8d. outstanding on account of Miscellaneous Advances. The effect of allowing balances of Advances to be outstanding at the termination of a Financial Year, is to shut out of the Revenue and Loan Accounts a corresponding amount of disbursements, and necessarily, so far, to mask the Government Expenditure. The accumulation of balances ought to be prevented in future by the operations of “The Public Revenues Act, 1867.” The Legislature has provided that balances of Public Moneys in the hands of Sub-Accountants shall be returned to the Treasury on the termination of each Quarter; and the Regulations issued under the authority of the Public Revenues Act require Advance Accounts to be furnished monthly, so that the Treasury may write off the Advance Accounts much earlier than hitherto. The outstanding Advances to Officers of the Government are chargeable, in various sums, on the Ordinary Revenues, the Reserve Fund, and the Three-Million Loan, but principally on the last fund. A large portion of the Advances to Provinces is also chargeable on the Three-Million Loan.

The Imperial Government Advance Account shows a balance in favour of the Colony of £282,635 0s. 11d. The Treasury, in its Accounts, has hitherto admitted only a portion of the claims against the Colony, and has debited the Imperial Treasury with the issue of £500,000 Debentures, leaving the above balance in favour of the Colony. It would show more completely the state of the Three-Million Loan if this balance were treated as a charge on that fund, as the claims between the two Governments have been cancelled

ABSTRACT IX.

It is difficult, out of the mass of complicated transactions of the Treasury, to explain, within reasonable limits, the particulars of the “Suspense Accounts.” The above Abstract exhibits the balances cleared of “cross” entries. The Treasury balances are here shown, and will be found also on the last page of the printed Statement.

Dr. Balances	£89,830 6 11	£	s.	d.
	21,531 3 9			
	37,679 6 7			
	149,040 17 3			
Cr. Balances	£94,830 6 11			
	21,531 3 9			
	38,512 13 7			
	46,417 11 9			
	21,750 0 0			
	163,457 9 10			
	386,499 5 10			
Difference		£237,458	8	7
Being total Balance of Abstract IX., viz. ...	22,941 19 6			
	100,241 17 10			
	114,274 11 3			
	£237,458	8	7	

The “Interest and Sinking Fund Suspense Accounts” concern principally the open Remittance Accounts of Banks, Agents, and Trustees. If these temporary accounts were struck out, the Treasurer’s balance shown at page 102 of printed Statement would be diminished by an equal amount, and thus the real state of the Treasury cash balance would be exhibited.

Collecting together the Debits and Credits of the nine preceding Abstracts, which embrace the whole of the Treasury transactions as exhibited in the Annual Statement, we have—

	£	s.	d.
Issued on account of Unauthorized Services, not yet charged against the Ordinary Revenues (Abstract VI.)	10,385	11	8
Issued to Provinces in excess of Surplus Revenues not yet charged against the Ordinary Revenues (Abstract V.)	325,776	12	1
Issued as Advances, but not yet charged against the Ordinary Revenues or any other Fund (Abstract VIII.) :—			
To Provinces	£101,733	4	8
Miscellaneous Advances	132,222	7	8
British Treasury	282,635	0	11
	516,590	13	3
Issued to Native Lands Courts in excess of Receipts (Abstract VII.) Balances—	7,594	8	6
In hands of Treasurer and Sub-Accountants	£26,514	6	10
Remittances <i>in transitu</i>	64,260	12	5
In Banks in deposit (Abstract VII.)	97,931	2	2
,, not in deposit	43,171	8	10
	231,877	10	3
	£1,092,224	15	9

The above balances of issues are the results of operations extending over several years. Where public moneys are thrown into a common chest, it cannot be stated out of which particular funds the Colonial Treasurer obtained the means of making the above issues; but it appears the Treasurer, on the closing of the year’s accounts, held the sum of £231,877 10s. 3d. to represent the following balances, amounting to

£1,049,096 1s. 4d., which, but for the above issues, would have been to the credit of the Public Account, either at the Bank or in the hands of Accountants of the Treasury :—

