

1. The Colonial Treasury holds the sum of 5860*l.* due to sundry accounts, such as Intestates Estates, Hospital Trust, English Post Office, Income Tax, &c. For these the Colony is responsible. We may remark incidentally that as to the amount due to Intestates Estates, in the opinion of your Committee it ought to be removed from the general account, and set apart as a special Fund for its proper object. The question whether the Colonial Treasurer is the proper custodier of this Fund appears to your Committee doubtful. The Supreme Court, which is responsible to the claimants on the Fund, ought to provide for its proper custody. The Regulation of this and Funds of a like nature, appears to be fit matter for the consideration of the Legislature.

2. The Colonial Treasury received in the year 1854-55 the sum of 52,896*l.* on account of Land purchases, but which sum according to the statement of the Auditor-General, is held in suspense, to be carried over to the next year's account.

This is a liability for which provision must be made; we shall presently have to remark upon the proper mode of treating the Fund.

3. There are due, according to the Auditor-General's statements, to sundry Provinces various sums up to the 30th June last. The Balances on that day are stated by the Auditor-General proximately as follows.

	Due to.	Due from.
Due to Auckland	10,000	
„ „ Wellington	9,000	
„ „ New Plymouth	1,390	
„ „ Otago	725	
Due from Canterbury		6,500
„ „ Nelson		5,500
	<hr/> £21,115	<hr/> £12,000

The balances stated to be due from Canterbury and Nelson are said to be in course of liquidation from refund of accruing Revenue, but are not immediately available. Those Provinces to which balances are admitted to be due, are clamorously requiring payment.

4. There is due to the New Zealand Company, balance of fourths of the Land Fund to the 30th June last, about 4,270*l.*

5. Besides these sums which appear on the Auditor-General's accounts, Mr. Commissioner McLean states that there are still due, ascertained balances amounting to about 12,700*l.*, on former purchases of Native Lands, payable in the current financial year, exclusive of about 400*l.* payable in 1857 and 1858, of the sum required for completing purchases at Hawke's Bay, hereafter referred to, amounting to 8,500*l.* and exclusive of other amounts, apparently of considerable extent, in cases not yet defined. These are debts due from the Land Fund; and although some of them do not require prompt payment, yet, for the purpose of ascertaining our present financial position, and particularly for reasons [which we shall hereafter advert to, we treat them as present liabilities, to be brought into charge, and provided for.

6. There is a sum due to the Natives for per centage on land sales, the exact amount of which cannot be ascertained, but estimated at not less than 1000*l.* The excess of expenditure for the past year, for which provision is asked in the present Appropriation Bill, amounts to 6075*l.*

7. Thus far the calculations on which we have proceeded do not substantially differ from those of the Government accountants. It will be seen that the above is merely an approximate view of the state of our Finances. No credit is taken for sums in the hands of the Sub-Treasurers. On the other hand, nothing is debited for current outstanding ordinary liabilities, or current payments to Provinces.

As regards the sum of 52,896*l.* due to the land account, questions have arisen. The mode in which the fund arises, is as follows:—Parties applying to purchase land are, in general, obliged by the Regulations to pay, at the time of application, the full amount of their purchase monies; but a delay