

PAPERS

RELATIVE TO

IMPERIAL CLAIMS AGAINST THE GOVERNMENT OF NEW
ZEALAND,

WITH REMARKS BY THE COMMISSIONER.

PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY BY COMMAND OF
HIS EXCELLENCY.

WELLINGTON.

—
1867.

To His Excellency Sir GEORGE GREY, Knight Commander of the Most Honorable Order of the Bath, Governor and Commander-in-Chief of the Colony of New Zealand, and Vice-Admiral of the same, &c., &c., &c.

MAY IT PLEASE YOUR EXCELLENCY,—

I have the honor to submit herewith for your Excellency's information, a Report of my examination into certain accounts, which were specially referred to in the Commission which your Excellency was pleased to confer on me.

The total amount of the Imperial claim against the Colony is £1,304,963 17s. 1d., of which I have admitted, as may be seen from the Report, the sum of £759,621 14s. 7d.

The total of the counter-claim of the Colony, which I have not examined, owing to the absence of an Imperial Commissioner, amounts to £906,856 15s. 8½d., from which, if the portion of the Imperial claim, which is admitted, be deducted, there will remain a credit due to the Colony of £147,235 1s. 1½d.

Having thus fulfilled, to the best of my ability, and so far as circumstances will admit, the duty entrusted to me; and, seeing no prospect of any immediate examination of the counter-claims of the Colony in concert with an Imperial officer, I beg to resign my Commission into your Excellency's hands.

J. RICHARDSON,
Colonial Commissioner.

Colonial Commissioner's Office,
Wellington, 16th July, 1867.

SIR,—

Wellington, 19th July, 1867.

In accepting the resignation of your office as Commissioner to investigate on the part of the Colony, the claims of the Imperial Government, I beg to express on behalf of the New Zealand Government the sense it entertains of the very efficient manner in which a task requiring no ordinary care and judgment has been discharged by you.

The Hon. Major Richardson, &c.

I have, &c.,
E. W. STAFFORD.

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- Page 2, paragraph 7, line 2, for 29th March, 1867 (Appendix B.), read 23rd April, 1867 (Appendix D).
Page 10, paragraph 57, line 5, for 27th of July, 1847, read 7th of July, 1847.
Page 15, paragraph 81, line 13, for 19th of December, read 27th of November.
Page 16, paragraph 86, line 3, for 30th of July, read 31st of July.
Page 17, paragraph 91, line 9, for 26th of July, 1863, read 26th of July, 1864.
Page 21, paragraph 104, line 4, for 27th July, read 27th of June.

P A P E R S

RELATIVE TO

THE IMPERIAL CLAIMS AGAINST THE COLONY.

THE COLONIAL COMMISSIONER'S REPORT.

Wellington, 1st July, 1867.

To His Excellency Sir GEORGE GREY, Knight Commander of the Most Honorable Order of the Bath,
Governor and Commander-in-Chief of the Colony of New Zealand, and Vice-Admiral of the same.

MAY IT PLEASE YOUR EXCELLENCY,—

On the 29th day of September, 1866, I had the honor to receive from your Excellency an appointment as Commissioner on behalf of the Colony, to examine in concert with Commissary-General Jones, certain accounts, including claims and counter claims (exclusive of capitation charge), more particularly referred to in certain Despatches, specified in the margin, between the Imperial Government and the Government of the aforesaid Colony, and into such other accounts as might be considered to arise between these Governments out of the Native disturbances in the Colony during the years 1860, 1, 2, 3, 4, 5, and 6, and to report to your Excellency the results of such examination, with a view to ascertaining the precise liabilities incurred by the Colony.

2. As the direction and extent of the inquiry are mainly developed in these Despatches, it will not be considered inexpedient that I should concisely recapitulate the chief points embodied in them.

3. They present a statement of the amounts advanced from the Colonial Treasury on account of Imperial troops and services to the close of 1865, and declare that at no time did your Excellency or your Responsible Advisers deem the great expenditure to which the Home Government and the Colony were put either necessary or desirable; that the war would have come speedily to an end if operations had been more energetically and successfully carried on; that the whole control of the Military Expenditure, either Imperial or Colonial, was virtually taken out of your Excellency's hands by the refusal of the General Commanding the Forces to furnish copies of Military Despatches relating to Military subjects, and also by keeping back from your Excellency the Estimates of Military Expenditure. They further exhibit the heavy outlay and sacrifices which were made by the Colony in the suppression of the rebellion, and by which a large saving was effected to Great Britain. They furnish important arguments, as adduced by the Colonial Secretary, Mr. Stafford, why the proposed increased rate of contribution by the Colony, in aid of the expenses of the Imperial troops, ought not to be made on any grounds of good faith and equity. Reference is made in them to the fact that certain debentures, to the amount of £500,000, had been delivered to the Imperial Government with a view to the adjustment of the debt due by the Colony; and they point out the desirability of covering these debentures by an Imperial guarantee, whereby a profit of about £20,000 might probably be realized. They convey also instructions to Mr. Jones relating to interest being charged, at the rate of 4 per cent. per annum, on the Imperial claim, and to crediting the Colony with the interest of the £500,000 debentures which had accrued from the 1st November, 1865; and, finally, they convey instructions for the appointment of a Commission to go minutely into the claims and counter-claims.

4. It will not be necessary that I should repeat to your Excellency the mode in which the examination entrusted to me has been conducted, nor how it has been interrupted; for the correspondence with Mr. Jones, which I forwarded to you in my reports of the 6th of April and the 2nd of May, will have put you in possession of all the material facts of the case. I will only here express my conviction that, had the system been continued for a few weeks longer, the whole of the claims and counter-claims would have undergone a searching and final examination, and the Commissioners would have been enabled to have presented their report by this time. When the large amount to which the claim of Her Majesty's Treasury has increased is considered, being now no less than £1,304,963 17s. 1d., it will doubtless appear to have been imperative on me to insist that the most minute and careful examination of the several items composing it should be instituted.

5. On the 9th of October last I placed an account, which I had received from Mr. Jones on the 6th of the same month, in the hands of Mr. Smith, an accountant, whose services I had secured, for thorough examination. I herewith append his report, dated the 8th of January (Appendix B). It will appear that the Debit side of the account amounted on the 31st of March, 1866, to £858,380 2s. 9d., exclusive of capitation charge for 1865-6, and also exclusive of any charge for interest. Intimation was however given that there was still an outstanding claim for arms and other military stores amounting to £79,756 19s. 10d., and probably the sum of £45,000 for an Admiralty claim. The sums on the Credit side of the account amounted, on the same date, to £16,248 8s. 7d., inclusive of £8,333 6s. 8d., being five months' interest on the Colonial payment of £500,000 in 4 per cent. debentures.

Sir G. Grey to
Mr. Cardwell—
No. 1, Jan. 1, 1866
" 6 " 8 "
" 9 " 12 "
" 11 " 13 "
" 42, May 12 "
" 43 " 12 "
" 44 " 14 "
" 45 " 14 "

Mr. Cardwell to
Sir G. Grey—
No. 32, Mar. 26,
1866.
No. 52, April 26,
1866.

6. On the 4th of April, four days before the departure of Mr. Jones, he enclosed me an account of the outstanding claims against the Colony to the 30th September last, and requested that it might be substituted for the incomplete one, the receipt of which I had acknowledged on the 6th of October. I am informed that these claims, amounting to £1,304,963 17s. 1d., include all claims against the Colony, with the exception of any charges that may be raised by the Admiralty, which charges have been frequently referred to as amounting to probably £45,000; and that the account has been drawn up with the utmost attention and anxiety for its correctness. In this account Credit is given to the Colony to the amount of £127,781 6s. 1d., but, with reference to both the Debit and Credit sides, Mr. Jones intimated that the account must be considered as liable to alteration and adjustment by the Home Government.

7. On the 5th of April I forwarded to the Accountant the substituted account above referred to, which I had received on the previous day. I append his report, dated the 29th March, 1867, (Appendix B.) from which it appears that on the Debit side there are 47 new items, some of them dating as far back as 1861, amounting to £279,305 7s. 2d., to which is to be added *compound interest*, amounting to £167,278 7s. 1d., augmenting the gross claim to £1,304,963 17s. 1d., while there are 14 new items on the Credit side, amounting to £111,084 18s., inclusive of eleven months interest on the Colonial payment in debentures of £500,000, the principal of which is omitted, raising the total credit, with compound interest at 4 per cent., to £127,781 6s. 1d., and shewing a net balance against the Colony of £1,177,182 11s. The account on both Debit and Credit side is brought up from the 31st of March to the 30th of September. The account is still incomplete, there being an Admiralty claim for about £45,000, which is not yet introduced, and a credit due for some Colonial horses sold by the Commissariat.

8. After due consideration as to the form which my report should assume, I resolved to take the account delivered to me by Mr. Jones, on the 4th of April, as the claim of the Imperial Treasury; because it presented a certain aspect of finality, even though it reached me at too late a period before his departure to admit of my examining the new items. It appeared to me to be advisable, while adopting this course with regard to the Debit side of the account, to exclude from consideration the items on the Credit side, as it would be better that credit should be taken for them in the counter-claims of the Colony; and, moreover, that side is so manifestly incomplete, as it omits any notice of debentures to the amount of £500,000 paid to the Imperial Treasury in 1865. I might also state that no credit is given to the Colony for the amount expended for Native purposes above the sum of £26,000, as agreed upon by the respective Governments with reference to the period between January, 1862, and December, 1864.

9. I notice in the instructions conveyed in my Commission that the examination was to be exclusive of the capitation charge: but, on an investigation into the principles which should guide me in the examination, it appeared impossible to examine the accounts at all unless the capitation charge were included in the consideration; for I found that the validity or invalidity of most of the claims depended altogether on the admission of the capitation charge; and therefore I decided that these instructions were only limited to the period which had elapsed between the 1st of January, 1865, and the 30th of September, 1866, during which time no definite arrangement appears to have existed between the Governments in connection with such a charge, and when, if any existed, it must necessarily have been that in force from the 1st of January, 1862, to the 31st of December, 1864. As I find that Mr. Jones, in the substituted account, has made the Colony debtor for capitation charges up to the 31st of March, 1866, I shall therefore, in due course, submit some observations bearing upon this subject.

10. It appears expedient that my report should be divided into two distinct parts:—

(i). That I should enter into the consideration of each item on the Debit side, and give my reasons in detail, why those objected to should not be admitted as a claim against the Colony.

(ii). After this examination, which may be regarded as a mere matter of account, that I should submit certain important considerations, arising out of the past connection between the Crown, the Colonists, and the Aborigines, which, on every ground of equity and good faith, would justify the Colony in believing that, after the enormous sacrifices it has made in aid of Imperial operations, it may look forward to a very considerable portion of the Imperial claim not being pressed.

11. I purpose, therefore, to confine my remarks to the examination of the Debit side of the Imperial account; and, as well defined arrangements have been entered into between the two Governments within certain specified periods, I have, for facility of application, divided the account accordingly.

The following results appear from such division:—

Abstract of the Statement of Claims made by the Imperial Treasury against the Colony from the 31st of March, 1848, to 30th of September, 1866:—

SERVICE.	From Mar. 1848, to Dec. 1861.			From Jan. 1862, to Dec. 1864.			From Jan. 1865, to Sept. 30, 1866.			Total.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Capitation Charges	26,740	0	0	89,582	10	0	237,495	0	0	353,817	10	0
Advances for Pay	52,938	11	4	13,099	0	7	47,289	7	3	113,326	19	2
" for Rations	21,868	14	10	138,285	18	10	117,675	4	9	277,829	18	5
" in Cash	5,000	0	0	186,000	0	0	...	...	...	191,000	0	0
New Zealand Fencibles	68,029	5	9	...	...	...	...	...	...	68,029	5	9
Taranaki Barracks	6,931	5	5	...	...	...	...	...	...	6,931	5	5
War Office Claim ... ..	...	...	...	69,547	0	5	5,916	4	3	75,463	4	8
Great South Road ... ..	...	...	...	35,694	4	8	...	...	...	35,694	4	8
Militia Contingences	3,302	15	6	139	5	8	499	5	7	3,941	6	9
Miscellaneous Contingencies..	3,920	12	10	1,296	16	1	1,878	5	1	7,095	14	0
" Working Pay..	1,270	14	2	...	...	...	...	...	...	1,270	14	2
" Material	3,285	4	6	...	...	...	...	...	...	3,285	4	6
Interest	43,908	4	11	58,286	1	0	65,084	1	2	167,278	7	1
Total	237,195	9	3	591,930	17	3	475,837	8	1	1,304,963	14	7

PART I.

12. In order rightly to estimate the *Liability of the Colony to the Imperial Treasury*, as a matter of account, for Military and Naval aid rendered in furtherance of the assertion of Her Majesty's supremacy and the suppression of the rebellion, it is necessary cursorily to review the past engagements between the two Governments. It will be seen, by a reference to Mr. Stafford's Ministerial Memorandum of the 8th of September, 1858, that, owing to the increased demands made on the Colony on account of such aid, the Government of New Zealand placed two proposals before the Secretary of State for the Colonies, the latter of which assumed the following form:—"That, instead of the Colony being called upon from time to time to meet specific charges, it should contribute for the present towards defraying the expenses of the Military Establishment maintained in it, the sum of five pounds per annum for each man." This proposal was submitted on the understanding "that no further demand on account of military expenses should be made on the Colony for five years," and the Colonial Secretary states that if either of these proposed courses be not accepted, and "further demands be made on the Colony, there appears to be no alternative but the withdrawal of the troops;" even though the result would be most disastrous, annihilating all hope for the civilization of the Natives, injurious in every way to the Colonists themselves, and most embarrassing to Her Majesty's Government.

13. Sir George C. Lewis informs Governor Gore Browne, in his letter of the 12th September, 1860, with reference to the above proposal "that so far as regards all periods prior to the 1st of April, 1858, no other demand will be made on the Colony than for the repayment of the sum expended in constructing the barracks at New Plymouth," and that, "from and after the 1st April, 1858, Her Majesty's Government accepts the proposal made by the Colonial Government of a contribution at the rate of £5 per annum for the troops engaged in New Zealand; this expression being understood to include the entire force of officers and men;" and, further, that in the present measure Her Majesty's Government do not confine their view to barracks, but are willing to treat the intended subsidy as the general contribution of the Colony towards the expenses of the Queen's forces supplied for its defence. It is suggested in this Despatch that the number of Imperial troops to be charged for annually should be ascertained by striking the average of the whole twelve months.

14. In reply to this communication, the Colonial Secretary, in his Memorandum of the 29th November, 1860, states that Ministers accept the interpretation put on their proposal, as expressed in the last paragraph of the Despatch of the 12th September, 1860, viz., "That the intended subsidy of £5 per man is to be treated as the general contribution of the Colony towards the expenses of the Queen's troops supplied for its defence." On one point only was there a difference of opinion, and that related to the expenses connected with the erection of the barracks at New Plymouth, in 1855 and 1856,—the payment for which Ministers were unable to accede to without the sanction of the Legislature, to which Mr. Stafford proposed to refer it in the next session. Reference was accordingly made, and a report of the Joint Committee of both Houses of the Legislature was brought up on the 27th August, 1861, which recommended the confirmation of the agreement for the contribution of £5 per head, and, under existing circumstances, the admission of the claim on account of the barracks at New Plymouth, though unable to recognize any just liability for the charge. Their report was adopted by the House of Representatives on the 6th September, 1861.

15. In consequence of this agreement, we find the Duke of Newcastle stating, on the 19th of July, 1861, when acknowledging the receipt of Governor Browne's letter of the 22nd December, 1860, in which is noted the acceptance by the Colonial Government of the £5 per head arrangement, "that, in the adjustment of accounts the Colony will now be entitled to take credit for any general expenditure of Colonial money on barracks since that date," (viz., 1st April, 1858), "whilst on the other hand it must be debited, as explained in the Despatch to which your Government have signified their assent, with the cost of the barracks at New Plymouth."

16. This arrangement, subject to future re-consideration, was terminated on the 31st of December, 1861, in accordance with the signification of the intention of Her Majesty's Government, conveyed in the Duke of Newcastle's Despatch of the 26th of May, 1862, to the effect that "the agreement so lately entered into by the Colonial Government for the contribution of £5 per man to the cost of the troops stationed in the Colony must also be fulfilled up to the close of the year 1861." I therefore conclude that from the 1st of April, 1858, to the 31st of December, 1861, the contribution of £5 per man is to be regarded as the Colonial contribution towards the expenses of the Queen's troops supplied for the defence of the Colony.

17. When this agreement was terminated, its place was supplied by another, which, though belonging to a later period of the accounts, will be more properly referred to in this place. The agreement starts from the 1st of January, 1862, and embraces the period intervening between that date and the 31st December, 1864. It may be necessary to review the circumstances under which it originated, though I reserve to a later portion of my report those considerations, which are not matters of mere account, but embrace the larger questions of justice and equity.

18. On the 26th September, 1861, rather more than three months preceding the termination of the former agreement, your Excellency relieved Colonel Gore Browne in the administration of the Government of the Colony. There was at that time a lull in the rebellion. It was then proposed by the Duke of Newcastle, in his Despatch of the 26th of May, 1862, to hand over the conduct of Native affairs to the Colonial Ministers, and, on that account, to reckon as a military contribution from the Colony, from the 1st January, 1862, to the 31st December, 1864, "all sums shewn to be expended in a manner approved by you on Native Government, or other purely Native objects, in excess of £26,000," the amount then paid from the Colonial revenue towards those objects. This responsibility for the conduct of Native affairs, coupled as it was with such overwhelming liabilities, was declined by the Colony on the 13th September, 1862; but His Grace the Duke of Newcastle intimated, in his Despatch of the 26th February, 1863, that the decision of Her Majesty's Government, expressed in his Despatch of the 26th May, 1862, remained in force. The Legislature, therefore, feeling powerless to resist, gave in their adhesion to the new arrangement, in reliance on the cordial co-operation of the Imperial Government. I have, therefore, been guided by this decision in my examination of the accounts during that period. The expenditure on Native purposes for the three years ending the 31st

December, 1864, amounts to the sum of £153,547 12s. 3d. (Appendix E.), from which has to be deducted the sum of £26,000 for each year, or a total of £78,000, leaving a balance to be deducted from the Capitation Charges, within the same period, of £75,547 12s. 3d., which balance, owing to the different times at which the Imperial Treasury account and the account for Native purposes are made up, has obliged me to make the deductions against the various items composing the charge preferred within the period in question. It was subsequently proposed to substitute for this agreement, on its termination, an arrangement by which the Colony should pay £40 for every infantry soldier, and £45 for every artilleryman, above 1,000 and less than 5,000; but the New Zealand Government steadily and firmly declined compliance with this demand, and urged the immediate withdrawal of the troops if the demand were persisted in; there cannot, therefore, be any claim from the close of the year 1864.

19. With reference to the claim on account of the *New Zealand Fencibles*, amounting, exclusive of interest, to the sum of £68,029 5s. 9d., and extending from the 31st of March, 1848, to the 31st of March, 1859, it appears that strong objections have always been made to it by the Government of New Zealand, on the ground that the Military Pensioners, composing the Fencible force, were organized at a time "when the Imperial Government was solely responsible for the peace of the country, and the cost of its defence was entirely borne by Great Britain."