	£	s.	d.	£	s.	d.
Balances of Special Revenues (Abstract II.)	{ Dr. 65,843	14	1			
	{ Cr. 13,033	14	5			
				52,809	19	8
Ditto of Loans and Treasury Bills, viz. (Abstract III.) :—						
Half-Million Loan	32,357	15	4			
£150,000 Loan	1,575	3	11			
Three-Million Loan	508,154	1	4			
Treasury Bills outstanding	125,000	0	0			
				667,087	0	7
Ditto of Reserve Fund (Abstract IV.)				34,200	16	9
Ditto of Deposits (Abstract VII.)				100,668	10	2
Ditto of Suspense and Temporary Accounts, viz. (Abstract IX.) :—						
1. Receipts of year 1867-8	22,941	19	6			
2. Interest and Sinking Fund Temporary Accounts	100,241	17	10			
3. Savings on Votes	114,274	11	3			
				237,458	8	7
				£1,092,224	15	9

The sum of £500,000, issued to the Imperial Treasury in debentures, in liquidation of claims on account of war expenses, has been temporarily placed in an "Advance" Account, where it leaves a balance overpaid to the Imperial Treasury of £282,635 0s. 11d. This sum, if transferred to the Three-Million Loan Account, would reduce the Balance of Advances and that of the Three-Million Loan by a corresponding sum.

It is also necessary to observe that the balance of the "Interest and Sinking Fund Temporary Accounts" (£100,241 17s. 10d.) is a "cross" entry. If struck out, the balance at the foot of the Statement of Issues (see also "Balance," page 102 of printed Statement) would be reduced by that amount. This must be clearly understood, as otherwise it might be supposed that the "balance" referred to existed as a cash balance, when in reality £100,241 17s. 10d. of the amount is merely a "cross" entry.

The Public Debt of the Colony, on the termination of the financial year 1866-7, may be stated as follows :—

	£	s.	d.	£	s.	d.
Treasury Bills outstanding	125,000	0	0			
Old Debentures outstanding	316	0	0			
Southland Certificated Debt	281,829	15	1			
Half-Million Loan	500,000	0	0			
Loan of £150,000	150,000	0	0			
Three-Million Loan	3,006,237	15	11			
				£4,063,383	11	0
Apportioned as follows :—						
Auckland,—On account of Native titles to land extinguished	90,000	0	0			
On account of War Loan*	186,707	16	8			
				276,707	16	8
Wellington,—On account of Native titles to land extinguished	27,000	0	0			
On account of War Loan*	14,841	8	10			
				41,841	8	10
Taranaki*				39,979	11	3
Hawke's Bay,—On account of Native titles to land extinguished	27,000	0	0			
On account of War Loan*	2,727	16	11			
				29,727	16	11
Nelson,—Under Public Debts Apportionment Act	45,000	0	0			
Canterbury,—Do. do.	74,000	0	0			
Otago,—Do. do.	63,000	0	0			
Southland,—Do. do.	18,000	0	0			
Do., Certificated Debt	281,829	15	1			
				481,829	15	1
Colony				3,193,297	2	3
				£4,063,383	11	0

The Public Debt, as stated by the Treasurer, shows a liability on account of the Three-Million Loan of £1,000 in excess of the correct sum. The discrepancy arises from the Treasury having treated an exchange of debentures as an addition to the Public Debt. The over-statement will be adjusted in the Accounts for the year 1867-8.

On the other hand, the Treasury has not included among the Public Debts the Certificates issued by the Auditor-General in acknowledgment of Southland Debt. These Certificates, with the accruing interest, are a liability of the Colony. The Certificates issued amount to £281,829 15s. 1d.

2nd July, 1868.

CHARLES KNIGHT, Auditor.

* "The Loan Allocation Act, 1865," under which this apportionment is made, was repealed by "The Loan Allocation Act Repeal Act, 1867."

ABSTRACT III.—LOAN ACCOUNTS.

RECEIPTS.		DISBURSEMENTS.		£	s.	d.	£	s.	d.
Half-Million Loan, 1856—		Half-Million Loan, 1856—		33,414	7	9	...	...	...
Balance unexpended on 30th June, 1866	...	Second Division of the Loan for Redemption of Scrip	...				689	17	6
The Loan credited with the following Sums which have been transferred to the—	...	Third Division of the Loan for Extinction of Native Titles to Land, viz.—	...				218	8	9
Debit of the Province of Auckland	1,243 19 3	In the Province of Auckland	...				2,579	7	4
Ditto Wellington	1,287 1 11	Ditto Taranaki	...				...	...	...
Ditto ditto Wellington	...	Ditto Wellington	...				...	...	...
		Balance unexpended on 30th June, 1867	...	35,945	8	11	...	...	...
				1,575	3	11	...	...	...
Loan of £150,000, 1860—		Loan of £150,000, 1860—					...	...	...
Balance unexpended on 30th June, 1866	...	Balance unexpended on 30th June, 1867	...				...	...	...
						
