

Crosbie Ward went to England, he was authorised to settle these matters with them, and he found them as stiff as possible upon the first two points, but ultimately they agreed to a commuted charge of 300 *l.* a year instead of the claim of fourpence on intercolonial letters. Now, sir, the total amount of these arrears is 26,300 *l.*, half of which, or 13,300 *l.*, I propose to charge upon the supplementary expenditure of this year, and to make provision for the payment of the other half out of the revenue of the current year. The surplus account will stand in this way if this proposal is adopted:—

Taking 76,016 *l.* as the surplus, we propose to charge upon it—

	£	s.	d.
Supplementary expenditure, 1861-1862	1,672	0	0
Ditto ditto 1862-1863	12,700	0	0
Cost of Custom House, Dunedin	11,600	0	0
Half of postal arrears	13,500	0	0

in all 39,272 *l.*, which being deducted from 76,016 *l.* leaves still a surplus for distribution of 36,744 *l.*

Sir, with reference to the supplementary expenditure for the financial year ended 30th of June, 1863, amounting to 12,716 *l.* as I have already stated, it is made up of a number of items of this kind:— First, there has been a payment of 267 *l.* 1 *s.* 6*d.* travelling expenses on account of the Governor's establishment; a clerk has been supplied to the Chief Justice, and the travelling expenses of the judges exceeded the estimate of 600 *l.* by 150 *l.*; there are some Post Office contingencies, and the amount voted for the Marine Board was not sufficient to pay the expenses of that Board; then there was an error of addition in the miscellaneous items on the estimates last year to the extent of 1000 *l.*, which is also included in the supplementary expenditure; for printing and stationery, 600 *l.* extra was required; 1619 *l.* was required for military allowances in Otago: the census expenses were under-estimated by 228 *l.*; 273 *l.* 16*s.* 10*d.* was incurred in the relief of the crew of H.M.S.S. "Orpheus" at the time of the wreck, on the 7th February last; then there is an item, which really amounts to something considerable year after year, for the apprehension of deserters. The Imperial authorities are always accusing the Colonial authorities of not providing sufficient establishments: they have accused us of not apprehending these deserters, not taking sufficient care to prevent desertion, or to prevent settlers concealing them: 900 *l.* was paid last year for the apprehension of deserters. The military authorities regard it as a matter of police with us, and we regard it as a matter they should look after themselves; and it appears in this case, as in many others, when the Colonial and Imperial authorities disagree, the Colony has to pay. Then, sir, for the Province of Auckland, the electoral printing expenses were not sufficient by 250 *l.*; at Taranaki a bailiff was wanted for the Resident Magistrate's court, and there are a variety of other little matters of this kind. At Southland the extension of population had caused considerable increase of expenditure; the Post Office alone requiring as much as 1,000 *l.* These, with other items of a similar description, make up the whole to 12,716 *l.*; details of which will be laid on the table of the House in full. Now, Sir, that concludes the statement of revenue and expenditure for last year.

I will now turn to a matter which has excited some little interest in this country, namely, a statement of the expenditure arising out of the native insurrection, from the 1st July to the 13th October, and supplement it up to the first of this month.

STATEMENT OF EXPENDITURE ARISING OUT OF THE NATIVE INSURRECTION, FROM 1st JULY TO 13th OCTOBER, 1863.

	£	s.	d.	£	s.	d.
V. "Sandfly," &c.	547	3	0			
First and second instalment for "Pioneer" or "Waikato"	1,000	0	0			
Removal of settlers from Raglan and Waikato				9,171	3	0
Blockhouses				543	18	0
Native Forces, Guides and Interpreters				2,398	12	6
Pay of Forces				493	1	5
Passages of Volunteers, Cost of Stores, Arms, &c., &c.				10,221	19	13
Horses				12,590	13	0
Miscellaneous				5,094	11	0
Road clearing and Bridge at Maungatawhiri				2,380	4	3
				2,700	0	0
				114,894	6	1
Remittances for similar purposes to Sub-Treasurers at New Plymouth, Wellington, Whanganui, and Napier, and Agent in London				31,300	0	0
				£146,194	6	1

There is a great point in this 13th October, because it happened to be exactly three months from the date when General Cameron crossed the Maungatawhiri, and thus it gives you the best way you can obtain the expenditure running over a period of three months, and it enables you to calculate the probable annual expenditure on account of the war more accurately than it can be done in any other way. Sir, from July 1st to the first of this month, including in the account all further expenditure, and including all liabilities, the sum of 200,000 *l.* will cover the whole (hear, hear), the whole expense for a period of four months. Now, Sir, considering all that has been written upon this question, the extra-