20. In 1846 the Lieutenant-Governor urged that a force of 2500 men should be stationed in New Zealand; but, as Her Majesty's Government could not supply the whole of this force, it was determined by them to raise for service in New Zealand a corps of 500 men to be designated the "Royal New Zealand Fencibles." In 1851 owing, it is said, to the success of the experiment, the corps was completed to its full strength, as the beneficial results of the scheme had been fully realized, both in the opinion of the Secretary of War and the Governor-in-Chief of New Zealand. The results as regards the Empire were,—

(1). A deduction in the Military establishment of the Colony to the extent of, at least, 500 men, which in the words of your Excellency, in your Despatch of February 8, 1851, "will effect an annual saving of military expenditure for the whole of New Zealand, which cannot be estimated at less than £30,000, so that in two years, from this source alone, a saving will be effected by Great Britain, which will more than repay the whole cost of the plan; and this saving will be greatly increased in a few years by the still further reduction in the military force, which it will be practicable by degrees to carry out."

(2). By enabling "a large reduction to be made in the naval force serving in New Zealand," and

(3). By largely adding to the Colonial revenue; such addition having hitherto had the effect of considerably reducing the parliamentary grant in aid of local revenues.

21. It may further be observed that, though the Imperial Government had, at intervals, asserted its claim to payment, it has not been disposed to press it unduly. Sir F. Rogers, in writing to Mr. G. A. Hamilton on the 17th June, 1863, on the subject of an adjustment of accounts, which Mr. Ward had been entrusted to conduct on the part of the Colony, states that "the Duke of Newcastle is also of opinion that it might be advisable to meet the present claims of the New Zealand Government rather by the remission of certain disputed claims of long standing, which it may be difficult, under existing circumstances, to recover, than by any material reduction of the present claim of the War Office." The disputed claims, here referred to, were for Fencibles, £67,927 5s. 9d., and an Admiralty claim for £45,000 10s. 8d., for the hire of vessels. In Mr. Whitaker's instructions of the 5th January, 1864, to the Honorable Reader Wood, the Colonial Treasurer, on his departure for England, to negotiate a loan, and for other purposes, we find the Attorney-General stating that "it is the opinion of the Government that the offer of the Secretary of State for the Colonies to Mr. Ward was an equitable one, and that it should be accepted." These instructions referred to an offer made by the Duke of Newcastle to "accept a sum of £200,000 in satisfaction of all Imperial claims in respect of naval and military expenditure," up to September 30, 1862, and were endorsed by Sir F. Rogers, in his letter to Mr. Wood of the 26th of May, 1864, in which he informs him that "the Secretary of State is still ready to proceed with it at your request." Unfortunately, some technical difficulties intervened at the time to prevent the completion of the adjustment of accounts.

22. If any additional argument were required to substantiate the position assumed by the Colonial Government it would be found in Sir G. C. Lewis' Despatch of the 12th of September, 1860, wherein it is stated "that so far as regards all periods prior to the 1st of April, 1858, no other demand will be made on the Colony than for the repayment of the sum expended on constructing the barracks at New Plymouth." With the exception of the sum of £75, the whole claim of £68,029 5s. 9d. in Mr. Jones' account for the Fencible Force originated before the 1st of April, 1858.

23. Feeling, then, the full force of your Excellency's observations in the Despatch formerly referred to, that "it is thus evident that as a mere financial operation, even if the whole cost of this experiment were defrayed by Great Britain, still that a very large saving will have been effected by it for the mother country;" feeling, also, that the Imperial Government will not withdraw from an offer once made, and which was responded to on the 23rd of March, 1865, by the transmission to Her Majesty's Treasury of debentures for £500,000, in liquidation of the Imperial claim, and that, too, at a time of severe embarrassment, and remembering the vast sacrifices that the Colony has made in aid of Imperial operations, I feel no hesitation in anticipating the withdrawal of this item from the Treasury account.

24. As the claim for the New Zealand Fencibles may be supposed to be withdrawn, it follows, as a matter of course, that the claim for *Interest* on it would be withdrawn also. I, however, take this opportunity of expressing my opinion on the whole question of the interest charged against the Colony. In Sir F. Rogers' letter to Mr. Wood of the 26th May, 1864, it is mentioned as a part of the arrangement whereby the Duke of Newcastle was prepared to receive £200,000 in satisfaction of all Imperial claims in respect to naval and military expenditure up to the 30th September, 1862, "that all advances from the Treasury chest should be repaid with interest at the rate of 4 per cent." These advances are then stated to be somewhat short of £300,000, evidently excluding the £200,000, which was then under adjustment. I am aware that, on the 25th of April, 1866, Mr. Childers informed Mr. Commissary-General Jones that, "as regards the item of interest, the charge is to be computed at the rate of 4 per cent. per annum from the commencement of the quarter succeeding that in which the

advances and supplies may have been made;" but I cannot bring myself to believe that these instructions were intended to embrace any but cash advances and ration supplies, unusual even as such a practice would be between the Mother country and a Dependency, or to go back to 1848, and to embrace disputed claims; and still less can I entertain the idea that Her Majesty's Treasury contemplated exacting compound interest capitalized annually.

25. It is, I believe, an accepted rule that interest is not allowed upon an open and running account; but that, so soon as the account is stated and rendered to the debtor, and no objection is made thereto by him, interest begins to run. The application of this rule to the present case is obvious, as the account was only rendered in a due and complete form on the 5th of April, 1867, and objections have been made to it.

26. So, with respect to compound interest, it is never allowed except in special cases in which the parties by their conduct or agreement give a certain portion of the interest, already due, the character of principal, and make it an original debt; but it cannot be affirmed that any such agreement, either specified or implied, is existing between the two Governments.

27. I have, therefore, every confidence that Her Majesty's Treasury, on taking all these points into consideration, will at once acknowledge that the claim is one which it would not be desirable to press; the more especially when I inform your Excellency that I have learned from the Colonial Government that it is not their intention to charge any interest for the expenditure made by the Colony, on Imperial account, even though the amount paid was often raised at heavy interest, and accompanied, at times, with heavy losses in the sale and negotiation of debentures.

28. The liability of the Colony for the expenditure incurred on account of the *Militia and Volunteers* called out in aid of the Imperial troops by the Governor, in the exercise of the powers vested in him by the Crown, was accepted in 1860 by the Colonial Government, under protest. On the 2nd of March, 1860, Governor Gore Browne intimated to the Colonial Treasurer that the military occupation of the ground at the Waitara would be necessary, owing to the unsatisfactory reply of William King to the message sent to him on the 1st of March; and he proposed that a portion of the Militia and Volunteers should be armed, and should receive pay, allowances, and rations at the same rate as the corresponding ranks in Her Majesty's service, and that the necessary disbursements should be made from the Imperial Treasury Chest, to be recovered from the Colonial Treasury. To this proposal of reimbursement, the Colonial Treasurer observed that "at the present juncture he had no alternative but to acquiesce in His Excellency's giving, on behalf of the Colony, the proposed undertaking to reimburse the Imperial Government;" but he justly observes—

(1). "That the Militia and Volunteers were to be called upon to take the field in obedience to His Excellency's summons for the suppression of rebellion on the part of aboriginal Natives."

(2). "That the sole direction of the policy of the Colonial Government in its relations to the Natives, and the consequent responsibility for the issue of that policy in warlike operations, confessedly rests with His Excellency, acting under the instructions of Her Majesty's Secretary of State; the Colony of New Zealand being a Crown Colony as completely as before the establishment of Ministerial Government."

29. He further expressed the entire concurrence of the Government with respect to the policy pursued by His Excellency on the occasion; but respectfully submitted that the Colony was entitled "to the ultimate refund of its advances by the Imperial Government, and advised that His Excellency should, on behalf of the Colony, claim such advance." A similar engagement was made on account of the Wellington Militia by the Colonial Secretary, in his letter to Assistant Commissary-General Adams, on the 28th of April, 1860, with this difference, that the rates of pay for Officers were to be the same as those to Officers of the line "serving in England," and that weekly abstracts of payments, with copies of the pay lists, were to be forwarded to his office. On the 20th of June, 1860, Governor Browne, in his letter to the officer commanding Her Majesty's troops, informs him "that the question of repayment of war expenses incurred for the defence of the Colony against aggression, or for the preservation of the public tranquillity, is left for future adjustment between the Mother country and the Colony, according to the circumstances of the particular case which may have arisen."

20. Imperative instructions were, however, immediately given to His Excellency, by the Duke of Newcastle, to the effect that he was "not to make any further advances to the Colonial Government from the Commissariat chest in respect to the expenses of secret service money, or for the maintenance of any local force, except on a distinct pledge, given by the Government of the Colony, that all such advances should be repaid from the Colonial funds, so far as the Imperial Government should require re-payment." In consequence of this demand, the Colonial Government was called upon to give the required pledge, and the Colonial Secretary, in giving it until such time as the Legislature should express its views on the question of the maintenance of the Colonial forces for the future, declares that he accedes solely on account of "the present critical circumstances of the Colony," which make it "absolutely necessary that the Taranaki Militia should not be dismissed;" and he urges that the Secretary of State should be informed that the militia were called out to assist Her Majesty's forces in maintaining her authority; have been entirely at the disposal of the Officer Commanding Her Majesty's forces; have taken part in all military operations, and have performed duties which would have been undertaken by troops maintained from Imperial funds. The address to His Excellency the Governor, adopted by the House of Representatives, on the 3rd of July, 1861, "declares the assent of the House to the organization and maintenance, under the present Militia Acts, of such parts of the Colonial Forces as may be necessary for the defence of the several settlements, and that it will approve of the acceptance by the Colonial Government of advances from the Commissariat chest for defraying the requisite expenditure, upon the conditions prescribed by the Secretary of State in his Despatch, No. 13, of the 26th of January, 1861."

31. Shortly after this it became evident to the Governor, and to the Officer Commanding Her Majesty's troops, that it would be impossible to settle the Taranaki difficulties while the Waikatos interfered, and that, therefore, it was desirable, in the first instance, to bring the Waikatos to terms, and then to resume operations against the Taranaki tribes. To accomplish this purpose, large operations, involving confiscation and military settlement, became expedient, and, as circumstances made it unadvisable to call the Assembly together, the Colonial Secretary promised, on behalf of the Govern-

ment, which concurred in the plan, that, so far as "relates to military expenditure, Ministers will pay from Colonial funds all that is connected with militia and volunteers." This appears to have been accepted by the Legislature, and was embodied in the arrangement between the two Governments respecting the payment of £5 per head.

32. From this statement it is apparent that, anterior to January, 1862, the Colony agreed to pay for the militia and volunteers, under protest; but since that time the Colony has borne the entire expense under a mutual arrangement. It will then appear that, in provisionally admitting the liability of the Colony for the items which are charged against it to the close of 1861, I am only acting under the conviction that it could not be the intention of the Imperial Government to press for a payment of £74,807 16s. 2d., being the amount of pay and rations for that period, from a population of 99,021, whose ordinary revenue, charged with all the departments of Government, only amounted to £324,116, especially at a time when the settlers in the North Island were in a state of great distress and anxiety, but who, nevertheless, rallied to the call of the Queen's representative, even at a great sacrifice of life, time, and property, when questions connected with the continuance of Her Majesty's sovereignty over these islands, and the security of the European inhabitants were involved.

33. With respect to the *Construction and Maintenance of Military Roads*, for which there is a charge amounting to £35,694 4s. 8d., it may be said that, in order to the efficient conduct of military operations, it soon became evident that it was necessary that such roads should be immediately undertaken, and the construction pressed forward with the greatest vigor. These roads, although of a permanent character, and thus of benefit to the Colony, would not, under ordinary circumstances, have been undertaken by it for many years to come, by which time population would have multiplied, the rate of wages would have decreased, money might have been obtainable at rates less unfavorable, and the resources of the Colony would have become able to bear such additional demands upon them. It should further be remembered that the North Island, unlike the Middle Island which has a landed estate of some forty-five millions of acres, has not had a single acre beyond what the Governor could from time to time purchase from the Natives, and that, therefore, the inhabitants have not had the necessary means to make roads, except through the medium of the ordinary revenue, which, in each of the four Provinces constituting the Northern Island, was already most severely burthened.

34. On an application being made in 1862 for the services of the military in the construction of roads within the Province of New Plymouth, the request was granted by the General Commanding Her Majesty's forces, on condition that the troops so employed were to be paid at the rate of nine-pence (9d.) per day, and that the roads "were to be constructed for the defence of the settlement, and with reference to future military operations."

35. In December, 1861, the attitude of the tribes on the Upper Waikato was so unmistakably hostile that your Excellency, in addressing General Cameron, recommended, in order to remove a state of things "which entirely crippled our operations," that the road from Auckland to Havelock "should, without delay, be constructed, and put in such a state that troops can move rapidly along it at all seasons of the year;" and your Excellency requested that the construction of this road "should be undertaken as a military work" by the troops under the General's command, leaving to Her Majesty's Government hereafter to determine from what source the working pay of the officers and men employed on this duty was to be refunded to the military chest. In reply to this communication, General Cameron states that 2,500 men will be immediately employed on the work referred to, and that the Commissariat Department will be instructed to keep a separate account of the working pay, additional expense of field allowance for the officers, transport for the supply of troops, conveyance of road material, the hire of building for stores, &c., &c., "in order that the amount may be charged against the Colony, should it be so decided." The Duke of Newcastle, on the 17th of May, 1862, expresses his approval of extending the road from Auckland to the Waikato River, but instructs your Excellency to give directions for the repayment to the military chest of the amount expended on this account. There apparently then remained no other resource to the Colonial Government but compliance under protest; and the Colonial Treasurer, on the 20th of October, 1862, desires it to be distinctly understood that Ministers "do not regard either the payment of the Militia expenses, the re-establishment of the Province of Taranaki, or roads constructed for strategical purposes, as fair charges against the Colony," and that the question should be decided on the final adjustment of accounts between the Governments.

36. Under these circumstances, it is desirable that there should be a compromise, based on the considerations I have submitted, and I think that, as out of the sum of £35,694 4s. 8d., no less than £4,368 12s. 9d. was expended in felling timber adjacent to the road, with the view of preventing the convoys being surprised by the rebels, the Imperial Government is fairly chargeable with at least two-thirds of the whole amount. I should, however, mention that there is a sum of £1593 18s. 4d., which I would have considered myself justified in inserting in the column headed "objected to," were it not that the information in my possession is not entirely conclusive on the subject. Nevertheless, I am of opinion that the following items may, upon further information, be found to be incorrectly entered in the Great South Road Account, viz.:—Overcharge of Field Allowance, £737 11s.; Fuel and Light issued to Mr. White, Interpreter (who was at this time, as I am informed, employed on other work), £8 19s. 9d.; Items unvouched, £88 5s. 10d.; Working Pay of the Royal Artillery, (which Mr. Jones states, in his Memo. of the 3rd January, 1862, "will remain chargeable to Army funds"), £245 10s. 3d.; and a charge of £512 1s. 6d. for special transport by the same corps.

37. The question of the erection of Block Houses and Military Posts for the safe conduct of military operations in the suppression of rebellion has, from time to time, been under the consideration of the Imperial and Colonial Governments. In December, 1861, your Excellency, in noting the hostile and threatening attitude of the Upper Waikatos, recommended the erection of defensible works on the Waikato river; and on the 29th December, 1864, the Government, with reference to the military operations about to be commenced between Taranaki and Wanganui, pending the embarkation of the troops, agreed to bear the expense of such Block Houses at Wanganui and Taranaki as your Excellency and Colonel Warre might report to be necessary. It will, therefore, be evident that the claim for such defensive works in 1860 cannot be admitted.

38. With reference to the question of granting *Extra Allowance to Her Majesty's Troops*, the Duke of Newcastle instructed Governor Browne, on the 7th of March, 1861, to move the Legislature to make

provision for special allowances to Officers and men of Her Majesty's troops, similar to that made in other Colonies, irrespective of, and in addition to, the contribution of £5 per man, which he had previously been instructed to obtain. On a reduction of the amount at that time granted, New Zealand was especially mentioned, in the enclosure to the Despatch from the Duke of Newcastle to your Excellency, of the 22nd of November, 1861, as one of the Colonies "where these allowances are defrayed from Imperial funds;" yet, on the following day, His Grace urged that the Colony should make a grant equal to the difference between the original and reduced scale. The Colonial Government, however, already burthened with a fixed contribution in aid of Imperial operations, oppressed with heavy liabilities, and prepared to make an increased provision for the government of the Natives, reluctantly declared its inability to extend the Colonial contribution, and respectfully declined to make provision for such special allowances. The question of the payment of such extra allowances to Her Majesty's troops was not confined to the Army, but was extended to the Naval Forces serving in the New Zealand seas, and the Legislature of New Zealand, in 1861, sanctioned an amount not exceeding £5000 for that purpose. The system, however, being considered objectionable on grounds of Imperial policy, instructions were issued by the Duke of Newcastle that no demand should henceforth be made for such services; but that such grant should only be given when the Legislature of the Colony might vote it as a reward for some special services, such as those in the late war in New Zealand, referring to the "advantages derived from employing sailors in duties not properly belonging to them, as in forming a Naval Brigade, or in aiding to suppress an internal disturbance."

39. Having carefully examined all the correspondence relating to the claim made by the Imperial Treasury for losses sustained by *Mr. Johnson, a Contractor for the Supply of Meat* to the troops, owing to certain restrictions stated to have been placed on the importation of cattle from Australia, I cannot but conclude that the claim has been preferred in ignorance of the real merits of the case. It appears that Mr. Johnson was made acquainted with the fact that a prohibition against the importation of cattle existed, and was informed that there was no intention to relax it. This intimation was given him in May 1864, before he tendered for the supply of the troops. The ports were closed by a proclamation of the Taranaki Government in the *Gazette*, dated January 17, 1862. The Lieutenant-General was aware of the existence of this prohibition in 1863. The re-proclamation of January, 1865, under newly delegated powers from your Excellency, was only intended to remove doubt, if any existed, with reference to the proclamation under the delegated powers of Colonel Browne in 1862. There was a temporary relaxation of the order in favor of the "Hydra," from Australia; but this cargo, with the Commissariat transport bullocks from Auckland, was the means of introducing the fatal disease known as pleuro-pneumonia, from which not only the Colonists but the loyal Natives have suffered severe loss. The cause of irritation and of failure lies in the fact that the contractor sub-let his contract, and the sub-contractor did the same, and thus made it almost impossible for the contract to be remunerative. An offer was made to provide meat at the contract price by a resident who was well able to fulfil his engagement. The state of the law was well known at the time the contract was made; and neither the Commissary-General nor the contractor had any right to expect that it should be relaxed to favour the contractors to the probable serious injury of a Province already sufficiently tried. If such, however, were their expectations, they should have endeavored by lawful means to get the law altered and not have sanctioned the importation of cattle in defiance of it. Under these circumstances, I cannot conceive how the claim can be entertained.

40. With reference to the items which appear so frequently in the years 1860-1 for *Material and working pay*, amounting to £4555 18s. 8d., it has been found on examination that they are all, more or less, intimately connected with active operations in the field, and consequently, with reference to the first period, viz., from 1848 to 1861, come legitimately under the arrangement by which a contribution of £5 per head was made by the Colony in aid of the expenses on account of the naval and military expenditure incurred in New Zealand.