War Loan of Three Millions—		War Loan of Three Millions—		2,087,644	11	3	...	...	...
Issue of Debentures and Advances in Aid up to 30th June, 1866, viz.—	...	Payments on account of the Loan from 1st July, 1862, to 30th June, 1867, viz.—	...				...	...	...
Debentures Issued	2,581,282 15 11	Suppression of Rebellion	...				1,551,639	0	10
Advances, Bank of New Zealand	26,361 15 4	Introduction of Settlers, Surveys, &c.	...				403,889	8	7
Draft on Colonial Agent	80,000 0 0	Lighthouses and Telegraphs	...				107,881	16	6
		Taranaki Reinstatement	...				151,950	3	6
		Government Domain	...				7,303	7	9
Issue of Debentures and Advances in Aid since 30th June, 1866—	...	Discount and Charges on Negotiation of Loan	...				275,469	17	5
Debentures Issued	536,455 0 0	Bank Advances repaid	...				26,361	15	4
Less Debentures Redeemed	111,500 0 0	Draft on Colonial Agent repaid	...				80,000	0	0
		Balance, 30th June, 1867	...				508,154	1	4
Draft on Colonial Agent, £100,000 (omitted).	...			3,112,599	11	3	...	...	...
				11,775	0	0	...	...	...
Treasury Bills—		Treasury Bills—		125,000	0	0	...	...	...
Bills in circulation on 30th June, 1866	...	Bills Redeemed	...				...	...	...
Bills Issued during year 1866-7, under "Treasury Bills Act, 1866"	...	Bills in circulation on 30th June, 1867	...				125,000	0	0
				136,775	0	0	...	...	...
				...	...	...	136,775	0	0

ABSTRACT IV.—RESERVE FUND.

RECEIPTS.		DISBURSEMENTS.			
£	s. d.	£	s. d.	£	s. d.
Balance of Votes in charge of Colonial Treasurer on 30th June, 1866	35,196 3 9	Payments on account of Native Schools Purposes	438 2 8	1,020 0 10	9
Recoveries on account of Votes of former years	24 13 10	Balance in charge of Colonial Treasurer, 30th June, 1867	...	34,200 16 9	9
	35,220 17 7		...	£35,220 17 7	7

ABSTRACT V.—SURPLUS REVENUES ACCOUNT.

RECEIPTS.		DISBURSEMENTS.			
£	s. d.	£	s. d.	£	s. d.
Surplus Revenues transferred from the Ordinary Revenue Account of 1866-7	53,928 5 4	Debit Balances on 30th June, 1866	56,858 15 10	86,537 14 7	7
Refunds on account of Salaries of Provincial Auditors	8,730 13 8	Deduct Credit	20,321 1 3	18,356 12 2	2
Balances on 30th June, 1867, being overpayments to Provinces, namely:—	23,003 15 7	Payments to Provinces of $\frac{3}{4}$ ths of Customs for 1865-6	...	322,902 9 2	2
Auckland	8,079 14 0	Supplementary Expenditure charged against Surplus Revenues	...	61,140 9 10	10
Taranaki	12,533 11 3	Interest and Sinking Fund on Loans	...	18,889 9 9	9
Wellington	13,745 9 0				
Hawke's Bay	65,976 15 0				
Nelson	120,296 3 4				
Marlborough	19,482 4 11				
Canterbury					
Otago					
Southland					
	325,776 12 1			£457,826 15 6	6

ABSTRACT VI.—SUPPLEMENTARY ACCOUNT.

RECEIPTS.		DISBURSEMENTS.			
£	s. d.	£	s. d.	£	s. d.
Supplementary Expenditure of 1864-5-6, now transferred as a charge against the Surplus Revenues of the Provinces	61,140 9 10	Balance outstanding on 30th June, 1866	...	61,140 9 10	10
Balance outstanding on 30th June, 1867	10,385 11 8	Supplementary Expenditure of 1866-7, viz.:	...	8,165 3 5	5
		General Charges	...	2,220 8 3	3
		Provincial Charges	...	10,385 11 8	8
				£71,526 1 6	6

ABSTRACT VII.—MISCELLANEOUS DEPOSITS.

