And observe that the first item is for maintaining four regiments, commonly known in the Colony as Waikato Regiments, and one Taranaki do., and that the amount for Location of Settlers is computed according to the rate prescribed in clauses 2 and 3 of the "Loan Appropriation Act"—£30,000 having been set down for liability incurred for bringing in immigrants (and the estimate is only moderately stated), £90,000 will be the sum that must be estimated for location. I observe generally (with the exception of the "Sandfly" and "Prince Alfred," which may probably be dispensed with), that from the best inquiries I have been able to make, I conclude that the statement of current rate of expenditure is under-stated rather than otherwise.

I next proceed to the consideration of the Assets:—

I take the Balance at the various Sub-Treasuries . .				£20,000	0	0
A Refund from Provinces				1,409	0	0
Refund from Southland, to recover which the Land Fund has been impounded				21,222	0	0
I now pass to an amount which consists of "balance of debentures realized" (an examination of the statement of account furnished by the Crown Assets will explain). I make up the account in this way, viz.:—						
Balance in hands of Crown Agents .	£19,285	1	2			
Instalments payable by credit Mobilier Co.:						
In November, 1864 . . .	120,000	0	0			
In July, 1865	170,000	0	0			
Making a total balance available from debentures realized of				309,285	1	2
And a grand total of assets				£351,916	1	8

Let us now see if the Colony possesses any other assets. The balance of the loan of 1856 (£500,000) has been exhausted; the same is the case for that of 1861 (£150,000): the Loan Act of 1862 (500,000) is absorbed in the subsequent Act of 1863 (£3,000,000), and I know of no other assets excepting two millions of bonds, being *balance of bonds* issuable under this Act. I say balance of *bonds* advisedly, because, although when it became my duty to examine this account I perceived that legal power was taken to issue (n) millions of bonds to raise £3,000,000 sterling, yet, speaking as a Member of the House of Representatives, I for one (and I think I express the general opinion), certainly never contemplated burthening the Colony with a larger amount to be repaid than £3,000,000 sterling.

Assuming therefore that position, and in fulfilment of the task I have officially to discharge—viz., to render up an account of how far the ordinary and extraordinary votes of the House of Representatives last year have been observed and carried out or exceeded, and to estimate how far what remains of the supplies thus granted will be sufficient to carry out the services for which special appropriations have been made by Act, but which for the present have not been carried out. I proceed, by way of *testing* our financial position, to convert our remaining bonds into sterling money. I say by way of *testing*, because I hope, Sir, it will not be supposed for one moment that that is an operation which I advise to be put in practice—far from it.

For this purpose I put down the Two Millions Debentures (balance of Loan) as estimated to realise £1,620,000 8s., (and this must be admitted to be a sanguine estimate.)

I now summarize:—

Assets . . . (£351,916 1 8 *plus* £1,620,000) =				£1,971,916	1	8
Liabilities incurred	£1,346,570	2	0			
Current expenditure extraordinary to 30th June, 1865	401,102	0	0			
				1,747,672	2	0
Thus leaving the sum of				£224,243	19	8

wherewith to carry out the intentions of the Legislature in terms of the "Loan Appropriation Act" of last Session—a sum totally inadequate to carry out the appropriations under the "Loan Appropriation Act, 1863." And here arises a very curious question: Appropriations under a permanent Act were made for different Provinces; the actual expenditure has been partial and not proportionate; and the proportion cannot be restored by the regulation of future expenditure, because the funds are exhausted or nearly so. In order to judge how far this sum will fall short of enabling those appropriations to be regarded, a reference will have to be made to the "Loan Appropriation Act." That Act is a study of itself; and I recommend its figures and phraseology to the attention of hon. Members.

I have now nearly completed my task, and have to express my thanks to the Committee for the great patience with which they have continued to listen to me throughout.

But some Hon. Members may say, "*This statement is all very well; but I want an answer to the question, How much have we spent?*" Now although I think (and I say it with all submission) that there is frequently an erroneous meaning attached to the word "spent" when you come to the analysis of accounts, yet I will readily satisfy Hon. Members on this point by referring them to the elaborate statement prepared by my hon. friend the late Colonial Treasurer, which I have before referred to. By that return it appears that, up to the 30th September 1864, there was expended under Loan Act 1863 . . . . £1,085,038 5 3
To that sum has to be added for October and November say 150,000 0 0
and that process is now going on at the reduced expenditure of say £45,000 per month, instead of £75,000.

And as I have referred to that return, I cannot refrain from noticing what may have been merely a clerical error, but may also have been intended as a grim jest. Lucky Maoris! Fortunate Treasurer! I congratulate my Hon. friend on his powers. The difficulties that have baffled Statesmen and Generals are solved by him in a moment, as he closes his ledger and proclaims the "Total Suppression of the Rebellion" at the trifling cost of £747,000 sterling.