41. These remarks are generally applicable to the sums which appear under *Lodging Money, Field Allowances, Forage commutation, Clothing*.

42. I need not make any further remark respecting the item *Labor in coal mines* than observe that all the papers connected with the Waikato steam service have been thoroughly examined by the accountant, whose report, which appears in the Appendix, will give every desired information.

43. The Colonial Treasurer has forwarded to me a "Statement shewing totals of amounts paid from the Colonial Treasury on account of Imperial troops and services up to the 30th of September, 1866." The whole counter-claim of the Colony amounts to the sum of £906,856 15s. 8½d., including the sum of £500,000 realized by the Imperial Treasury from the sale of Colonial Debentures at par. Several of the schedules attached to this statement have been examined by my accountant, and the remainder would have undergone inspection and report had not the Commissioner, appointed by the Secretary of State for the Colonies, left New Zealand. I shall take an early opportunity of forwarding the schedules which were not delivered to Mr. Jones, and content myself now with remarking that great pains appear to have been taken by the Treasury in going minutely and carefully over transactions which run through many years, and which entailed a large amount of labor. The abstract statement referred to will be found in the Appendix, marked F.

PART II.

44. Having now completed the examination of the Debit side of the Imperial account against the Colony, I proceed to that branch of the investigation which refers to the principles which should regulate such demands, and I desire to review certain important considerations arising from the past connection between the Crown, the Colony, and the Aborigines, which, on every ground of equity and good faith, justify the conclusion that after the enormous sacrifices made by the Colony in aid of Imperial operations, it may reasonably look forward to the withdrawal of at least a very considerable portion of the claim which has been presented by Her Majesty's Treasury against the Colony. In following this course I shall, in the first place, submit for your Excellency's consideration a few remarks on the general character of such claims, and then proceed to give a very rapid chronological

sketch of the past political history of the Colony, so far as it bears on the subject remitted to me for report; and shall, in so doing, endeavour to give in the language of official documents an accurate account of the connection between the Crown and the Aborigines, the Crown and the Colonial Government, and of the origin of the rebellion which commenced in 1860, and which still exists; and I also shall endeavour to trace the causes of the rebellion; to narrate the history of the attempts made to suppress it, and to indicate in what quarter chiefly rests the responsibility of upholding the sovereignty of Her Majesty, the supremacy of the law, and the rights and privileges of British subjects, European and Native.

45. In the correspondence which has taken place between a late Secretary of State for the Colonies and your Excellency, it has been asserted on the grounds of "dry justice" and "strict right" that the cost of all war and government should be borne by those for whose benefit it is carried on; and it has been stated that this decision, as regards New Zealand, is "not much affected by the circumstance that the Native policy has been conducted subject to instructions from the Home Government;" for it is said that "the duty of the governed to defray the expenses of their government does not depend on the nature of that government, whether free or absolute, native or foreign, but on the circumstance that the governing authority is acting honestly, as trustee for their interests, and not for the interest of any third party." It certainly would not be an easy task to convince a doubter of the truth, under all circumstances, of the abstract proposition that the governed should bear the expense of their own government, whether that government be absolute or free. Probably, however, little or no good would arise from the consideration at length of a principle, which is only collaterally applicable to the question pending between the Imperial Government and the Government of New Zealand; but it might be urged in opposition to the acceptance of this abstract principle, that the duty to provide the means is inseparably connected with the right to control and direct the expenditure, with the power of selecting those who shall so control and direct it, and with the opportunity of censuring and punishing those who may transgress. Such power has not been accorded to the New Zealand Government; indeed, as I hope hereafter to prove, has, in one material respect, been most studiously withheld, thus of necessity entailing large pecuniary losses on the Colony. But, whether an obligation exists where the trusteeship is assumed, but has not been appointed; where treaties have been entered into and consequences of the most disastrous character have resulted; where, not the interests of the Colony alone, but Imperial interests in the assertion of the Queen's supremacy, and of the right of the Native landowners under such treaty to part as they will with their property, is concerned, is a question which may well demand the gravest consideration.

46. It has been admitted by the Imperial Government that it does not desire to argue the question as one of "strict right;" that it acknowledges the duty of Great Britain, regarded as an obligation of "generosity and wisdom," and that it is prepared to fulfil, as it states that it has hitherto fulfilled, this duty; but, while accepting this admission, the Colony would be unwise to acknowledge that, viewed even as a question of right, it has not a claim on Great Britain under the peculiar character of past transactions and past engagements.

47. It has been said that the British Crown "employed its credit to procure the sovereignty of New Zealand for the advantage of British interests;" and, in so doing, entered into treaties through which that sovereignty was obtained, which bound it to protect the Natives by preserving an effectual authority in the management of Native affairs. But is this really the whole of the case? If we read aright the records of the past, it will be seen that at the time when the sovereignty of New Zealand was obtained, the advisers of the Crown took a widely different view of the benefits arising from the existence of British Colonies to that which now prevails; then, every additional Colony was regarded as an additional gem in the British Crown, as strengthening the Mother country, and as weakening its enemies; but now, it appears that another policy prevails, and that the question is looked at more as one of a strictly monetary character, and arguments have been adduced by some leading political economists, not unknown to the Imperial Parliament, to the effect that in a commercial point of view—and they do not look beyond this—countries colonised by British subjects would be equally valuable to Great Britain, whether treated as dependencies of the British Crown or as free. At the time when the sovereignty of New Zealand was obtained by cession from the Natives there was at least more than one motive influencing the British Government. All claims to sovereignty derivable from the discoveries of Captain Cook had been abandoned; it had been admitted by Imperial legislative enactments that New Zealand was no part of the British dominions, and the Crown had solemnly declared it, by word and deed, to be an independent State; but when a powerful British company had commenced emigration to New Zealand, and had purchased vast tracts of land, had organised a system of Government under the New Zealand chiefs at Port Nicholson, and when the French Government were actually about to effect a Crown settlement at Akaroa, in the Middle Island, then Captain Hobson, in 1840, content with the bare adhesion of a few of the chiefs residing on the coast, proclaimed the Queen's sovereignty over both Islands. The completeness of the cession is open to grave dispute, and it is unquestionable that most of the evils which have lately befallen New Zealand date from the treaty entered into at that period. The language then held by one of the most powerful chieftains of the central tribes of the North Island is the same as that which was used when the rebellion commenced at the Waitara, in 1860, and which is still the language held by not a few. Te Heu Heu, of Taupo, then said, with respect to this cession and the purchase of land, "If this be your wish, go back and tell my words to the people who sent you; I am King here, as my fathers were before me, and as King George and his fathers have been over your country. I have not sold my chieftainship to the Governor, as all the chiefs around the sea coast have done; nor have I sold my land. I will sell neither."

48. Whatever may have been the binding nature of this treaty, the Colonists of New Zealand would have had no reason to complain while the British Government acknowledged its obligations under it, and were prepared to meet them; but when it asserts that the authority of managing Native affairs ceased "on the passing of the Constitution Act and the coincident establishment of Responsible Government," it states that which is not susceptible of proof; for, though the former was introduced

in 1853, the latter, as regards Native affairs, was not effected until 1863, and then it was only accepted at a time of rebellion after strong remonstrances by both Houses of Legislature; for, to use the significant words of His Grace the Duke of Newcastle when transferring the management of the Natives from the Crown to the Colony, "the relinquishment does not require the assent of the colonists to make it effectual."

49. Between the two periods just above referred to, the real practical questions at issue arose—questions which are not confined to past liabilities, but which did and do entail future responsibility of the most serious kind. Dismissing, then, the theoretical part of the question, I will now proceed to consider that which is the more practical.

50. For the purposes of this consideration, it is expedient that the review of the past should be divided into three periods:—The first period to embrace that which is anterior to the introduction of the Constitution Act in 1853; the second, that which intervenes between that period and the establishment of responsible government in Native as well as in European affairs, that is from 1854 to 1863; and the third from that time onward.

1840 to 1853.

51. With respect to the form of the New Zealand Government during the greater part of this first period, it may be described in the words of Lord Stanley, when addressing Your Excellency in 1845, as consisting of "a Governor and six other members, three of whom sit there in virtue of their office, the other three holding their seats as being the three senior Magistrates in the Commission of the Peace. As that commission is issued and renewed by the Governor at his pleasure, the three unofficial members of the Legislature are substantially and in fact the Governor's nominees."

52. In 1844 serious native disturbances loomed in the distance, to suppress which Governor Fitzroy requested reinforcements from Sir G. Gipps, Governor-in-Chief of New South Wales, in order to "take such effective measures as will restore respect to our flag and ensure tranquillity in the Colony." It will not be irrelevant to ask whence this disaffection arose; and the answer will be best given in the language of Her Majesty's Representative, who writes on the 4th September, 1844—"The whole of this disturbance has been caused by the false assertions of bad and designing men, and by the land question, and, above all, by Customs regulations, which have almost destroyed the traffic of the Bay of Islands, without producing any very considerable amount of revenue." Immediately after this, a proclamation was issued intimating that "the Governor will give or refuse his consent to waive the Crown's right of pre-emption as His Excellency may judge best for the public welfare." The Governor communicated his views on this subject to his then Executive Council, viz., the three official members, and obtained their consent, having prefaced his enquiry as to their opinion, by asserting that "the responsibility of carrying the measure into immediate effect rested with himself." The terms on which the pre-emptive right was waived by the Proclamations of the 26th March and the 10th October, 1844, are essentially different: the former required a payment of ten shillings to the Crown in respect of every nine acres out of ten over which the right of pre-emption should be waived, while the latter reduced this demand from ten shillings to a penny. At this time a deep-rooted spirit of resistance was apparently rising in the native mind; for Governor Fitzroy, when writing to Lord Stanley on the 24th February, 1845, states that certain documents, which he enclosed, "do not sufficiently show that many of the New Zealanders are becoming more and more disposed to question, or rather to defy, the Queen's sovereignty," and, as if to verify his apprehensions, on the 11th March, 1845, an attack was made by the natives, under the chief Heki, and the result was the destruction of Russell (or Korarareka) in the Bay of Islands with the loss of many lives

1844.

1845.

53. But not only was there great discontent connected with the management of the land, but questions connected with the raising of revenue by Customs had also caused complications. With the hope of averting the calamities which were threatening the Colony, Governor Fitzroy, in the latter part of 1844, had by Ordinance, with the advice and consent of the Legislative Council, repealed the Customs Ordinance, and had imposed a Property tax; but, on the 9th of April, 1845, these Ordinances were repealed on the ground that the "Property Rate Ordinance" had failed to effect its purpose, the revenue raised under it being quite insignificant and unlikely to improve; and, with respect to the Customs Ordinance, the Governor writes, "All efforts to remove discontent from the minds of the Natives on account of the effects of the Customs establishment have failed. It is British authority they dislike: the effects of Customs are now very little considered."

54. At the close of this year Captain Fitzroy was relieved from the Government of the Colony, and Lord Stanley, in his Despatch of the 13th June, 1845, graphically represents the results of the administration, as viewed by the Imperial Cabinet, in the following words:—"Captain Fitzroy's course was not such as to impress on these tribes respect for our power or resolution, and that his policy on matter of the highest importance has since been guided by an avowed dread of the resentment and insurrection of the New Zealanders if he had persisted in a line of policy respecting lands and revenue unacceptable to them." Lord Stanley acknowledges that "the settlement of the lands in New Zealand has been a fertile source of difficulty," and that "if the right of pre-emption conceded to the Crown by the Treaty of Waitangi had not been waived on the terms on which it has been, the complexity of the case would have been far less than it actually is." But, while we find the Secretary of State for the Colonies thus attributing the evil consequences of past management to Her Majesty's Representative, we find the latter, in his Despatch of the 25th October, 1845, severely criticising the action of the House of Commons, and observing—"I cannot believe that those most dangerous resolutions of the House of Commons in 1844, respecting unoccupied land, can be adopted by Her Majesty's Government."

55. Thus then it appears that, from whatsoever quarter the difficulties which environed New Zealand arose, neither the Colony nor its representatives had any share in the management of affairs. The Crown made a treaty with the aboriginal inhabitants; the Representative of Her Majesty, assisted by a Council nominated by himself, governed the country, and occasionally the House of Commons interposed to suggest, if not to impose, regulations which, in one case at least, could not be regarded as tending to increase the chances of success which it was hoped might attend the experiment of colonising New Zealand.

56. At the close of the year 1845, Your Excellency assumed the administration of the Government of New Zealand. In anticipation of your arrival Lord Stanley addressed a despatch to you, on the 13th June, 1845, conveying the views of Her Majesty's Government, and remarked that, "subject to these general rules, you will of course require from those people (the Aborigines) an implicit subjection to the law, and, you will of necessity enforce that submission by the use of all the power, civil and military, at your command." To effect these objects, and to arrest the course of the rebellion, Your Excellency urged upon Lord Stanley, on the 14th May, 1846, that 2500 Imperial troops "were at present requisite for the maintenance of British supremacy in these Islands." You further, in a subsequent Despatch of the 21st of June, of the same year, referred to circumstances, originating in the system of waiving the Crown's right of pre-emption over the lands, the property of the Natives, which threaten to produce the most disastrous consequences to the country; "leading, among other things, to disastrous wars amongst the natives, owing to adverse claims;" you declared also that "the future prospects of the Colony are becoming irretrievably ruined by this system;" and you propose as a remedy the introduction of another system, which should provide a fund to be expended in examining Native Titles, making surveys, forming roads, undertaking public works, and in immigration. Your Excellency further represented that finding the Protectorate Department, as established, utterly useless for all practical purposes, you had abolished it, and had created in its place the Native Secretariat Department.
57. During the next few years the native disturbances in the North of Auckland were effectually suppressed by energetic military operations; indeed, so complete was the suppression, and so judicious the after treatment, that there has not been in that neighborhood since that time any symptom of disaffection during the existing rebellion over a large portion of the Northern Island. The insurrections at the Hutt and at Wanganui were also effectually put down; so that on the 27th of July, 1847, you were able to report to Earl Grey, that "a greater amount of tranquillity prevails throughout the whole of New Zealand than has ever hitherto existed." This opinion was entirely endorsed by your successor, Colonel Browne, who in writing to the Duke of Newcastle on the 13th of July, 1861, states that, "during the last five or six years of Sir George Grey's Government the country was quiet. He had succeeded in creating a strong feeling of personal attachment to himself among the Natives of most of the tribes, and this naturally was mistaken for a cordial attachment to the British Government and rule." A similar testimony was given in his Despatch of the 3rd November, 1860, to the Duke of Newcastle, in which he observes that "a large annual grant from the Imperial Treasury, full power, and great tact enabled Sir George Grey to keep the country tranquil: but, he was unable to establish any system or machinery which could effectually prevent the collision of elements so discordant as those with which New Zealand has to deal." It would be irrelevant to my present object to note at any length the occurrences of the next few years; it will be sufficient to state that various earnest efforts were made to induce the Natives to adopt a system of self Government; that, at the close of 1848, an Act was passed, on your Excellency's recommendation, to provide for the establishment of Provincial Legislative Councils in the Colony; that, owing to the then peculiar condition of New Zealand, the Act for giving it a Constitution was suspended for a time, but was brought into operation in 1853; that large settlements were maturing in the Middle Island; and that the Colony was rapidly advancing in material wealth, and was assuming a position among the Colonies of Great Britain, which would compare not unfavourably with those of older origin.

1854 to 1863.

58. Your Excellency having sailed for England on the 31st December, 1853, Lieutenant-Colonel Wynyard, as Chief Officer in command of Her Majesty's Military forces within the Colony, assumed the exercise of the office of Governor and Commander-in-Chief on the 3rd January, 1854, and he shortly after called together the first Parliament under the Constitution Act. It was evident to the thoughtful observer of passing events that, though the longing desire for a separate nationality had not of late evinced any symptoms of decided activity in the Native mind, still, such symptoms were likely to be evolved by any untoward circumstances. Tribal disputes with respect to the ownership of land, and the right of individuals to dispose of it, still prevailed; and there were not wanting signs indicative of combined action on the part of those who, jealous of the increasing numbers and influence of the Europeans, were banded together to prevent the further alienation of land, and those who yearned to preserve a distinct nationality under a Native sovereign. It was not necessary to go far in search of an exciting cause, for it appears that in August, 1854, Rawiri, a Native Assessor in New Plymouth, proposed to sell some land to the Crown, and was desired by Mr. Cooper, the Land Commissioner of the Taranaki district, to cut the border, which, on his attempting to do, he and six others were murdered.
59. In the July of 1855 these inter-tribal disputes had assumed so serious a character in the Province of Taranaki that Governor Wynyard, having consulted his Executive Council, resolved to take steps, by the presence of a military force, to cause the neutrality of the settlers to be respected; but the Colonial Secretary, in his letter of the 26th of July, expressly requests that the Officer Commanding the Troops should receive explicit and strict directions to confine the duties of the military to strengthening the peaceful relations between the European and the Native race; and "on no account, directly or indirectly, to interfere with the differences of the contending tribes in the neighborhood." The third Session of the Parliament was opened by Colonel Wynyard on the 8th of August, 1855, and shortly after, on the 6th of September, Colonel Gore Browne having arrived, intimated to the Houses of Assembly his having assumed the government of the Colony. He declared his intention "to continue the policy hitherto adopted towards the Aborigines in maintaining inviolate their right to their land, and in securing to them an impartial administration of justice;" and he also stated his readiness "to carry out, in its integrity, the principle of Ministerial Responsibility." In furtherance of his views he informed Lord John Russell, in his Despatch of the 19th of November, 1855, that he had "disapproved of Mr. Cooper's conduct in commencing a survey before he was assured that all, who had even a disputed claim to the land, desired that it should be sold," and, in consequence, he declined to make any demand for reparation on account of the murders which had been committed.

59. The introduction of the Constitution Act, and the establishment of Ministerial Responsibility under it, in place of the nominee Council which existed when New Zealand was purely a Crown Colony,

involved the necessity of reviewing and revising the respective powers of the Governor and his Constitutional Advisers. The decision arrived at cannot better be described than in the words of Governor Browne himself, when communicating the result on the 12th of March, 1856. He says—"The view I have taken of the relation which ought to exist between myself and my Responsible Advisers (when they take office) is that, as these gentlemen are responsible to the Assembly, I should be guided by their advice in all matters under the control of that body, even when I differ from them in opinion. On matters affecting the Queen's prerogative, and Imperial interests generally, I should receive their advice, but, when I differ from them in opinion, I should, if they desire it, submit their views for your consideration, but adhere to my own until your answer is received. Among Imperial subjects I include all dealings with the Native tribes, more especially in the negotiation for the purchase of land. My Responsible Advisers would probably fix the amount to be expended in any one year in the purchase of land; but at that point their interference should cease. If my views are correct, it is evident that the Chief Land Commissioner and his subordinates must take their orders from me alone." The acceptance of this proposal by his Responsible Advisers is communicated to the Right Honorable H. Labouchere by the Governor, on the 30th April, 1856, and on the 16th December, 1857, Mr. Labouchere replies as follows:—"I cannot but think the agreement at which all parties then arrived, furnished of itself a sufficient solution of the questions which you now submit to me, and I take this opportunity of conveying the sanction of Her Majesty's Government to the arrangement as finally completed in August."