RECEIPTS.		£	s.	d.	PAYMENTS.		£	s.	d.
Balances on 30th June, 1866, Credit	...	53,902	7	2	Intestate Estates	...	...	...	4,806 5 2
Balances on 30th June, 1866, Debit	...	23,791	19	2	Money Order Account	...	...	...	74,544 9 8
Intestate Estates	...	...	...	...	Native Lands Courts	...	...	...	6,839 9 10
Money Order Account	...	...	...	...	Post Office Savings Bank	...	...	...	341 0 8
Native Lands Courts	...	...	...	...	Bank Deposits	...	...	...	522,015 10 11
Post Office Savings Bank	...	...	...	...	Civil List	...	...	...	154 16 9
Bank Deposits	...	...	...	...	Lighthouse Dues	...	...	...	936 17 4
Civil List	...	...	...	...	Miscellaneous Accounts	...	...	...	10,258 16 9
Lighthouse Dues	...	...	...	...	Native Funds, viz. :—	...	...	...	...
Miscellaneous Accounts	...	...	...	...	Wairarapa 5 per Cents.	...	400	0	0
Native Funds, viz. :—	...	...	...	...	Native Reserves	...	451	4	10
Auckland 10 per Cents.	...	469	19	0	Balances on 30th June, 1867, due to—	...	...	...	851 4 10
Wairarapa 5 per Cents.	...	2,579	7	4	Intestate Estates	...	23,424	18	11
Native Reserves	...	1,825	8	10	Money Order Account	...	15,350	18	9
Balances on 30th June, 1867, due by—	...	...	...	...	Post Office Savings Bank...	...	22,535	16	6
Native Lands Courts	...	7,594	8	6	Civil List Savings	...	9,856	0	8
Banks on account of Deposits	...	97,931	2	2	Patriotic Fund	...	1,619	9	2
					Native Funds	...	6,401	4	9
					Dunedin Reserves	...	6,031	18	9
					Lighthouse Dues	...	6,398	0	11
					Miscellaneous Accounts	...	3,018	2	0
							100,668	10	2
							£721,417	2	1

ABSTRACT VIII.—ADVANCE ACCOUNTS.

RECEIPTS AND CREDITS.		£	s.	d.	£	s.	d.	DISBURSEMENTS AND DEBITS.		£	s.	d.
Provinces Separate Account—								Provinces Separate Account—				
Advances repaid by Provinces, and Claims of the Provinces against the General Government accrued during the Financial Year, 1866-7	...	...	...	...	116,156	8	5	Balances due by Provinces on 30th June 1866		70,486	9	0
Balances due by Provinces on 30th June, 1867, viz.—								Claims of the General Government against the Provinces for Advances, &c., during the Financial Year 1866-7		147,408	4	1
Auckland	...	45,151	3	1						217,889	13	1
Taranaki	...	2,635	10	7								
Wellington	...	5,226	19	7								
Hawke's Bay	...	5,905	12	7								
Nelson	...	163	11	8								
Marlborough	...	227	0	2								
Canterbury	...	274	16	10								
Otago	...	647	2	6								
Southland	...	41,801	7	8								
					101,733	4	8			168,450	17	0
Southland Provincial Debt—					217,889	13	1	Imperial Government Account—				
Land Fund Receipts retained to discharge Provincial Debts	...	...	...	...	168,450	17	0	Balance on 30th June, 1866		276,861	6	5
								Claims on Imperial Government accrued in 1866-7		7,528	15	6
Imperial Government Account—										284,390	1	11
Claims against the Colony during 1866-7	...	...	...	...	1,755	1	0					
Balance on 30th June, 1867	...	...	...	...	282,635	0	11					
					284,390	1	11					
Miscellaneous Advances—								Miscellaneous Advances—				
Advances repaid or Transferred	...	...	...	...	268,669	8	9	Balances Outstanding on 30th June, 1866		115,065	14	5
Balance on 30th June, 1867	...	...	...	...	132,222	7	8	Advances Issued or Transferred during 1866-7		285,826	2	0
					400,891	16	5			400,891	16	5

Treasurer's Items, page 102 of printed Statement, as follows:

(1) £	s.	d.	(2) £	s.	d.	(3) £	s.	d.	(4) £	s.	d.
4	9	6	4	6	3	4	6	3	4	6	3
3,154	3	4	475	0	0	500	0	0	8,129	8	4
265,510	15	11	131,743	1	5	114,561	4	11	282,682	12	5
£268,669	8	9	£132,222	7	8	£115,065	14	5	£285,826	2	0

