

able to express my views to the Council more clearly than in any other manner that I could devise. The October estimates, it will be recollected, were withdrawn to make room for what were called the short estimates. The short estimates were the set of estimates for November and December, also another set for January and February. I thought at the time that that arrangement was somewhat inconvenient, but I adopted it in deference to the views of certain members of the Council who urged it upon me; though, for my own part, I should have much desired to have taken the four months in one single estimate. However, this is no longer of any consequence, as I propose to repeal those Acts, and to treat them as though they had never existed. It is possible, Sir, that some members of the Council may not have the estimate of revenue sent down by my predecessor before them, so I will take the liberty of reading it. And I do this because I am going carefully to compare, item by item, the two statements, my predecessor's with my own. Mr. Newman's is as follows—

*Estimate of the Revenue of the Province of Auckland for the year 1865.*

|                                       | £        | s. | d. |
|---------------------------------------|----------|----|----|
| Surplus Provincial Revenue for 1864   | 11,000   | 0  | 0  |
| Customs                               | 60,000   | 0  | 0  |
| Land Revenue.                         | £10,000  | 0  | 0  |
| Less—Interest and Sinking Fund        | 4,000    | 0  | 0  |
|                                       | 6,000    | 0  | 0  |
| Pilot and Harbor Dues                 | 3,600    | 0  | 0  |
| Provincial Revenue                    | 7,000    | 0  | 0  |
| Repayment of Assisted Passages        | 2,000    | 0  | 0  |
| Interest on Wharf Debt                | 720      | 0  | 0  |
|                                       | 90,320   | 0  | 0  |
| Interest and Sinking Fund on Loans    | £6,000   | 0  | 0  |
| Amount due by Harbor Trust, say       | 12,000   | 0  | 0  |
| Land in lieu of House in Short-street | 1,600    | 0  | 0  |
| Military Prisoners                    | 1,300    | 0  | 0  |
|                                       | 20,900   | 0  | 0  |
|                                       | £111,220 | 0  | 0  |

These assets, on the whole, when stated, were correct. It is only the change of circumstances that has caused the variation, and that variation I am about to explain. I shall endeavour in the first place to get rid of that confusion in the use of terms which has hitherto prevailed in our financial statements. I wish to give a little more precision to financial language, and to limit the terms which we use to their exact meaning as defined by law. We have heard, Sir, of ordinary colonial revenue, of general revenue, of surplus and of unexpended revenues (two very different things), of provincial revenue, of ordinary provincial revenue, of land revenue, of trust revenue; in fact, of a swarm of revenues, which, unless they are absolutely defined, and always used in the same sense, merely tend to mystification of accounts. By unexpended revenue I mean unexpended revenue as distinct from surplus revenue, between which there has invariably, ever since I have known the Council, been considerable confusion. These terms for distinction of revenues have been most carelessly made use of. I desire to restore to them the meaning which they are entitled to under the various Acts of the Assembly which created them. By the ordinary revenue of the Colony I understand the revenue arising from all existing, all future taxes, duties, fees, fines, penalties, and forfeitures, as specified in the Schedule of the "Ordinary Revenue Act, 1858." In a side note to that Act it is called "The General Revenue," wherefore, it appears, that the ordinary and general revenues are one and the same thing. In this, there is some carelessness, but that is no fault of ours. The surplus revenue is so named by the Surplus Revenues Act of the General Assembly, 1858. It is that portion of the ordinary colonial revenue which is divisible among the various provinces in the like proportion as the gross proceeds of the said revenue shall have arisen therein respectively. A debtor and creditor account is kept in each of the Provinces. Every Province is debited in the first place with the maintenance of certain departments named in the schedule, and the balance of the surplus revenue, after deducting the amount so debited, becomes the ordinary provincial revenue. By the term provincial revenue, without the addition of the term ordinary, I understand, the sums raised from the Province by direct taxation, by way of licenses, pilotage, harbor dues, &c. I consider the term to be an exceedingly loose term, by far too extensive, because it sounds very much like the whole revenue of the Province; but I am obliged to take words as I find them, and although I could wish for a different expression to the term now in use,—“local revenue” perhaps might serve,—I have no choice but to retain it. Land and trust revenues speak for themselves. By “unexpended revenue” I mean, that portion, if any, of the gross provincial income, which may remain as a saving at the end of the financial year, in excess of the sums which had been appropriated by Council, or as votes not issued in full. This year we have savings to the amount of £9000. I repeat, that this must be carefully distinguished from surplus revenue. I have been thus careful about terms because Mr. Newman and myself do not always use them alike.

Now, Sir, I will take the estimate of the revenue of the colony, as brought down by my predecessor in office. I find, as the first item, surplus provincial revenue for 1864, £11,000. We have amended not only the designation but the amount. I consider that this ought to be more properly termed “balance of surplus general revenue, in excess of the three-eighths,” calculated up to June 30th, 1864, which is the end of the financial year of the General Government; and here I will take occasion to correct a very common misimpression. These three-eighths are not a fixed amount, but merely an amount adopted for convenience sake, payable until the true balance can be struck in the books. As soon as the account between the General Government and the Province is balanced, the three-eighths vanishes, and the whole of the surplus revenue subject to certain stoppages becomes ordinary provincial revenue. There is no talismanic force, no peculiar sanctity about these same