1856.

1857.

60. Here, then, we have an explicit and well-defined agreement by which the Colonial Government is absolutely restricted from all interference in the administration of Native affairs, especially in the negotiation for and the purchase of Native land, and therefore cannot be deemed to be responsible for any of the consequences which might flow from that administration.

61. Early in the year 1858, owing to the murder of Katatore at Taranaki, at the instigation of Ihaha, partly attributable to revenge for Rawiri's death in 1854, Governor Browne deemed it necessary to issue a proclamation, dated the 12th February, 1858, declaring that all persons assembling with arms within a certain district therein named, would be treated as persons "in arms against the Queen's authority," and active measures would forthwith be taken against them by Her Majesty's civil authorities and military forces. While the Governor, in the exercise of the powers solely entrusted to him, was exerting himself to prevent any breach of the peace, his advisers were carrying through the Legislature measures of a practical character tending towards the amelioration and civilization of the Native race, and not the least important of which was the "Native Territorial Rights Bill, 1858," which was designed to protect the Natives against speculators and land jobbers, and to furnish a fund for the improvement of the country, and for the purchase of land, by demanding from the European who purchased direct from the Native owner, a fee of 10s. per acre. This act was disallowed by Her Majesty, as intimated in Lord Carnarvon's important Despatch to Governor Browne of the 18th May, 1859; important, because when read in connection with the agreement between the Governor and his Ministers with respect to the administration of Native affairs, it proves beyond a doubt that for practical purposes all powers of legislation and administration were vested solely in the Crown. Lord Carnarvon says that one of the objects of the Bill "is to furnish a means of ultimately enabling individual colonists to purchase the landed property granted in severalty to individual Natives," which he conceives "to be in the highest degree unadvisable," and he holds it to be far more advisable that "Government should purchase territories than that individuals should purchase properties." Objection is also taken to the proposed tax of 10s. per acre, and his Lordship then concludes in the following words—"If, indeed, the Imperial Government were prepared to depart from the arrangements already sanctioned, and to transfer the management of Native affairs from the Governor, acting under instructions from this country, and through a staff of permanent officers, to an officer responsible to the Colonists, and changing with the Government, it might be considered that the system of land purchase from the Natives was to be decided upon Colonial and not Imperial authority. But this view of the subject I am not able to accept; Her Majesty's Government wish to give the fullest effect to the system of Responsible Government, and to leave all questions of domestic and internal interest to be decided by the Colonial Government; but they cannot, either for the sake of the Colonists, or for that of the Natives, or for Imperial interests, surrender the control over Native affairs, the administration of which has been up to the present time, considering the difficulties and intricacies of the subject, crowned with a very remarkable success, and is paving the way towards that complete civilization and consolidation of the Native race with the English Colonists, which Her Majesty's Government, not less than the Local Government, desire to see effected. And, whilst Her Majesty's Government feel themselves constrained to justify to Parliament the large expense which every year is incurred for the maintenance of a military force in New Zealand for the defence of the Colony, and for the better control and regulation of the Native race, they must retain in their hands the administration of those affairs which, at any moment, may involve the employment of those troops, and the consequence of an expensive conflict. So long as the Colony for this purpose enjoys the advantage of military and naval protection, Her Majesty's Government cannot consent to yield a point which, in their opinion, is so intimately connected with the security of the Colony, the justice due to Native claims, and the issues of peace and war itself."

1858.

1859.

62. This decision was considered by the Colonists as a severe blow against the successful exercise of that earnest desire which influenced them to devise and to carry through the Legislature those measures which their local knowledge convinced them were best adapted to hasten the time when the people of both races inhabiting New Zealand might be guided and protected by the same laws. That time was not yet to be; and it was deemed necessary to retain within the hands of the Crown those legislative, as well as administrative, powers which might at any moment involve the employment of Her Majesty's troops, "and the consequence of an expensive conflict." Depressed by the exercise of this veto, the Colonial Legislature remained content to become the medium of enacting such laws as, in the opinion of the Imperial Government, were suited to the Native race.

63. While, however, the theoretical question was thus being considered and decided, there arose in the same Province (Taranaki), a practical question which demanded immediate solution. It would be worse than tedious to enter fully into the history of the sale of land by Te Teira, and its purchase by Governor Browne, notwithstanding the strenuous opposition of William King, of the Waitara, who

1860. denied the right of Teira to sell. It will be sufficient to state that on the 26th of January, 1860, the Governor reported to the Duke of Newcastle that the title of Teira and others, having been minutely examined for several months, proved, and extinguished by the Crown, a survey had been ordered in the usual manner, and that it was his intention, in case of the rumored resistance on the part of William King taking place, "to enforce Her Majesty's right to deal with her own subjects without hindrance from anyone not having a legitimate interest in the transaction." This decision received the approval of the Executive Council, which, in accordance with existing arrangements, had been consulted on the occasion. In furtherance of this determination of the Governor not to allow the sovereignty of the Queen to be questioned, and the rights of her Native subjects to be restricted by illegal combinations, and owing to the fact that William King's party had erected another pah on the Government block of land, thus unequivocally declaring their hostile intentions, Colonel Gold attacked and took the pah on the 18th of March, 1860. This was followed, on the 28th of March, by the savage murder of six settlers and two boys who had gone into the country to look after cattle; and thus commenced the armed rebellion of a portion of the Native race which, with intermissions, continues, though enfeebled and rapidly dying out, to the present moment.

64. In considering the origin of the rebellion the Colonial Treasurer, now Mr. Justice Richmond, in a memorandum of the 27th of April, 1860, ascribes it to two causes, viz.: "to the desire to effect the subversion of the Queen's Sovereignty over the Northern Island, and the prohibition of all further alienation of land to the Crown;" and he observes that "the Colonists as a body, are in no degree responsible, directly or through their representatives, for the existing state of affairs. They have never had the direction of Native policy, or even suggested the acts of the Imperial Government in its relations with the Natives; but they approve of the stand made by His Excellency in the Taranaki case, and are naturally willing to risk life itself in the maintenance of the Queen's authority over the Islands of New Zealand."

65. No less emphatic was the declaration of the Governor; for, after referring to the origin of the Native King movement in 1856, he states that he "must, therefore, consider that the question at issue is one which affects Her Majesty's Sovereignty over the the Islands of New Zealand, and nothing else;" and, that it is quite true that this sovereignty as relates to the Maories has been always more nominal than real; but it is now evident that the Maories desire a separate nationality and union in order that they may erect a real Sovereignty." He regarded the attitude assumed by the Natives, as blocking up the Queen's road, and stopping the free passage of persons going and coming, which he said was levying war against the Queen.

66. If additional evidence were necessary to establish this point, it may be found in the letter of Mr. McLean, the Native Secretary, who expresses an opinion, that, "now the Natives have buried the hatchet among themselves, and yielded allegiance to King Potatau, the powerful Waikatos, several thousands strong, and many of the numerous and disaffected tribes on the East Coast, in the vicinity of Poverty Bay, may be implicated in the present contest with a view of asserting their national independence, and throwing off their nominal allegiance to the Crown."

67. The Waikatos were very generally considered to be the backbone of the resistance to the Queen's authority, and known to be deeply implicated in the late transactions at Taranaki, and it was at this time therefore seriously considered whether it was not advisable at once to reduce them to submission by force. The Governor and his Ministers after much thought deemed it wise to give the Waikatos time to deliberate before sending specific terms for their acceptance. General Cameron, who was commanding the Forces, and who was also a member of the Executive Council, had, however, for some time past urgently pressed that the Waikatos "should be called to account without loss of time for their participation in the rebellion, and that they should not be allowed more than a few days to give in their submission."

68. I have hitherto endeavoured to give a rapid narrative of passing events during the period when the Colony of New Zealand was, to all intents and purposes, a Crown Colony; and also during the period when, under the Constitution Act, it was endowed with full legislative and administrative powers as regards the European race, but was debarred from all interference with affairs connected with the Natives, which were considered to be matters of Imperial concern, and the conduct of which was entrusted solely to the Governor, responsible to the Crown. I shall shortly enter on the consideration of the last period when the Crown, waiving its right and abandoning its trust, peremptorily transfers to the Colony, during a period of unparalleled difficulty and distress, the power which it had withheld in times of comparative peace and quiet. Colonel Gore Brown was about to be relieved of the administration of the Government, and Your Excellency was about to be appointed to succeed him. In anticipation of your arrival His Grace the Duke of Newcastle proceeds in his Despatch of the 5th of June, 1861, to indicate the main objects which you should keep in view in your administration. Impressing on Your Excellency the earnest desire of Her Majesty's Government for the establishment of peace, His Grace declares "that it would be better even to prolong the war, with all its evils, than to end it without producing in the Native mind such a conviction of our strength as may render peace, not temporary and precarious, but well grounded and lasting." The future relations between the Governor and the Responsible Ministry in the administration of Native affairs are pressed upon your attention, as also the introduction "of some institutions of Civil Government, and some rudiments of law and order into those Native districts whose inhabitants have hitherto been subjects of the Queen in little more than in name, notwithstanding the well-meant Colonial legislation of the last few years;" while His Grace remarks, of even greater moment, as the "most important of the Crown's powers is that not hitherto exercised of declaring Native districts, with the view of withdrawing them for purely Native purposes from the jurisdiction of the General Assembly or Provincial Councils, or both."

1861.

69. Not only is the Crown thus prepared to hand over to the Colonists the administration of Native affairs, but even to waive the objections so earnestly and so forcibly urged against the "Native Territorial Rights Act, of 1858," by Lord Carnarvon in his Despatch of the 18th of May, 1859. His Grace concludes his instructions by reminding the Colonists that if, in the acceptance and exercise of the new powers proposed to be entrusted to them, they should ill-treat the Natives, "it would be impossible for any Government in this country to supply Imperial troops at Imperial charge, in order to

avert from the Colonists the disastrous consequences of a policy, which would have been pursued against their advice, and, over which they could, under the actual constitution of the Colony, exercise so little control."

70. Within a week after Your Excellency had assumed the administration of the Government you forwarded to His Grace the Duke of Newcastle certain Memoranda, submitted by Ministers, respecting the position of the Colony, the machinery of Government for Native purposes, and the efficiency of the existing form of Government. From these documents it would appear that actual fighting at Taranaki had ceased on the 14th of March, the Waikato contingent having returned home, accompanied by William King and a few followers,—his fighting general, Hapurona, and a portion of the Ngatiawas, having accepted the terms of peace. The Ngatiruanuis and the Taranakis had also returned home, remaining in a state of passive insurrectionary sullenness. These latter tribes, it is said, "refused submission to the terms proposed, retained large quantities of the settlers' stock carried off during the war, have stopped the mail, though carried by Natives, and threaten death to all Europeans, who venture beyond certain lines, so that no one dare travel beyond a few miles from the town of New Plymouth on the one side, or Wanganui on the other." The Natives boasted that they held by right of conquest the Tairā-makā block, formerly purchased from them, and parcelled out into thriving farms from which the settlers had been forced to retire. Such a state of things could not be suffered to continue, and Ministers declared that the true policy consisted in vigorous measures as retribution for wrongs done, and with a view "to open up and establish military communication by roads between Taranaki and Wanganui," while the Waikatos, it was suggested, should be dealt with in a gentle and friendly manner. With reference to the machinery of Government for Native purposes, the continued existence of the Native Secretary's Department, which was free from all control on the part of the Responsible Ministry, was regarded as a very serious evil, and one which obstructed the Colonial Government, when bringing its energies to bear on the advancement of Native interests. In the Memorandum of the 8th October, 1861, the Ministry declared their conviction that the difficulties of the present crisis "have arisen solely in reference to the administration of Native affairs." They say, "now, this has—partly by the operation of the Constitution Act, and partly by the action of the late Governor on the introduction of Responsible Government—been practically reserved in the hands of the Governor as the Representative of the Imperial Government, and the Colonial Government has, in fact, had little or nothing to do with it. The Colonial Government has done what it could, consistently with the limited powers vested in it, to advise and legislate in support of the Governor's administration of Native affairs; but, substantially, the whole control and action has been with him; and it may be safely asserted that the present difficulties are in no way chargeable on any exercise by the Colonists of the Constitutional powers vested in them by Parliament."

71. With the hearty concurrence of your Ministers, who looked forward to a permanent solution of the Native question, and with a great part of your plan for the introduction of the proposed new institutions for Native government, prepared to your hand by the legislation of the General Assembly, Your Excellency resolved to avoid, if possible, the renewal of military operations, in order that you might secure all the friends you could, reduce the number of your enemies, and might establish law and order in the Native districts. Impelled by these motives, and influenced by the conviction that the Waikatos would not submit to the terms demanded of them by Governor Browne on the 21st of May last, which were—submission to the Queen's authority—restoration of plunder—and compensation for the destruction of European property,—you communicated to the Duke of Newcastle on the 30th of November, 1861, your present intention not to carry out the publicly recorded determination of your predecessor; and on the same day, in a separate Despatch, you communicated to His Grace your intention to consult and act through your Responsible Advisers in relation to Native affairs, adducing, among other reasons, that "it is better to show that full confidence in the General Assembly which, by its proceedings towards the Native race, it has, I think, fairly merited, rather than to evince an undeserved mistrust in it." As an additional argument in favor of this organic change, you remark that "another disadvantage of the system of making the Governor chiefly responsible for Native affairs is that it will be thought that the wars, which may arise under it, have sprung, whether rightly or wrongly, from the acts of the Representative of the British Government, over whose proceedings the Colonial Legislature had but very imperfect control; so, it would seem difficult to call upon that body to find the means of defraying the cost of a war for the origin, continuance, and conduct of which it was only in an indirect manner responsible."

72. Your Excellency then proceeded to visit the Lower and Upper Waikato, and in a letter to General Cameron, of the 19th December, 1861, a clear insight is given into the defenceless character of the town of Auckland, and the neighboring country, should a threatened attack be made on them, and the troops be reduced. In order to enable the European settlers to continue their operations, and to remove the obstacles to the progress of the country, which you represent as at a "complete standstill," you requested the General to undertake the construction of a road from Auckland to Havelock, as a military work, and also the selection of a site for a military post on the Waikato river; and in your Despatch of the 7th January, 1862, on the same subject, it is vividly pointed out that as things were, "we were almost checkmated," that the "Natives completely held the game in their own hands," and that the construction of the road, and the selection of a post on the Waikato were essential to the security of the Province.

73. It is necessary, with a view to a thorough understanding of the liability of the Colony for the consequences of any future action in connection with Native affairs, that I should trace the extent to which the General Legislature sanctioned the provisional arrangement entered into between your Excellency and your Ministers in the conduct of these affairs. The Assembly met on the 7th July, 1862, and on the 28th of July Mr. Fox retired from office on an adverse vote of the House of Representatives, which, by the Speaker's casting voice, passed to the previous question, when the subject of the administration of Native affairs by Responsible Ministers was under consideration. On the 19th of August the House passed a series of resolutions, the last of which asserted, that "as the decision of all matters of Native policy is with His Excellency, the advice of Ministers shall not be held to bind the Colony to any liability, past or future, in connection with Native affairs, beyond the amount authorized,

or to be authorized, by the House of Representatives." In forwarding these resolutions to the Duke of Newcastle on the 26th of August, 1862, Your Excellency expresses your consent to act in the spirit of them until you receive further instructions, though you do not think they "establish satisfactory relations between the Governor of this Colony and his Responsible Advisers;" but, you express your conviction "that when the difficulties now prevailing have been brought to a close, the General Assembly will, if your Grace desires it, assume the entire responsibility of Native affairs."

74. While the House was in session a very important Despatch was received from the Duke of Newcastle, dated the 26th May, 1862, in which, referring to this provisional arrangement entered into by Your Excellency and your Advisers with respect to the conduct of Native affairs, His Grace observes, "I am ready to sanction the important step you have taken in placing the management of the Natives under the control of the Assembly. I do so partly in reliance on your own capacity to receive, and your desire to do what is best for those in whose welfare I know you are so much interested. But I do it also because I can not disguise from myself that the endeavor to keep the management of the Natives under the control of the Home Government has failed. It can only be mischievous to retain a shadow of responsibility when the beneficial exercise of power has become impossible."

75. Immediately this despatch came under consideration of the Legislature, both Houses prepared addresses to the Queen, in which they forcibly depicted the impossibility of honorably or successfully fulfilling the task sought to be imposed on them. The House of Representatives submitted that the provisional arrangement was made without the assent of the Assembly, that it is proposed to make the transfer of responsibility at a time when a large section of the race have endeavored to establish a separate nationality, and to set up a King, and have raised bands of armed men to maintain his authority; when the insurgent natives hold possession, avowedly by right of conquest, of one of its principal agricultural districts, which had been occupied under grants from the Crown, and cultivated for years by peaceful and industrious settlers; nevertheless, it declared its readiness to take as large a share of the burden as its means will allow, as it hitherto has done, and concluded its protest in the following emphatic language:—"In respectfully declining, therefore, to accept the proposal of your Majesty's Government, we do so, not as shrinking from labors or burdens which we ought rightly to undertake, but because, along with a desire on the part of your Majesty's Government to confer an apparent boon on the Colony, we seem to discover in the despatches to which we have referred, the intention to withdraw from engagements to which the British nation is honorably bound, and to transfer to the Colony liabilities and burdens which belong properly to the Empire."

1863.

76. The reply to this address is contained in an elaborate Despatch of the Duke of Newcastle, of the 26th February, 1863, in which, after arraying the arguments adduceable in defence of the position assumed by Her Majesty's Government, and in rebutting those brought forward by the Colonial Government, His Grace observes that "Her Majesty was pleased to receive the addresses very graciously, but has not commanded me to recall the decision communicated to you in my Despatch of the 26th of May, with respect to the administration of Native affairs."

77. When the Assembly met in 1863 it took this reply under consideration, and utterly hopeless that any success would attend their efforts to avoid a burden the Colony could not bear; considering, also, the disastrous results which might probably arise at such a crisis from an estrangement between Great Britain and her dependency, especially when so much depended on unity of action; and regarding the fixed determination of Her Majesty's Government to revoke the arrangement of 1856, the House of Representatives resolved that, "relying on the cordial co-operation of the Imperial Government for the future, this House cheerfully accepts the responsibility thus placed upon the Colonists, and at the same time records its firm determination to use its best endeavors to secure a sound and lasting peace, to do justice impartially to both races of Her Majesty's subjects, and to promote the civilization and welfare of all classes of the inhabitants of these Islands."

78. I would desire in this place to point out that the Duke of Newcastle's Despatch of the 4th June, 1861, merely sketched out a proposal for transferring the administration of Native affairs to the Colony, and that in your Excellency's Despatch of the 30th November, 1861, you intimated merely a provisional transfer until His Grace should communicate the views of the Home Government basing your recommendation on the freedom from responsibilities for "wars which may arise," for, as you observe, "it would seem difficult to call upon the Colonial Legislature to find the means of defraying the cost of a war for the origin, continuance, and conduct of which it was only in an indirect manner responsible." Such was the war then existing, which still exists though nearly extinct and about which Your Excellency received the particular injunction that it "would be better to prolong it with all its evils than to end it without producing in the Native mind such a conviction of our strength as may render peace not temporary and precarious, but well grounded and lasting." As the transfer was provisional on Your Excellency's part, so was its acceptance conditional on the part of your advisers. Her Majesty's Ministers endorsed the action you had taken, but the Colonial Legislature declined to endorse that which the Colonial Ministers had taken. It could not therefore be asserted that there was any transfer based upon mutual agreement, and consequently the Secretary for the Colonies remarked that "the relinquishment (of the charge of Native affairs) does not require the assent of the Colonists to make it effectual."

