2. I have therefore to ask your consideration whether it would not be more satisfactory to determine that gentlemen thus distinguished shall take precedence in the order in which the said privilege may have been conferred upon them.

I have, &c.,
JAMES FERGUSSON,
Governor.

The Right Hon. the Earl of Kimberley.

No. 10.

COPY of DESPATCH from Governor the Right Hon. Sir J. FERGUSSON, Bart., to the Right Hon. the Earl of KIMBERLEY.

(No. 63.) Government House, Wellington,
New Zealand, 1st August, 1873.

MY LORD,—

I have the honor to forward for your information three copies of the Annual Financial Statement, delivered on the 29th ult., by the Hon. Mr. Vogel, C.M.G., the Colonial Treasurer and Premier, which I venture to think will be found of great interest as illustrative of the condition and progress of New Zealand, and also of the plans upon which the Government are seeking to develop its resources. Enclosure.

2. For the first time, the account of the revenue is closed at the end of the financial year, the receipts at the Treasury up to the 30th June only being taken as the revenue of the year; and the system of control and pre-audit recently established enables the Treasurer to state, almost immediately after the close of the year, the result of its transactions. But the estimated balance of assets carried over will not in the present instance exceed £4,500.

3. The debt of the Colony, for loans contracted originally either by the General or Provincial Governments, now entirely assumed by the former, amounts to £10,369,706, causing an annual charge for—

Interest and Sinking Fund of	£632,132
The Estimated Revenue, 1872–73	1,076,562
Actual Revenue...	1,119,402
The Estimated Expenditure, 1872–73 (including Supplementary Estimate)	1,077,303
Actual	1,113,398
Showing an increased Revenue over that of 1871-72 of	111,987
And one over the Estimate	42,840
And Surplus on the Year of	3,835

Up to 1870 there had been an annual deficiency, which had in great part been met by the issue of Treasury Bills. Prior to the year 1869–70 these had accumulated to a sum of £500,000, and the further deficit of that year amounted to £136,000. The latter sum was covered by a fresh issue of Treasury Bills, but the present Treasurer arranged for their gradual redemption. At the close of the year 1871–72 there remained £90,000; during 1872–73 there has been paid off a moiety of £45,000; and the remainder it is proposed to defray out of the revenue of this year. It is intended that the £500,000 outstanding from an earlier date shall not form part of the permanent debt of the Colony, but shall be renewed for a short time only, and be gradually extinguished. I cannot however forget, in viewing with satisfaction the extinction of this old debt owed by revenue out of the current income of the Colony, that the public has been since 1869 relieved of the heavy burden of the "Defence" expenditure, *i.e.*, of the Armed Constabulary and other charges connected with the pacification of the Northern Island, and that a sum of £150,000 is still, and will be for two years more, defrayed under this head by means of loans.

4. The Estimated Expenditure for the year 1873–74 inclusive of an increased charge to the Immigration and Public Works Loan of ... £56,000

And the Redemption of Bills	45,000
Will amount to	1,131,688
The Estimated Revenue to	1,180,500

5. The Total Value of Imports during	1872–73 was	...	6,102,811
	1871–72	...	4,483,442
Exports	1872–73	...	5,435,080
	1871–72	...	5,875,828

But the decrease in the latter is caused by a great, though perhaps temporary, falling off in the produce of gold, amounting to £813,335.