79. Concurrently with these political questions there were others arising of a more practical character. The rebel Natives at Taranaki had scornfully rejected the terms offered by Governor Browne, and the tribes on the Lower Waikato, were in a state of excitement at the evident signs of preparedness to meet coming events which had for some time been manifested in furtherance of Governor Browne's intimation of his intention to punish the Waikatos should they not come in under the Proclamation. It was evident that a resort to arms would be eventually necessary in order to restore Her Majesty's supremacy, and to reinstate British settlers, who had been driven from their homes, and which were then in the possession of the rebels, but, intermediately it was considered expedient that another attempt should be made towards reconciliation, and that while abstaining from coercive operations the exposed European districts should gradually be placed in a more defensible condition. These preparations, as far as Auckland was concerned, having been completed by General Cameron at the end of February, Your Excellency at once embarked for Taranaki with a view of re-occupying the British settlements of Omata and

Tataraimaka, which were situated, respectively, 7 and 12 miles South-west of New Plymouth. The Omata block was occupied by a force under Colonel Warre, on the 12th of March, without any signs of opposition on the part of the rebels, and on the 4th of the following April, quiet possession was taken of Tataraimaka. But this seeming acquiescence in our movements was but of a very temporary duration, for on the 5th of May you report to His Grace the Duke of Newcastle, that on the preceding day a most terrible and shocking murder was committed by the Natives on the land between the Omata and Tataraimaka blocks, in which two officers and 6 soldiers of Her Majesty's service were killed.

80. Reverting now to the supposed original cause of the first overt act of rebellion, viz., the purchase of the Waitara block, Your Excellency remarked on the 24th of April, 1863, to the Duke of Newcastle, that after twelve months of a disastrous war, such difficulties had arisen that the matter was left exactly as it originally stood before any disturbance had taken place, the Government having then notified "that the investigation of the title, and survey of land at Waitara was to be continued and completed," and "You mentioned in a Memorandum to your Ministers of the 22nd April, that the Natives will not agree to any investigation of the title, but demand "an enquiry into the whole affair, in order, that it may be shown who is really guilty of the evils which have sprung from the late war," and then, after a careful review of the whole subject, with the additional evidence which had been discovered, and considering that "if we had not peaceably entered into possession of the European lands at Omata and Tataraimaka, it would have been difficult to have abandoned the intention of purchasing the lands at the Waitara," you recommend the issue of a notice giving intimation of such intention. Your Ministers, in their reply of the 30th, received by you on the 3rd May, while they express their agreement to waive the claim of the Crown to the site of the Pahs occupied by William King and his people, and other land intended to be reserved, observe, with respect to the abandonment of the remainder, and, keeping in view the aggravation of evils which would be produced by their opposition to any course which you might feel compelled to adopt, and also to the established relations between yourself and them with respect to all matters of Native Policy, that they would be justified in leaving the decision of that part of the question entirely to Your Excellency. Thus matters stood on the 3rd May, the day preceding the murderous ambushade above related. Immediately following this, on the 11th of May, Ministers expressed their concurrence in the withdrawal of the troops from the Waitara, on the ground that they had engaged to assist in carrying out Your Excellency's proposal to abandon the purchase, and such withdrawal was a necessary consequence. On the same day a Proclamation was issued declaring that the purchase of the Waitara block was abandoned, and all claim to it on the part of Government was renounced.

81. Having thus sketched out the course pursued by the Governor and Ministers in this troublesome affair, it only remains that I should indicate the view taken by the Home Government. The Duke of Newcastle writes, on the 25th of August, 1863, expressing his approval of the measures which it was proposed to adopt, and his conviction that, had Governor Browne been in possession of the facts which had lately been elicited he would not have committed himself to the purchase. He then observes—"I have said so much as to the propriety and prudence of the Waitara purchase, but I must add, on the other hand, that my view of the justice of exerting military force against W. King and his allies remains unchanged. That chief's conduct from first to last still seems to me to have been inconsistent with any degree of submission to the Queen's authority over New Zealand. In short, he never assumed any attitude towards the Governor but one of defiance; and, to use the language of Chief Justice Arney in the Legislative Council, never made any intelligible claim of right to the land, or any other declaration than a declaration of war." Nor was such an opinion a merely transient one, for, on the 19th of December, 1860, we find that His Grace stated to Governor Browne, that "without at present pronouncing on the prudence of your policy in committing yourself to a land purchase at Taranaki under such circumstances, I cannot doubt that the disloyal and defiant conduct of that chief when his claims were denied by the Government, was such as to leave you no alternative but an appeal to arms."

82. Whatever, then, may be the view taken of the prudence of effecting the purchase of this particular piece of land, there is abundant evidence to show that, in the opinion of the Imperial authorities, both as regards the original outbreak and the subsequent murders, the natives at Taranaki and their allies were guided by motives utterly inconsistent with even a nominal submission to the Queen's sovereignty, and which therefore compelled a resort to arms in vindication of the law.

83. Bearing in mind, then, the instructions of the Duke of Newcastle in his Despatch of the 5th of June, 1861, to the Governor, in which he declares that "it would be better even to prolong the war with all its evils, rather than end it without producing in the Native mind such a conviction of our strength as may render peace, not temporary and precarious, but well grounded and lasting," it is not to be surprised that military operations were at once commenced at the Waitara. His Grace recognises the existence of the war, the still defiant attitude of the rebels, and the necessity of decisive measures to assert the supremacy of the law; and in furtherance of these views General Cameron was not long before he struck the first blow by a successful attack on the rebels, on the 4th June, at Katikare, in the Province of Taranaki.

84. Subsequent events and disclosures clearly proved that the murders committed on the 4th of May were parts of a general plan, closely connected with the King movement; for, Your Excellency informs the Duke of Newcastle on the 4th July, 1863, that "it has now been clearly proved that some of the chiefs of Waikato ordered the recent murders at Taranaki, and that being responsible for them they have determined to support the people who carried out the orders which they issued. For this purpose they are quite prepared to attack this populous district (Auckland) and even to commit similar murders here." With a view to prevent the possibility of such occurrences, the initiative was taken by General Cameron, commanding Her Majesty's forces, who crossed the Maungatawhiri in force on the 13th of July, and commanding the navigation of the Waikato River, which flows forty miles south of the city of Auckland, placed the northern British settlements in a state of comparative security; thus, in a measure anticipating the Native attacking forces, which were already in motion, and whose leading parties had already turned the flank of the British advance, and were operating in small bodies on his communications.

85. It is not necessary that I should narrate any further the history of this and the succeeding campaigns, the more especially as I shall have to allude to them again. It is sufficient to state that, whatever may be the opinion of the policy which was then followed, there can be no doubt that the resumption of active operations undertaken at Waikato was the natural sequence of those which had been prosecuted at the Waitara, and that the past and present state of the Native districts are connected with those operations as an effect is connected with its cause, while the whole has unmistakeably arisen from the necessity of vindicating Her Majesty's supremacy, and the rights of British Native subjects guaranteed by treaty with the Crown.

86. It soon became evident that the insurrection had at length assumed a form and vitality which required the utmost exertions of both the Imperial and Colonial authorities to arrest its progress, and with this view Ministers, on the 30th July, 1863, proposed a scheme for protecting the frontier by the location of 5000 men, holding fifty acre farms of land on military tenure, both in the Waikato and Taranaki districts. The land required for this purpose it was intended ultimately to take from the territories of the tribes then in arms against the Government. Your Excellency, in forwarding the memorandum on the 29th of August, 1863, acquiesced in the proposal to the extent of 2000 men, until the Assembly should meet, which was summoned for the 19th of October, and you conveyed your approval of the scheme in the following expressive language to the Secretary of State:—"I can devise no other plan by which both of these ends can be obtained than, firstly, by providing for the permanent peace of the country by locating large bodies of European settlers, strong enough to defend themselves, in those natural positions in the Province which will give us the entire command of it, and will convince the badly disposed Natives that it is hopeless to attempt either to drive the Europeans from the country, or to place them throughout a great part of its extent under the rule and laws of a King of the Native race, elected by the Maori population, who would soon turn his arms against his brother chiefs, and render the Northern Island from end to end one large scene of murderous warfare; and, secondly, by taking the land on which the European population is to be settled from those tribes who have been guilty of the outrages detailed in my various despatches to your Grace. A punishment of this nature will deter other tribes from committing similar acts, when they find that it is not a question of mere fighting, which they are to be allowed to do as long as they like, and then, when they please, to return to their former homes as if nothing had taken place; but that such misconduct is followed by the forfeiture of large tracts of territory which they value highly, whilst their own countrymen will generally admit that the punishment is a fair and just one."

87. The policy thus inaugurated and supported was in due course approved by His Grace the Duke of Newcastle. Shortly after the meeting of the General Assembly on the 19th of October, 1863, the Ministry of Mr. Domett resigned, and Mr. Whittaker as Attorney-General, and Mr. Fox as Colonial Secretary, united to form a Cabinet. This Ministry introduced to the Legislature the three Acts known as "The Suppression of Rebellion Act," "The New Zealand Settlement Act," and "The New Zealand Loan Act." The first of these was directed to the suppression of the existing rebellion; the second was intended to establish a permanent security against future rebellions by the confiscation of rebel lands; and the third, to provide a loan of £3,000,000, which, with the exception of £200,000 for Lighthouses and Telegraphs, would be required to assist in suppressing the rebellion, and in introducing a system of self-supporting settlements, which, it was believed would be the means of securing permanent peace. In the meantime, however, Mr. Cardwell had succeeded the Duke of Newcastle, and, by the instructions of the former, conveyed in his Despatch of the 26th April, 1863, which was printed in the *New Zealand Government Gazette* of the 30th June, the intended confiscation of land on which the whole scheme was based, and which alone induced the Legislature to adopt it, was changed, and instead of confiscation a pardon was to be offered to those persons implicated in the rebellion who might come in on or before the 22nd of October, 1864, take the oath of allegiance, and make the cession of such territory as might in each instance be fixed by the Governor and Lieut.-General. On the 30th of September, owing to a difference of opinion on this subject, the Ministry placed their resignation in Your Excellency's hands. On the 26th October, as intimated in your letter to Mr. Cardwell of the following day, Your Excellency issued a proclamation to the effect above stated, extending the time to the 10th of December, having in the first place obtained the concurrence of Sir D. Cameron and Commodore Sir W. Wiseman, as high Imperial officers, the former of whom you had been instructed to consult on the subject.

1864 to 1867.

1864.

88. In the November of 1864, Mr. Weld's Ministry entered upon their duties as advisers to Your Excellency, and finding that the joint responsibility of Governor and Ministers had resulted in divided counsels, producing great evils, and entailing heavy and unnecessary expenditure; and admitting the right of the Home Government to insist upon such a system so long as the Colony was receiving the aid of British troops in the suppression of internal disturbances, they urged the withdrawal of these troops at the earliest possible period consistently with the maintenance of Imperial interests, and the safety of the Colony, with a view to the complete introduction of Responsible Government. The Houses of Parliament being then in session adopted this policy. One of the earliest efforts of Mr. Weld's Ministry was to locate the Military Settlers and Immigrants, who were rapidly arriving from abroad, upon their lands in the Waikato, from which the rebel natives had been expelled by the Imperial troops; taking care that the boundaries of the land confiscated should not extend beyond the territory which had been lately conquered by, and was in the possession of these troops. Military operations were subsequently commenced on the West Coast, between Wanganui and Taranaki, in accordance with the arrangements decided on in 1863; and, as many of the tribes in this neighborhood had been among the earliest and most persistent of the rebels, had committed murders, and had destroyed the property of English settlers, a considerable portion of the land belonging to them was also confiscated as a punishment for their rebellion. The act of confiscation in this, as in other cases, was, however, accompanied by intimations, since most faithfully and liberally carried out, that the land of loyal Natives would be returned to them, while large reserves would be made for those rebels who were willing to live in peace and quietness.

89. While these objects were being effected, the motives of the Colonists were exposed to the most adverse and cruel criticism, for, it soon became evident that the presence of the Imperial troops subjected them, the Ministry, and by implication, Your Excellency, to the imputation of being actuated by base and unworthy motives; and Mr. Weld, therefore, in his memorandum of the 8th of April, adopting the suggestion of your memorandum of the previous day, states, with regard to the employment of those troops, that "it is impossible longer to accept assistance so unwillingly rendered," and, records the determination of the Government henceforth to provide for the defence of the Colony. They were further impelled to this course by the consideration that "the forced inaction of the British Army renders it a source of weakness to the Colony, and rather retards than promotes that peace which it was their hope ere this to have established, and they expressed their belief that the political action of the Military Officer commanding has resulted in fresh embarrassments and detriment to the public service." Mr. Weld admits, in his memorandum of the 11th July, 1865, a reasonable liability for Colonel Warre's operations at Taranaki, even though, to a great extent, they were marred by the inaction of the Lieut.-General, but he declines recommending any appropriation for the Imperial forces then in the Colony. Just previously to this the Colonial Treasurer had forwarded, on the 23rd of March, 1865, the sum of £500,000 in four per cent. Colonial Debentures, in payment of Imperial claims, and had asked, as a practical recognition of the efforts of the Colonists in the performance of the duty imposed upon them, that the Home Government should give their guarantee to the remainder of the Three Million Loan, or should make an annual grant in aid of the extraordinary expenditure for the next four or five years. Neither of these requests have been granted, although so ably and earnestly recommended by Your Excellency.

1865.

90. From that time to this the policy of the Colonial Government, whether under Mr. Weld or Mr. Stafford, has been in the direction of peace and self-reliance. Loyal tribes which have been threatened or attacked have been supported, forays on our borders have been repelled, and attempts have been made to apprehend the cruel murderers of Mr. Volkner and Mr. Fulloon, while constant efforts have been directed towards winding up the policy of 1863. In these exertions successive Ministries have received Your Excellency's most cordial co-operation. It is a matter of much gratification to find that, so far as we can read aright the present indications of the Native mind, there appears a very fair hope that at length peace is permanently restored to the land.

91. With the Colony now rests the duty of preserving, unaided, the public peace, for there is no need for the Colonists to ask themselves the question which was put by Sir. G. C. Lewis, in his Memorandum of the 26th July, 1860, to Governor Browne, when he writes—"What is the degree of protection which the inhabitants of a British Colony are entitled to expect from the Home Government is a matter in which it is impossible to speak in the abstract. It is no doubt necessary to punish aggression, to defend the centres of population, to maintain a hold upon the keys of the country; but beyond this the amount of assistance given must depend on the demands to which the Naval and Military forces of the country are subjected elsewhere." From this position the Imperial Government has receded. It no longer insists upon the instructions issued by Mr. Cardwell to Your Excellency, on the 26th of July, 1863, when he says—"Your duty as the Representative of your Sovereign is to take such measures as may, in your judgment, be best calculated to put down rebellion, to restore peace and order, and to stop the expenditure of blood and treasure. When you shall have accomplished these objects, and the Army maintained at so great an expense shall have been reduced to the moderate numbers suited for the times of regular and peaceful administration, Her Majesty's Government will not be desirous to withdraw from Colonial Ministers any part of that authority in the conduct of Native affairs which has been already vested in their hands." Even this position is no longer held; but the Colonists are now informed that they may have the services of an Imperial Regiment, which might be retained "in the Colony in case the grant of £50,000 per annum for Native purposes shall be continued;" but this Regiment, in case of its retention, was not to be "left in distant and isolated posts," nor "employed virtually as a frontier or Native police," but "concentrated at the chief towns, viz., Wanganui, New Plymouth, and Auckland," and, if necessary, "at Wellington or Napier;" for, as Lord Carnarvon remarks in his Despatch to Your Excellency of the 1st December last, with respect to the troops—"It is not with the object of being useful that they are now in New Zealand. The Colony has long since adopted the duty of protecting itself, and Her Majesty's troops are no longer there for the purpose of protecting it, but merely remain, or ought merely to remain, in default of the transports necessary for sending them away." It is scarcely to be wondered, therefore, that the Colony should decline to pay the sum of £50,000 annually for a service which was not designed to assist it in the preservation of the peace, and which, moreover, bore with it a forced expenditure of £50,000 in addition to the expenses of an armed constabulary to defend the frontier.

92. The claim which New Zealand prefers to the material assistance of Great Britain, she asks to be considered on the ground of right, as well as on the grounds of wisdom and generosity. In endeavoring to illustrate and support this position I select the year 1857-8, as one peculiarly adapted to the circumstances of the case, being guided thereto by three considerations: because the Return, from which I shall quote, was drawn up for that year with especial reference to the subject under review; and because, on the 12th February, 1858, Governor Browne issued his proclamation, declaring that active measures would forthwith be taken against all persons in arms against Her Majesty's authority; and also because, on the 18th May, 1859, Lord Carnarvon communicated to the Colony the fixed determination of the Imperial Government so keep jealously in their own hands the administration of Native affairs, which might "at any time involve the employment of the troops and the consequences of an expensive conflict." It was, then, but natural that the Colonists, while loyally responding to the call of the Governor to aid him in the Imperial duty of upholding Her Majesty's supremacy by force of arms, and in keeping inviolate the rights of the Native proprietors of land, should look around them, in order to ascertain for themselves the nature and extent of the obligations they were about to incur. They were, at that time, under an engagement to the Crown, entered into in 1858, to contribute annually the sum of £5 for every soldier in the Colony, towards the expenses of Her Majesty's Military Forces serving in New Zealand; an engagement peculiarly burdensome to a Colony whose whole revenue, of every kind, ordinary and territorial, was only £237,245, and one, which for its magnitude and the demands it created, was, in comparison with other Colonies,

quite exceptional in its character; yet they shrunk not from the aspect of the possible future, when they remembered with gratitude the past exertions of the Crown in suppressing former insurrections against Her Majesty, and when they gathered from abroad that there was not the slightest apprehension that they might be converted into a principal from being only an auxiliary. And what did they find to inspire them with this confidence, and the determination to cordially co-operate with the Imperial Government to the extent of the limited means of the Colony? They found that the military force in the Colonies in that year amounted to 47,251 men, exclusive of those in the East Indies, and the expenditure to £3,968,599, of which only £378,253 was contributed by the Colonies; or, deducting what may be termed Military Posts, that 16,000 men were employed, and an expense incurred for defensive purposes of £1,500,000; and further, that at the Cape of Good Hope alone, a Colony which bears a strict resemblance to New Zealand with respect to Native difficulties, the Imperial Force amounted to 10,759 regular troops, and the Military Expenditure to £830,687, while it refunded only £34,343; and this occurred at a time of exceptional tranquillity. They, therefore, felt assured that, though the burden they were about to incur was indeed heavy, their efforts would not be unduly taxed.

93. The Colonists entered upon their duty with an earnest desire, by effectual and vigorous co-operation with the Imperial Government, to restore peace and order to the distracted country; they could not anticipate that in the year 1865-6 the Crown should demand no less than £160,000 with interest capitalised annually, as a contribution to the Imperial forces; while, at the same time, the Colony was expending nearly £300,000 on Colonial Forces embodied in aid of Imperial operations. Neither could they conjecture that the time would come when New Zealand, left, as she was, unaided in the face of a formidable armed insurrection, because she would not accept impossible conditions, should learn that a Secretary of State for the Colonies could instruct the Officer commanding Her Majesty's Forces to remove the solitary Regiment which was to garrison the chief towns, unless certain specified contributions and conditions were immediately guaranteed, and to send it to Australia, where it was not required, and from which he was expressly directed not to ask for any additional contribution.

94. New Zealand does not desire, and has no claim to be placed in the same category with such Military Colonial Posts as Gibraltar and Malta, or, as the West Indies; but, nevertheless she has a claim to expect that substantial aid shall be forthcoming to meet trials not of her own originating. No one can dispute the right of Great Britain to change her relations with the Colonies on a fair adjustment of existing and entailed liabilities; but it is respectfully submitted that it certainly cannot be regarded as consonant either with wisdom or generosity, and certainly incompatible with justice, to leave a Colony in the midst of an insurrection, because, after it has willingly paid a certain specified contribution, it declines a proposal to multiply that eightfold, or raise it from £5 to £40 per man, at a time when the Colony is prostrate with its past exertions, and coupled, too, with conditions which paralyse all hope of successful exertions for the future.

95. But it may perhaps be replied that the year I have chosen by way of illustration was an exceptional year, and does not fairly represent the case. I turn, then, to the Military Estimates for the present year, and I find the Military Expenditure in the Colonies put down at £3,193,278, while the sum which it is expected will be refunded by the Colonies is stated at £348,700, about one-ninth of which is to be received from the Australasian Colonies, including New Zealand, while the proposed expenditure within the same amounts to only one-eighteenth. Canada, placed, as it were, on the defensive, is estimated to require an expenditure of £635,604; and at the Cape of Good Hope and Natal, where peace prevails, though liable to interruption from the caprice of the Aborigines, the expenditure is estimated at £289,379, of which they only refund £19,500; while to the whole of Australasia is apportioned £170,696, of which she is expected to return no less than £43,000. In commercial circles there are certain tacitly recognized claims between consumer and supplier, and if this recognition is entitled to any influence in political connections, the commercial ties between Great Britain and the Colonies are not undeserving of consideration. While the United States consumed, in 1863, British exports to the extent of 9s. 10d., and France to 4s. 8d., and Germany, with Prussia, to 7s. 4d. per head, Australasia, including New Zealand, consumed at the rate of £9 4s. 1d. per head. To put the case on its lowest grounds, then, it would not be an evidence of wisdom for the Mother Country to crush the credit and wither the resources of one of a group of Colonies which, unitedly, in 1863, when the population was much less than at present, consumed British exports to the value of £12,506,334.

96. Reflections have been made, from time to time, in various public Despatches, depreciatory of the extent of the sacrifices made by the Colony towards the suppression of the rebellion. But, though Mr. Adderley, in his place in the House of Commons was pleased, on the 13th of March last, to state "that no Colony had shewn so high a spirit, both in money matters and in undertaking its own defence, as New Zealand had;" yet it is expedient that these exertions should be more prominently brought forward, and somewhat in detail. In illustration of the sacrifices made by the Colony I would refer to the tabulated statement marked G in the Appendix, from which it appears that between the years 1859 and 1867 the Colony had actually expended the sum of £2,725,660 15s. 8d. in connection with the Native rebellion. I would also refer to the fact that at one time there were no less than 7330 men of the Colonial forces on active service and pay, exclusive of Militia and Volunteers not in the field, for which latter force the Colony was paying in 1866-7 no less than £24,692. But even this will give no adequate idea of the extent of the exertions made by the Colony, because it does not include the whole outlay for Native auxiliaries; and because, to estimate it aright, it is necessary to add to it other liabilities before the amount can be approximately ascertained. It may, however, be stated in the following abstract form, viz. :—

Colonial Treasury Expenditure	...	...	...	...	...	£2,725,660	15	8
Imperial Claims, as stated by the Treasury	...	...	...	...	...	1,304,963	17	1
						<hr/>		
					Total	£4,030,624	12	9
Or, as admitted by myself, partly under protest	...	...	...	...	...	£3,485,282	10	3

97. But, while such are the real facts of the case, it may be said that the Legislature had made provision, by the confiscation of a portion of the land belonging to rebels in arms against Her Majesty, for re-couping the greater part of this heavy liability. The Colonial Treasurer, Mr Wood, in his financial statement on the 10th of November, 1863, calculated that there would be nearly 2,000,000 of acres available, after the location of military settlers, and he anticipated that, before very long, the proceeds of the sales would repay the whole of the expenditure. But when the Select Committee of the House of Representatives brought up their Report on the 14th of August, 1866, on the subject of the Confiscated Lands, they represented the whole case to be exceedingly intricate and complex, and that only at the best could an approximate estimate of the extent, character and value of the land be obtained. The area of Confiscated Lands was stated at 3,255,737 acres, of which there were about—

Mountain and swampy land	...	...	...	606,126
Compensation and reserves for Friendly Natives	...	...	...	591,131
Estimated quantity of land required for returning Rebels	...	...	...	289,000
Military Settlements	...	...	...	298,238
Miscellaneous (including unknown amount of swampy and mountain land at Opotiki)	...	...	...	416,499
Saleable land	...	...	...	1,054,743

The Committee, valuing the saleable acreage at from 5s. to £2 per acre, estimated the probable proceeds to be about £602,233, from which, deducting money compensation due to settlers and Natives, and survey expenses, in the Auckland Province alone, amounting to £95,056, there was a possible available sum of £507,177. But since this Report was submitted to the Assembly additional information has been obtained, though the extent, nature and value of the land can still only be approximately ascertained. With reference to the extent of the Confiscated Land the calculation depends mainly upon the exact locality of some mountain peak or range, or upon unsurveyed river; for instance, were Mount Egmont one mile out of its indicated position on the map a difference of probably 20,000 acres would be the result in the estimated quantity of land in the Province of Taranaki. Again, with respect to the nature of the land, a considerable amount of it has seldom been visited by Europeans, though some may have passed through the block. With respect to the value of the land, there is no other guide than the Committee's approximate rule, which is stated to be found not incorrect in other cases, and is as follows,—“half the area of that part of the land which is yet unexplored, but known to be a broken and hilly country, has been taken to be of some value, and the rest to be wholly unsaleable.” Since the Committee's Report was brought up there has been a block of land confiscated in Hawke's Bay which contains 375,000 acres, of which 17,000 belong to the Provincial Government. Of this block it may be necessary to restore 50,000 acres to loyal Natives, 2000 to Rebels returning to their allegiance, and about 3000 will be required for Military settlers; of the remainder there are about 10,000 acres of flat land available for sale, to which, by applying the Committee's rule, may be added about 150,000 acres of hilly land, approximately valued at 2s. 6d. the acre, or nearly at £20,000. But the uncertainty which envelopes the whole question is so great that no Colonial Treasurer has yet been hardy enough to bring any sum in connection with this land into account in his Estimates. I would adduce, as an illustration, the different aspect of the same point within a period of twelve months, confining myself to one block. In the Province of Taranaki the Committee consider that 65,045 acres will be required as compensation and reserves for friendly Natives, whereas 132,654 have actually been returned, and this, of course, of the best land. I would further observe that the expenses for survey are extremely heavy, as may be seen from Appendix G. On the whole, considering that a very long time will probably elapse before the saleable land can be judiciously sold, I am not disposed to attach weight to any argument which may be adduced in favor of re-couping past expenditure from the proceeds of the sale of Confiscated Lands. It may be very naturally enquired, how is it that the reality is so far removed from that which was anticipated. It arises from the fact that the estimate was but a feel in the dark. The large amount of unavailable land, no less than 606,126 acres, or probably nearly three-quarters of a million, and the large awards to friendly and rebel natives amounting to 880,125 acres does much to solve the difficulty. Taking into calculation undefined liabilities, the complicity of some pseudo loyal natives in concealing rebel territory threatened with confiscation, the expenses of Compensation Courts and surveys, and also the over eager demands of some adherents, the Colony would indeed be well free of the land which is supposed to be available for sale on the condition that all prospective liabilities were spunged out.

98. But, while I might fairly conclude that the evidence which I have adduced would dissipate all doubt as to the character and extent of Colonial exertions, yet I desire to submit to Your Excellency other considerations which may rightly be viewed in connection with this subject. It may be supposed that the elasticity of the resources of the Colony, and the imagined lightness of existing taxation, would do much to relieve the pressure of this burden. But what do we really find to be the case? The Colonial Treasurer, in his financial statement of the 5th of September, 1866, estimated the Ordinary Revenue at £1,058,500, of which the Customs were supposed to yield £850,000 and the Stamp Duties £50,000, and if we estimate the population of New Zealand at 200,000, we shall have a pressure of taxation equal to £5 6s. per head. The Chancellor of the Exchequer, in his Estimates for the year 1867-8, calculated the Revenue of Great Britain at £69,340,000, of which Customs and Excise yield £42,700,000, and supposing the population to be about 30,000,000, we have a taxation equal only to £2 6s. per head, being not quite one-half of that of New Zealand. It may not be unnecessary to show further that, with every disposition to exercise the most rigid economy, the nature of the Colonial liabilities may involve the necessity of a continuance for some time of this taxation. The Colonial debt is represented to be about three and a-half millions (independently of Provincial liabilities), which is about £17 10s. per head of the population; while the Imperial debt is represented to be £800,000,000, or about £26 14s. per head; but the charge of interest borne respectively is, for the Colony £1 4s. 6d., and for the Empire 17s. 8d. per head. Comment on such a statement would, I am sure, only weaken its effect.

99. There was a time when, in the prospect of the vast exertions the Colony was about to make in aid of Imperial operations, the British Government might, without the slightest risk or sacrifice, have con-

ferred on the Colony a most substantial benefit. It was when the Colony asked for the guarantee of her loan, and met with a denial. But the Colonists of New Zealand have never been able to understand what are the special peculiarities which exclude them from participation in the benefits which the Mother Country confers on her Colonies, though she is painfully alive, from sad experience, to the permanent claim they have on her moral and material sympathy. Not to go back far beyond the present, it might be asked why the guarantee of Britain is given to loans when asked for by India and the newly Confederated Colony of North America, while she turns a deaf ear to the requirements of the youngest member of the dependencies of the Crown? No one will dispute that the railway system is admirably adapted for promoting commerce and manufactures, and of facilitating the means of defence in case of aggression, and that both as regards India and Canada it is not only so viewed, but, as has been well said by a late writer on the proposed guarantee of four per cent. to a loan of £3,000,000 for Canada, "The railway is for strategic and military reasons an Imperial as well as a Colonial concern." And may it not be said that the suppression of a rebellion against Her Majesty is more an Imperial than a Colonial concern, instead of being now regarded, as evinced by the withdrawal of the troops and the denial of all assistance, practically as an affair in which the Empire has no concern and no responsibility? If it be observed that the proposed railway may be viewed as a reproductive work, such an assertion as regards the shareholders would at least require proof, though it would be admitted if applied to the benefits resulting to the country through which it runs; but, if reproductive, may not New Zealand claim the guarantee of Great Britain for such reproductive works, especially when military and strategic reasons are superadded to those which arise from the extension of commerce and the development of internal resources? But, if so entitled, are they not more so when they find themselves the principals in the Imperial duty of upholding Her Majesty's supremacy, instead of being willing co-operators only? Has Great Britain any greater security for her guarantee to Canada than New Zealand can present? The line which divides the 3,000,000 inhabitants of Canada from the more than 30,000,000 of the United States is no formidable obstacle in a military point of view. Does the Canadian finance present any greater attractions than that of New Zealand? The income of the Confederation is reckoned at about £2,500,000, while that of New Zealand is indeed but one-half, exclusive of territorial revenue, but her resources are abundantly elastic, and acre for acre the country is capable of bearing as dense a population as Great Britain bears, while its untold wealth in auriferous deposits, in the reefs and the made hills of the golden districts, in its beds of coal of every character, its undulating pastures, its rich alluvial lands, its navigable streams, its abundant water power and supply, so admirably adapted for manufactures, and its excellent climate, point it out at once as a country where judicious investment may with safety be made. The actual loss to the Colony by the Imperial Government refusing to guarantee her loan of Three Millions can not be estimated at less than £320,540, in addition to an annual difference of £40,000 in the payments of interest for about twenty-six years to come, or about a million and a quarter in all. It is yet open to the Mother Country to do an act of justice, and extend her guarantee to a new loan, to replace the Three Million Loan, commonly known as the War Loan, and thus enable the Colony to meet, as best she may, the consequences of a struggle in which she engaged relying upon the faith of the Empire; or if the Act does not admit of this, then by an annual Imperial contribution of equivalent value.

100. But while thus prominently bringing under review the exertions made by the Colony, and the circumstances under which they were made, I am reminded that the Governor and his Responsible Advisers have declared their conviction that "at no time was the great expenditure to which the Home Government and the Colony was put either necessary or desirable;" while they were of opinion that much more might have been "accomplished at a much less expense by means far more moderate and less costly." Their opinion is further supported by Your Excellency's Despatch of the 1st of January, 1866, in which you observe that "an altogether faulty system of warfare had been pursued in the country which had unnecessarily entailed a great loss of life, a vast amount of human suffering, an enormous and useless expenditure and waste of materials upon Great Britain and this Colony." It must not be forgotten that "the Colonial expenditure on military objects was necessarily dictated by the Imperial Expenditure on the same; the one followed the other inevitably, and the Colony assisted loyally, and to the best of its ability in an expenditure over which it exercised no control, and regarding which it was allowed to have little or no knowledge." An objection might be made to this statement by urging that the General Officer in command of Her Majesty's Troops, and the Commissary General were instructed to furnish Your Excellency with copies of the annual estimates of Military Expenditure before they went home with a view to your remarks being laid before the Government when its sanction was asked for the expenditure; but, it may be replied that in one year only were these instructions complied with, and thus all control over the expenditure was denied to the Governor, and, his Ministers were compelled to follow blindfold an expenditure which they did not approve, but which they could not in any measure modify or control.

101. The Colonists of New Zealand can point with pride, in common with all the Colonies of Great Britain, to the gallant achievements of the Imperial Troops as recorded on the pages of their history; and it is their wont to acknowledge with gratitude the devotion which has been evinced by these troops on many a New Zealand field; but, while they thus gladly pay tribute to this gallantry, they do not feel that they are thereby debarred from unreservedly reviewing that system of warfare, which has achieved so little at so large an expense.

102. The annual average number of British Troops in New Zealand during the rebellion while Military operations on a large scale were being carried on after General Cameron had crossed the Maungatawhiri, to the attack of the Waikatos, may be estimated at about 7000, to which may be added about 7000 Colonial Forces, forming an army of about 14,000 men, supplied with the finest Artillery in the world, with a Land Transport comprising more than 1,300 horses, with a Steam Flotilla bringing up commissariat supplies on both flanks of the advancing troops, and aided by a Naval Brigade eager for service; and yet when an estimate is formed of the advance which has been made towards the pacification of the country from the employment of this force from July the 26th, 1863, to the close of February, 1865, it is impossible not to be struck with the meagreness of the results compared with the magnificence of the means; a result which was owing solely to the adoption of a system not suited to the occasion.

103. The action at Koheroa was fought on the 17th July, 1863; Mere-mere was evacuated by the enemy in November; Rangariri, after unsuccessful but most gallant assaults, was surrendered with 183 prisoners on the 20th; Ngaruawhaia was occupied in December; Awamutu was found evacuated by the enemy; Rangiawhaia was surprised in February, 1864; Orakau, twice unsuccessfully assaulted, surrendered in April; and Maungatautari was evacuated on the 1st of April. This is a short record of the chief operations of the Waikato campaign, in which the troops did not advance more than fifty miles from the frontier. At Tauranga, on the East Coast, we have recorded the gallant attacks on Te Papa on the 5th April, 1864, and the daring and scientific achievement of Colonel Greer on the 21st June. Following southward to Cook's Straits, we read of the assault of the rebels on the British Camp on January 24th, 1865, and the military passage of nearly 2000 men along the sea-coast of Cook's Straits, in the neighbourhood of which military posts were established, not extending in advance above fifty miles. These actions resulted in the military occupation of large tracks of land at the Waikato, and on the East and West Coast, but, still, though the spirit of disaffection had received a severe blow, it was allowed to rally, and to present a formidable aspect throughout the rebel districts.

104. Such were the results of the employment of a force which, considering the character of the troops, might, under a system adapted to the country, and with a regard to the weak points of Native warfare, have achieved great things. Such a system, as may be seen from the memorandum of Colonial Ministers of the 27th July, 1864, was earnestly desired by them, and was pressed on the adoption of the General commanding Her Majesty's Imperial and Colonial Troops.

105. There were not wanting those who, versed in the records of modern British fights, were of opinion that the slow and cumbrous movements of ordinary warfare were not well adapted to the circumstances of the rebellion, and the genius and gallantry of British soldiers. They remembered how Sir Charles Napier, in Scinde, after a series of masterly movements, which pierced the desert and destroyed fortresses supposed to be unapproachable and impregnable, divided and kept in check the hordes of gathering Belooches, biding and calculating his time, and then with 2000 men, officers included, after having disincumbered himself of his baggage, faced 30,000 of the fiercest soldiery of the East, entrenched behind scarped ravines, and flanked by dense jungle and forests, and in four hours totally routed them, with the loss of 6000 of their bravest warriors. This deed of judicious daring at Meanee was done on the 17th day of February, and on the 24th of March, gathering together his converging detachments to meet the forces of the enemy, which had rallied from all quarters for a final cast of the die, he pounced down on the foe at Hyderabad, with five thousand fighting men against twenty-five thousand, and routed him with the loss of 5000 men, of whom it was said that "not the body of a youth was to be found, but all were men of mature age, grim-visaged men of athletic forms." Nor did they forget that notable campaign among the Cutchee hills, in which practical lessons in strategy were given by a master in the art. They remembered how Sir Charles Napier, operating with 5000 men, over a country 140 miles long by 80 to 100 miles broad, with precision, rapidity, and rapid adaptation to passing changes, hermetically sealed simultaneously the various hill passes of surpassing strength, inconceivable ruggedness, and wondrous intricacy, and how, after a fifty-four days' campaign, not a few of which witnessed marches from thirty to sixty miles without a halt, he, aided by Native allies, judiciously secured, enclosed the robber tribes in a rocky defile, and forced them to surrender unconditionally. The system adopted was that which he knew to be well adapted to his purpose. He drove the robbers to concentrate, and to defend themselves, and having secured this object he took good care that all the avenues of escape were closed, and unconditional surrender should become a necessity. Hardly dissimilar in essential points was the march of Havelock on Cawnpoor, some twelve years after, in 1857, at the very worst season of the year, when in one day the sun struck down 30 of his men never to rise again. In nine days the gallant force marched 126 miles, fought four actions equally illustrious, whether regarded as evidences of valor or science, and swept from before them the choicest native battalions, trained and disciplined by British officers, many of whom bore the proud records of past glories on their dishonored colors, and halted not in their triumphant career till they reached at once the goal and grave of their hopes.

106. The troops on all these occasions were men of the same mould. Some of those who fought on the Waikato had won laurels in the East, but the system pursued on the latter campaign was not that which followed in the footsteps of Napier and Havelock. Had this strategy been employed on the banks of the Waikato and Waitotara—had converging columns, aided by the loyal Native tribes, driven the enemy to concentrate, and had every egress been watched by vigilant troops, the rebels would have been taught a lesson, which would not have needed to have been repeated for many a long day; a lesson which since then, the Imperial forces on at least one occasion, under General Chute, and the Colonial forces, under their own leaders, adopting the tactics which these Eastern Generals practised, have inculcated on the rebels in the East and West Coasts, and on those reposing in fancied security amid the forests on the shores of Cook's Straits. The adoption of such a system, followed by acts of mercy, justice, and liberality, would, probably, as in other cases, have converted the rebels into loyal fellow subjects.

107. In bringing my report to a close, I trust that I have adduced sufficient evidence to justify the conclusion that, at least, to use Your Excellency's words in your Despatch of the 12th February, 1867, "Great Britain is in a great degree responsible for the war which has taken place in this country, and especially for the great expenditure which has been incurred by the Colony;" and that, under these circumstances, the Colony having passed not willingly, but by force, from the position of a co-operator to that of a principal in the Suppression of the Rebellion, it may confidently look to the people of Great Britain for a practical recognition of its claim to that substantial assistance which will lighten its present burdens, and enable it to bear those which are yet to come with better hopes of success than it otherwise could entertain.

J. RICHARDSON,
Colonial Commissioner.

APPENDIX A.

STATEMENT OF CLAIMS

BY

HER MAJESTY'S IMPERIAL TREASURY

AGAINST

THE COLONIAL GOVERNMENT OF NEW ZEALAND,

TO THE 30TH OF SEPTEMBER, 1866,

WITH

REMARKS BY THE COLONIAL COMMISSIONER.

Dr. The COLONIAL GOVERNMENT OF NEW ZEALAND in account with HER MAJESTY'S IMPERIAL TREASURY. [REMARKS by the COLONIAL COMMISSIONER.]									
Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	Total.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1867.		
1848 Mar. 31	Amount expended on account of New Zealand Fencibles Twelve months' Interest, to 31st March, 1849	£ s. d. 2,107 3 9 ...	£ s. d. 84 5 9 ...	£ s. d. ... 2,191 9 6	£ s. d.	£ s. d. 2,107 3 9 84 5 9	Paragraphs 19-23. Ditto 24-27.		
1849 Mar. 31	Brought forward Amount expended on account of New Zealand Fencibles Twelve months' Interest, to 31st March, 1850	2,191 9 6 14,853 1 6 17,044 11 0	... ... 681 15 7	... ... 17,726 6 7	... ... ...	14,853 1 6 681 15 7	Paragraphs 19-23. Paragraphs 24-27.		
1850 Mar. 31	Brought forward Amount expended on account of New Zealand Fencibles Twelve months' Interest, to 31st March, 1851	17,726 6 7 20,767 16 0 38,494 2 7	... ... 1,539 15 3	... ... 40,033 17 10	... ... ...	20,767 16 0 1,539 15 3	Paragraphs 19-23. Paragraphs 24-27.		
1851 Mar. 31	Brought forward Amount expended on account of New Zealand Fencibles Twelve months' Interest, to 31st March, 1852	40,033 17 10 6,276 5 3 46,310 3 1	... ... 1,852 8 1	... ... 48,162 11 2	... ... ...	6,276 5 3 1,852 8 1	Paragraphs 19-23. Paragraphs 24-27.		
1852 Mar. 31	Brought forward Amount expended on account of New Zealand Fencibles Twelve months' Interest, to 31st March, 1853	48,162 11 2 1,003 19 1 49,166 10 3	... ... 1,966 13 2	... ... 51,133 3 5	... ... ...	1,003 19 1 1,966 13 2	Paragraphs 19-23. Paragraphs 24-27.		
1853 Mar. 31	Brought forward Amount expended on account of New Zealand Fencibles Twelve months' Interest, to 31st March, 1854	51,133 3 5 17,268 2 2 68,401 5 7	... ... 2,736 1 0	... ... 71,137 6 7	... ... ...	17,268 2 2 2,736 1 0	Paragraphs 19-23. Paragraphs 24-27.		
1854 Mar. 31	Brought forward Amount expended on account of New Zealand Fencibles Twelve months' Interest, to 31st March, 1855	71,137 6 7 3,731 8 6 74,868 15 1	... ... 2,994 15 0	... ... 77,863 10 1	... ... ...	3,731 8 6 2,994 15 0	Paragraphs 19-23. Paragraphs 24-27.		

[REMARKS by the COLONIAL COMMISSIONER.]

Dr. The COLONIAL GOVERNMENT in account with the IMPERIAL TREASURY—continued.

Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	Total.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1867.
1860							
Mar. 31	Brought forward	£ 107,199 3 2			£ 731 7 0	...	Paragraph 32.
" 24	Paymaster Chevalier ... Taranaki Militia and Volunteers	731 7 0					
" 31	Paymaster Kirwan ... Contingent Expenses, Wellington Militia	44 14 0			44 14 0	...	Ditto.
" 31	Wellington Militia ... Lodging Money, Cost of Rations	20 18 10			20 18 10	...	Ditto.
" 31	" ... Cost of Rations	48 17 3			48 17 3	...	Ditto.
	Twelve months' Interest to 31st March, 1861	108,015 0 3	4,321 16 0	112,366 16 3	...	4,321 16 0	Paragraphs 24-27.
1860							
April 13	Paymaster Chevalier ... Pay and Commutation for Rations	195 0 0			195 0 0	...	Paragraph 32.
" 17	" ... Taranaki Militia	500 0 0			500 0 0	...	Ditto.
" 24	" ... Forage Commutation	1,114 17 9			1,114 17 9	...	Ditto.
" 13	Captain Des Voeux ... Pay, Wellington Militia	70 1 0			70 1 0	...	Ditto.
" 7	Paymaster Kirwan ... Contingencies, Wellington Militia	165 15 3			165 15 3	...	Ditto.
" 4	H. Kells ...	5 10 0			5 10 0	...	Ditto.
" 4	Paymaster Kirwan ...	7 0 0			7 0 0	...	Ditto.
" 4	H. Kells ...	5 0 0			5 0 0	...	Ditto.
" 26	J. Laing ...	1 2 6			1 2 6	...	Ditto.
May 3	Paymaster Chevalier ... Pay, Taranaki Militia	556 9 9			556 9 9	...	Ditto.
" 10	" ...	290 0 0			290 0 0	...	Ditto.
" 23	" ...	1,027 14 5			1,027 14 5	...	Ditto.
" 1	Paymaster Kirwan ... Pay, Wellington Militia	130 0 0			130 0 0	...	Ditto.
" 4	" ... Militia Contingencies	422 12 6			422 12 6	...	Ditto.
" 15	B. Hayden ...	7 15 0			7 15 0	...	Ditto.
" 18	McKenzie and Muir ...	18 12 6			18 12 6	...	Ditto.
" 24	Paymaster Kirwan ... Substistence to Wellington Militia	6 14 0			6 14 0	...	Ditto.
" 30	" ...	115 9 6			115 9 6	...	Ditto.
" 31	" ...	500 15 9			500 15 9	...	Ditto.
" 16	W. Clark ... Clothing	202 10 0			202 10 0	...	Ditto.
" 16	J. Joseph ...	42 10 0			42 10 0	...	Ditto.
" 16	J. J. Thine ...	54 3 4			54 3 4	...	Ditto.
" 16	H. R. Kane ...	2 2 0			2 2 0	...	Ditto.
" 31	Wellington Militia ... Provisions	98 4 8			98 4 8	...	Ditto.
" 10	Quartermaster Ritchie ... Forage Commutation	10 16 0			10 16 0	...	Paragraph 32.
" 11	Captain Des Voeux ...	82 16 0			82 16 0	...	Ditto.
" 30	Captain Brown ... Rations, Maori Irregulars	8 10 6			6 19 11	...	Ditto.
June 6	Paymaster Chevalier ... Pay of Taranaki Militia	634 8 1			634 8 1	...	Paragraph 32.
" 12	" ...	250 0 0			250 0 0	...	Ditto.
" 18	" ...	250 0 0			250 0 0	...	Ditto.
" 26	" ...	566 14 5			566 14 5	...	Ditto.
	Carried forward	7,343 4 11		112,366 16 3			

Undercharge of £24 3s. 8d.

Overcharge £1 10s. 7d., admd. by Const.

Dr. The COLONIAL GOVERNMENT in account with the IMPERIAL TREASURY—*continued.* [REMARKS by the COLONIAL COMMISSIONER.]

Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	TOTAL.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1867.
1860	Brought forward	£ s. d. 7,343 4 11	£ s. d.	£ s. d. 112,366 16 3	£ s. d. 592 15 4	£ s. d.	Paragraph 32.
June 30	Paymaster Kirwan	592 15 4	...	...	10 6 10	...	Ditto.
" 16	Rawson and Price	10 6 10	...	...	85 5 0	...	Ditto.
" 16	Brame and Moss	85 5 0	...	...	81 7 6	...	Ditto.
" 2	Captain Des Voeux	81 7 6	...	...	47 11 6	...	Ditto.
" 12	Quartermaster Ritchie	47 11 6	...	...	8 11 5	...	Ditto.
" 12	Taranaki Militia	13 9 8	...	...	84 9 9	...	Ditto, Overcharge £4 18s. 3d. admit. by Commr.
April 25	Wellington Militia	84 9 11	...	...	...	...	Paragraph 32.
" 4	O. R. Strickland	4 17 3	...	...	...	...	Paragraph 39.
" 9	Sergeant Porter, R.E.	1 15 6	...	...	...	...	Ditto.
" 9	" " "	0 12 9	...	...	...	...	Ditto.
" 11	Philip Moon	1 17 0	...	...	...	...	Ditto.
" 13	O. Spurdle	18 14 3	...	...	...	...	Ditto.
" 26	Thomas Parnell	7 3 3	...	...	...	...	Ditto.
" 10	W. Watson	80 0 0	...	...	...	...	Ditto.
May 10	J. Berridge	74 7 6	...	...	...	...	Ditto.
" 10	W. Coleman	7 1 0	...	...	...	...	Ditto.
" 10	Sergeant Porter, R.E.	57 4 10	...	...	...	...	Ditto.
" 11	Mr. Gilmour	9 11 7	...	...	...	...	Ditto.
" 11	Rev. W. H. Brown	98 3 0	...	...	...	...	Ditto.
" 12	W. Weston	7 6 8	...	...	...	...	Ditto.
" 12	R. Rundle	36 12 6	...	...	...	...	Ditto.
" 12	Sergeant Porter, R.E.	47 5 0	...	...	...	...	Ditto.
" 12	H. Barrilball	27 9 0	...	...	...	...	Ditto.
" 12	T. Harrison	2 18 6	...	...	...	...	Ditto.
" 12	P. Elliott	33 9 3	...	...	...	...	Ditto.
" 12	T. Hawke	17 4 2	...	...	...	...	Ditto.
" 12	R. Pheney	35 5 0	...	...	...	...	Ditto.
" 15	E. Armitage	2 8 0	...	...	...	...	Ditto.
" 15	Lieut.-Colonel Murray	150 0 0	...	...	...	...	Ditto, Theatre bought for store by Commissariat.
" 18	Sergeant Porter, R.E.	7 17 1	...	...	...	...	Paragraph 39.
" 21	J. Brooking	8 13 9	...	...	...	...	Ditto.
" 22	Henry Faulk	12 8 0	...	...	...	...	Ditto.
" 22	J. Knight	8 2 0	...	...	...	...	Ditto.
June 2	J. Danby	13 1 0	...	...	...	...	Ditto.
" 2	T. White	9 15 0	...	...	...	...	Ditto.
" 2	Sergeant Porter, R.E.	10 7 0	...	...	...	...	Ditto.
" 2	" " "	1 8 0	...	...	...	...	Ditto.
" 2	Working Pay	8 16 10	...	...	...	...	Ditto.
" 6	J. Gilmour	29 8 0	...	...	...	...	Ditto.
" 7	G. Yates and Lethbridge	51 5 0	...	...	...	...	Ditto.
" 6	J. Yemas	4 14 6	...	...	...	...	Ditto.
	Carried forward	9,150 19 4	...	112,366 16 3	...	...

[REMARKS by the COLONIAL COMMISSIONER.]

Dr. The COLONIAL GOVERNMENT in account with the IMPERIAL TREASURY—continued.

Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	Total.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1867.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
1860	Brought forward	9,150 19 4		112,366 16 3			
June 8	J. H. Fletcher ... Material	24 15 3				24 15 3	Paragraph 30.
" 11	G. Broadmore ... Working Pay	13 0 0				13 0 0	Ditto.
" 14	Sergeant Porter, R.E. ... Working Pay	9 17 6				9 17 6	Ditto.
" 14	" ... Material	8 10 9				8 10 9	Ditto.
" 15	R. Rundle ... Working Pay	26 10 10				26 10 10	Ditto.
" 16	Sergeant Porter, R.E. ... Material	4 16 3				4 16 3	Ditto.
" 19	W. Lye ... Working Pay	8 2 0				8 2 0	Ditto.
" 20	F. U. Gledhill ... Working Pay	5 7 7				5 7 7	Ditto.
" 20	W. McKelney ... Working Pay	4 5 11				4 5 11	Ditto.
" 21	H. Barrball ... Working Pay	13 10 0				13 10 0	Ditto.
" 21	Mr. Gilmour ... Working Pay	4 5 0				4 5 0	Ditto.
" 23	C. Everett ... Working Pay	5 11 0				5 11 0	Ditto.
" 25	Sergeant Porter, R.E. ... Working Pay	11 3 4				11 3 4	Ditto.
" 30	Major Trafford ... Working Pay	23 2 7				23 2 7	Paragraph 32.
	Nine months' Interest to 31st March, 1861	9,313 17 4	279 8 3	9,593 5 7		279 8 3	Paragraph 24-27.
July 3	Paymaster Chevalier	409 12 9			409 12 9		Paragraph 32.
" 6	Captain Brown	102 3 5			102 3 5		Ditto.
" 6	"	36 8 0			36 8 0		Ditto.
" 6	Major Herbert	27 14 1			27 14 1		Ditto.
" 10	Paymaster Chevalier	500 0 0			500 0 0		Ditto.
" 13	Major Herbert	26 5 0			26 5 0		Ditto.
" 23	Paymaster Chevalier	311 4 3			311 4 3		Ditto.
" 31	Paymaster Kirwan	474 14 4			474 14 4		Ditto.
" 24	L. Potts	14 0 0			14 0 0		Ditto.
"	Taranaki Militia	1,038 15 7			1,038 15 7		Ditto.
"	" (Waitara)	47 15 8			47 15 8		Ditto.
"	Wellington Militia	49 6 0			49 6 0		Ditto.
" 4	Captain Des Voeux	78 15 0			78 15 0		Ditto.
Aug. 2	Paymaster Chevalier	611 9 0			611 9 0		Ditto.
" 13	"	293 0 0			293 0 0		Ditto.
" 23	"	624 18 6			624 18 6		Ditto.
" 31	Paymaster Kirwan	429 19 1			429 19 1		Ditto.
Aug. 22	Mace and Co. ...	135 0 0			135 0 0		Ditto.
" 1	Captain Des Voeux	120 2 6			120 2 6		Ditto.
" 16-31	Taranaki Militia ...	895 5 11			895 5 11		Ditto.
" 16-31	" (Waitara)	16 4 5			16 4 5		Ditto.
" 16-31	" (Native Chiefs)	184 18 11			184 18 11		Ditto.
" 16-31	Wellington Militia	223 17 7			223 17 7		Ditto.
	Carried forward	6,651 10 0		121,960 1 10			

Ditto, Overcharge £10, admitted by Commissart.

Dr. The COLONIAL GOVERNMENT in account with the IMPERIAL TREASURY—continued. [REMARKS by the COLONIAL COMMISSIONER.]

Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	Total.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1887.
1860	Brought forward	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
Sept. 8	Paymaster Chevalier	6,651 10 0	...	121,960 1 10	1,652 18 2	...	Paragraph 32.
" 8	"	1,652 18 2	...	...	1,807 3 0	...	Ditto.
" 25	R. W. Parris	339 14 5	...	...	339 14 5	...	Ditto.
" 27	Paymaster Chevalier	972 2 5	...	...	972 2 5	...	Ditto.
" 28	Paymaster Kirwan	346 7 4	...	...	346 7 4	...	Ditto.
" 1	Captain Des Voeux	144 3 0	...	...	144 3 0	...	Ditto.
" "	Taranaki Militia	876 3 5	...	...	876 3 5	...	Ditto.
" "	(Walters)	13 16 3	...	...	13 16 3	...	Ditto.
" "	Wellington Militia	214 17 8	...	...	214 17 8	...	Ditto.
" "	Taranaki Maori Irregulars	172 1 0	...	...	172 0 0	...	Ditto.
" "	Waitara Maori Irregulars	32 2 1	...	...	32 2 1	...	Ditto.
July 2	Sergeant Porter, R.E.	10 12 10	...	...	...	10 12 10	Paragraph 39.
" 2	"	1 11 10	...	...	...	1 11 10	Ditto.
" 2	Rev. H. Brown	20 12 9	...	...	...	20 12 9	Ditto.
" 3	J. Brooking	291 18 0	...	...	...	291 18 0	Ditto.
" 4	C. Stapp	16 8 6	...	...	...	16 8 6	Ditto.
" 4	E. W. Hollis	7 5 0	...	...	...	7 5 0	Ditto.
" 4	D. Jordan	11 5 0	...	...	...	11 5 0	Ditto.
" 4	W. McKechney	17 8 3	...	...	...	17 8 3	Ditto.
" 5	Mr. Gilmour	56 18 6	...	...	...	56 18 6	Ditto.
" 5	E. Cudlipp	16 10 0	...	...	...	16 10 0	Ditto.
" 5	J. Brooking	11 0 0	...	...	...	11 0 0	Ditto.
" 6	McKenzie and Laird	27 10 5	...	...	...	27 10 5	Ditto.
" 9	Oliver C. Spurdle	28 16 0	...	...	...	28 16 0	Ditto.
" 9	Sergeant Porter, R.E.	9 5 9	...	...	...	9 5 9	Ditto.
" 9	"	0 7 6	...	...	...	0 7 6	Ditto.
" 10	G. P. Betts	0 18 0	...	...	...	0 18 0	Ditto.
" 13	Shuttleworth Brothers	6 16 0	...	...	...	6 16 0	Ditto.
" 13	Sergeant Porter, R.E.	10 3 10	...	...	...	10 3 10	Ditto.
" 13	"	8 7 6	...	...	...	8 7 6	Ditto.
" 16	Erasmus Armitage	27 14 4	...	...	...	27 14 4	Ditto.
" 17	Sergeant Porter, R.E.	10 1 3	...	...	...	10 1 3	Ditto.
" 24	"	9 7 0	...	...	...	9 7 0	Ditto.
" 28	"	16 9 9	...	...	...	16 9 9	Ditto.
" 28	"	6 3 1	...	...	...	6 3 1	Ditto.
" 28	"	7 3 3	...	...	...	7 3 3	Ditto.
Aug. 1	J. Corbett, senior	5 0 0	...	...	...	5 0 0	Ditto.
" 4	W. Moon	26 8 0	...	...	...	26 8 0	Ditto.
" 4	T. Scarfe	19 3 3	...	...	...	19 3 3	Ditto.
" 6	A. Hooker	1 1 0	...	...	...	1 1 0	Ditto.
" 6	Mr. McKechney	13 7 6	...	...	...	13 7 6	Ditto.
" 9	Sergeant Porter, R.E.	19 3 9	...	...	...	19 3 9	Ditto.
" "	Carried forward	13,937 16 7	...	121,960 1 10	...	...

The Colonial Government in account with the IMPERIAL TREASURY—continued.										[REMARKS by the COLONIAL COMMISSIONER.]
Date of Payment.	To whom Paid, and for what Service.			Amount.	Interest at 4 per cent.	TOTAL.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1897.	
				£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.		
1860 Aug. 9	Brought forward	...	...	13,937 16 7	...	121,960 1 10	...	4 15 10	Paragraph 39.
" 9	Sergeant Porter, R.E.	...	Working Pay	4 15 10	...	...	...	9 7 10	Ditto.
" Aug. 9	Mr. Rumbolt	...	Material	6 11 9	...	...	...	6 11 9	Ditto.
" 11	E. Armitage	...	"	37 8 10	...	...	...	37 8 10	Ditto.
" 13	John Crozier	...	"	2 5 0	...	...	...	2 5 0	Ditto.
" 14	Mr. Gilmour	...	"	23 1 11	...	...	...	23 1 11	Ditto.
" 14	Levin and Co.	...	"	5 5 0	...	...	...	5 5 0	Ditto.
" 14	Sergeant Porter, R.E.	...	Working Pay	12 13 4	...	...	...	12 13 4	Ditto.
" 15	J. Corbett...	...	Use of Tools	3 0 0	...	...	...	3 0 0	Ditto.
" 15	G. H. Horn	...	Material	3 3 0	...	...	...	3 3 0	Ditto.
" 16	Shuttleworth Brothers	...	"	24 18 0	...	...	...	24 18 0	Ditto.
" 24	Sergeant Porter, R.E.	...	Working Pay	10 3 4	...	...	...	10 3 4	Ditto.
" 24	"	...	"	6 9 0	...	...	...	6 9 0	Ditto.
" 28	Mr. Broadmore	...	Material	13 9 0	...	...	...	13 9 0	Ditto.
" 30	Mr. Lethbridge	...	Working Pay	4 10 0	...	...	...	4 10 0	Ditto.
" 30	Sergeant Porter, R.E.	...	"	0 11 7	...	...	...	0 11 7	Ditto.
" 30	"	...	Material	7 8 9	...	...	...	7 8 9	Ditto.
" Sept. 31	Captain John James	...	Material	82 8 0	...	...	...	82 8 0	Ditto.
" 31	Sergeant Porter, R.E.	...	Working Pay	6 16 0	...	...	...	6 16 0	Ditto.
" 5	Mr. Vercoe	...	Lime supplied	15 0 0	...	...	...	15 0 0	Ditto.
" 6	Mr. Broadmore	...	Material	5 2 0	...	...	...	5 2 0	Ditto.
" 9	Sergeant Porter, R.E.	...	Working Pay	3 3 0	...	...	...	3 3 0	Ditto.
" 9	"	...	"	2 19 10	...	...	...	2 19 10	Ditto.
" 9	"	...	"	1 19 0	...	...	...	1 19 0	Ditto.
" 13	"	...	"	8 1 6	...	...	...	8 1 6	Ditto.
" 14	J. Corbett...	...	Use of Tools	15 0 0	...	...	...	15 0 0	Ditto.
" 14	Curtis Brothers	...	Material	21 8 10	...	...	...	21 8 10	Ditto.
" 14	Geo. Giddy	...	"	1 10 0	...	...	...	1 10 0	Ditto.
" 15	O. Spurdle	...	"	40 14 7	...	...	...	40 14 7	Ditto.
" 15	Gilmour and Burton	...	"	42 19 9	...	...	...	42 19 9	Ditto.
" 18	Sergeant Porter, R.E.	...	Working Pay	4 18 6	...	...	...	4 18 6	Ditto.
" 24	"	...	"	5 19 1	...	...	...	5 19 1	Ditto.
" Aug. 11	Henderson and McFarlane	...	Material	94 13 11	...	...	...	94 13 11	Ditto.
" 11	Cruikshank, Smart and Co.	...	"	125 17 0	...	...	...	125 17 0	Ditto.
" 17	Richard Pope	...	"	1 10 0	...	...	...	1 10 0	Ditto.
" 16	R. Langman	...	"	6 6 0	...	...	...	6 6 0	Ditto.
" 18	Mr. Brooking	...	"	70 5 0	...	...	...	70 5 0	Ditto.
" 31	Captain J. James...	...	"	30 8 0	...	...	...	30 8 0	Ditto.
" 31	"	...	"	59 17 0	...	...	...	59 17 0	Ditto.
" Sept. 9	Sergeant Porter, R.E.	...	Working Pay	7 6 1	...	...	...	7 6 1	Ditto.
" 15	Gilmour and Burton	...	Material	4 10 0	...	...	...	4 10 0	Ditto.
" 4	Henderson and McFarlane	...	"	48 8 7	...	...	...	48 8 7	Ditto.
	Carried forward	...	...	14,820 0 5	...	121,960 1 10	...		

[REMARKS by the COLONIAL COMMISSIONER.]

The COLONIAL GOVERNMENT in account with the IMPERIAL TREASURY—continued.

Dr.

Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	TOTAL.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1887.
1860	Brought forward	£ s. d. 15,573 15 7	£ s. d.	£ s. d. 137,288 19 6	£ s. d.	£ s. d.	Paragraph 39.
Dec. 5	Mr. Atkinson	7 0 0	...	...	...	7 0 0	Ditto.
" 5	Sharland and Watt	20 16 0	...	...	...	20 16 0	Ditto.
" 6	M. O. Spurdle	4 0 6	...	...	...	4 0 6	Ditto.
" 8	Sergeant Porter, R.E.	8 2 9	...	...	...	8 2 9	Ditto.
" 8	Mr. Brooking	6 5 0	...	...	...	6 5 0	Ditto.
" 10	Mr. Reed	66 19 0	...	...	...	66 19 0	Ditto.
" 11	Mr. Burton	36 13 0	...	...	...	36 13 0	Ditto.
" 11	William Black	2 0 0	...	...	...	2 0 0	Ditto.
" 11	Sergeant Porter, R.E.	6 14 9	...	...	...	6 14 9	Ditto.
" 13	W. Hood	1 6 8	...	...	...	1 6 8	Ditto.
" 17	Sergeant Porter, R.E.	8 16 7	...	...	...	8 16 7	Ditto.
" 22	"	8 9 9	...	...	...	8 9 9	Ditto.
" 26	"	11 11 10	...	...	...	11 11 10	Ditto.
" 26	J. Corbett	29 10 0	...	...	...	29 10 0	Ditto.
" 27	A. Brooking	6 0 0	...	...	...	6 0 0	Ditto.
" 27	J. Hirst	24 0 0	...	...	...	24 0 0	Ditto.
" 28	Samuel Joll	3 0 0	...	...	...	3 0 0	Ditto.
" 1	Henderson and McFarlane	52 10 0	...	...	...	52 10 0	Ditto.
Oct. 4	Sergeant Porter, R.E.	4 2 6	...	...	...	4 2 6	Ditto.
" 4	Mr. Brooking	8 7 6	...	...	...	8 7 6	Ditto.
" 8	"	3 1 8	...	...	...	3 1 8	Ditto.
" 1	Rev. H. Govett	67 7 9	...	...	...	67 7 9	Ditto.
" 13	Sergeant Wintrop, R.E.	5 6 4	...	...	...	5 6 4	Ditto.
" 23	Sergeant Porter, R.E.	4 15 4	...	...	...	4 15 4	Ditto.
Nov. 3	Mr. Watkins	30 1 5	...	...	...	30 1 5	Ditto.
" 12	Sergeant Wintrop, R.E.	1 15 1	...	...	...	1 15 1	Ditto.
" 14	Mr. Burton	3 5 0	...	...	...	3 5 0	Ditto.
" 21	Sergeant Wintrop, R.E.	1 12 6	...	...	...	1 12 6	Ditto.
" 28	"	1 14 6	...	...	...	1 14 6	Ditto.
Oct. 4	O. Spurdle	10 8 9	...	...	...	10 8 9	Ditto.
" 8	Sergeant Porter, R.E.	3 15 6	...	...	...	3 15 6	Ditto.
" 8	"	6 11 6	...	...	...	6 11 6	Ditto.
Nov. 14	Mr. Burton	1 16 0	...	...	...	1 16 0	Ditto.
" 13	Sergeant Wintrop, R.E.	4 3 6	...	...	...	4 3 6	Ditto.
" 19	"	1 4 6	...	...	...	1 4 6	Ditto.
Dec. 6	O. Spurdle	10 9 3	...	...	...	10 9 3	Ditto.
" 10	S. Smith	3 12 0	...	...	...	3 12 0	Ditto.
Oct. 4	O. Spurdle	1 4 9	...	...	...	1 4 9	Ditto.
" 4	Brooking	50 0 0	...	...	...	50 0 0	Ditto.
Dec. 3	Captain Des Voeux	139 10 0	...	...	...	139 10 0	Paragraph 32.
" 1-31	Taranaki Militia	1,083 11 11	...	...	...	1,083 11 11	Ditto.
" 1-31	Native Allies	281 18 9	...	...	...	281 18 9	Ditto.
	Carried forward	17,607 7 5	...	137,288 19 6	...	...

<i>Dr.</i>	Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	TOTAL.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1867.
1860 Dec. 1-31	Brought forward	...	£ s. d. 17,607 7 5	£ s. d. ...	£ s. d. 137,288 19 6	£ s. d. 147 4 2	£ s. d. ...	Paragraph 32.
" " 1-31	Wellington Militia ... Cost of Rations	...	147 4 2	...	...	174 6 2	...	Ditto.
	Wanganui Militia ... "	...	174 6 2	...	...	...	...
	Three months' Interest to 31st March, 1861	...	17,929 0 2*	179 5 9	18,108 5 11	...	179 5 9	Paragraphs 24-27.
1861 Jan. 5	Paymaster Chevalier ... Pay Taranaki Militia	...	1,100 0 0	...	...	1,100 0 0	...	Paragraph 32.
" 9	G. W. D. Hay ... Field Allowance	...	11 5 0	...	...	...	11 5 0	Interpreter to Her Majesty's Forces.
" 31	Paymaster Chevalier ... Pay Taranaki Militia	...	354 6 7	...	...	354 6 7	...	Paragraph 32.
" 2	Paymaster Kirwan ... Pay, Wellington Militia	...	34 1 4	...	...	34 1 4	...	Ditto.
" 25	" " " " " "	...	145 13 4	...	...	145 13 4	...	Ditto.
" 31	" " " " " "	...	33 16 4	...	...	33 16 4	...	Ditto.
" 4	Paymaster Broughton ... Pay, Wanganui Militia	...	243 7 6	...	...	243 7 6	...	Ditto.
" 2	Captain Des Voeux ... Forge Commutation	...	144 3 0	...	...	144 3 0	...	Ditto.
" 1-31	Taranaki Militia ... Cost of Rations	...	1,331 3 7	...	...	1,131 3 7	...	Ditto.
" 1-31	Native Allies ... " " " "	...	300 16 6	...	...	300 12 2	...	Ditto. Overcharge £200 admitted by Comt.
" 1-31	Wellington Militia ... " " " "	...	95 19 9	...	...	84 14 7	...	Ditto. Overcharge 3s. 3d. admitted by Comt.
" 1-31	Wanganui Militia ... " " " "	...	175 4 9	...	...	88 11 7	...	Ditto. Overcharge £1 15s. 2d. admitted by Comt.
Feb. 14	Paymaster Chevalier ... Pay Taranaki Militia	...	700 0 0	...	...	700 0 0	...	No vouchers for £86 13s. 2d.
" 27	" " " " " "	...	354 14 0	...	...	354 14 0	...	Ditto.
" 2	Paymaster Broughton ... Pay, Wanganui Militia	...	307 5 8	...	...	307 5 8	...	Ditto.
" 7	R. Parris ... Pay, Native Irregulars	...	426 3 0	...	...	414 2 0	...	No vouchers for £12 1s.
" 5	Taranaki Militia ... Forge Commutation	...	82 8 0	...	...	82 8 0	...	Ditto.
" 15	" " " " " "	...	144 3 0	...	...	144 3 0	...	Ditto.
" 1-28	" " " " " "	...	1,022 7 11	...	...	1,106 12 9	...	Ditto. Undercharge of £84 4s. 10d.
" 1-28	Wellington Militia ... Cost of Rations	...	21 15 1	...	...	21 15 1	...	Ditto.
" 1-28	Wanganui Militia ... " " " "	...	78 14 3	...	...	78 14 3	...	Ditto.
" 1-28	Native Irregulars ... Pay, Wellington Militia	...	301 10 11	...	...	301 11 3	...	Undercharge of 4d.
Mar. 28	Paymaster Kirwan ... Pay, Wanganui Militia	...	97 15 5	...	...	97 15 5	...	Ditto.
" 2	Paymaster Broughton ... Pay, Wanganui Militia	...	222 3 2	...	...	222 3 2	...	Ditto.
" 4	Captain Des Voeux ... Forge Commutation	...	130 4 0	...	...	130 4 0	...	Ditto.
" 16	Lieut. Chevalier (65th Reg.) Pay, Taranaki Militia	...	830 0 0	...	...	830 0 0	...	Ditto.
" 25	" " " " " "	...	436 15 0	...	...	436 15 0	...	Ditto.
" 26	Maori Irregulars ... " " " "	...	416 11 2	...	...	437 5 2	...	Error in voucher, £9 6s.
" 30	Lieut. Chevalier (65th Reg.) Pay, Wanganui Militia	...	899 7 9	...	...	899 7 9	...	Ditto.
" 31	Paymaster Broughton ... Cost of Rations	...	264 5 3	...	...	264 5 3	...	Ditto.
Mar. 31	Capitation charges for years 1858, 1859, 1860, and 1861 ... Material	...	1,560 8 9	...	...	1,560 8 9	...	Ditto.
Jan. 1	P. Moon ... Carried forward	...	26,740 0 0	...	...	26,740 0 0	14 8 0	Paragraph 16. Paragraph 39.
			14 8 0	...	155,397 5 5	...		

* An error occurs here in the addition, being 2s. 5d. too much.

Dr. The Colonial Government in account with the Imperial Treasury—continued. [REMARKS by the Colonial Commissioner.]

Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	TOTAL.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1867.
1861	Brought forward	£ 38,990 18 0	d. 0	£ 155,397 5 5	£ ...	£ 6 1 3	Paragraph 89.
Jan. 2	Sergeant Wintrup, R.E. ... Working Pay	6 1 3	...	...	...	2 13 6	Ditto.
5	" " " " Material	21 19 6	...	...	...	21 19 6	Ditto.
7	O. Spurdle " " " " " "	54 2 6	...	...	...	54 2 6	Ditto.
11	J. Brooking " " " " " "	29 9 0	...	...	...	29 9 0	Ditto.
"	Gilmour and Burton " " " " " "	11 12 4	...	...	...	11 12 4	Ditto.
12	Veal and Loveridge " " " " " "	3 16 4	...	...	...	3 16 4	Ditto.
"	" " " " " " " "	5 6 8	...	...	...	5 6 8	Ditto.
14	F. U. Gledhill " " " " " "	7 2 1	...	...	...	7 2 1	Ditto.
16	Sergeant Wintrup, R.E. ... Working Pay	2 14 0	...	...	...	2 14 0	Ditto.
"	" " " " " " " "	29 3 1	...	...	...	29 3 1	Ditto.
17	" " " " " " " "	5 3 9	...	...	...	5 3 9	Ditto.
24	" " " " " " " "	3 10 4	...	...	...	3 10 4	Ditto.
28	E. H. Hollis " " " " " "	1 19 0	...	...	...	1 19 0	Ditto.
"	" " " " " " " "	3 10 0	...	...	...	3 10 0	Ditto.
31	Sergeant Wintrup, R.E. ... Working Pay	15 11 0	...	...	...	15 11 0	Ditto.
Feb. 5	" " " " " " " "	8 15 9	...	...	...	8 15 9	Ditto.
6	" " " " " " " "	1 12 0	...	...	...	1 12 0	Ditto.
9	James Corbett " " " " " "	182 15 1	...	...	...	182 15 1	Ditto.
"	William Devenish " " " " " "	69 2 0	...	...	...	69 2 0	Ditto.
11	William Watson " " " " " "	3 18 2	...	...	...	3 18 2	Ditto.
12	Sergeant Wintrup, R.E. ... Working Pay	3 14 6	...	...	...	3 14 6	Ditto.
"	" " " " " " " "	22 10 9	...	...	...	22 10 9	Ditto.
16	" " " " " " " "	8 4 6	...	...	...	8 4 6	Ditto.
"	John Brooking " " " " " "	4 2 6	...	...	...	4 2 6	Ditto.
20	Sergeant Wintrup, R.E. ... Working Pay	3 16 3	...	...	...	3 16 3	Ditto.
21	" " " " " " " "	13 10 0	...	...	...	13 10 0	Ditto.
"	James Corbett " " " " " "	24 1 8	...	...	...	24 1 8	Ditto.
23	Gilmour and Burton " " " " " "	22 5 4	...	...	...	22 5 4	Ditto.
25	" " " " " " " "	0 18 0	...	...	...	0 18 0	Ditto.
"	Sergeant Wintrup, R.E. ... Working Pay	4 2 0	...	...	...	4 2 0	Ditto.
27	" " " " " " " "	21 0 6	...	...	...	21 0 6	Ditto.
"	" " " " " " " "	4 10 9	...	...	...	4 10 9	Ditto.
28	Veal and Loveridge " " " " " "	4 3 1	...	...	...	4 3 1	Ditto.
Mar. 9	Sergeant Wintrup, R.E. ... Working Pay	23 9 7	...	...	...	23 9 7	Ditto.
"	" " " " " " " "	1 12 5	...	...	...	1 12 5	Ditto.
12	William Watson " " " " " "	1 10 2	...	...	...	1 10 2	Ditto.
"	John Gilmour " " " " " "	31 12 0	...	...	...	31 12 0	Ditto.
14	" " " " " " " "	4 9 3	...	...	...	4 9 3	Ditto.
"	O. Spurdle " " " " " "	15 1 0	...	...	...	15 1 0	Ditto.
14	" " " " " " " "	4 5 6	...	...	...	4 5 6	Ditto.
19	Sergeant Wintrup, R.E. ... Working Pay	39,681 14 1	...	155,397 5 5	...	...	Ditto.
"	" " " " " " " "	...	...	...	...	...	Ditto.
"	Carried forward	...	...	...	...	...	Ditto.

Dr. The Colonial Government in account with the Imperial Treasury—continued. [REMARKS by the COLONIAL COMMISSIONER.]

Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	TOTAL.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1867.
1861							
Mar. 21	Brought forward	£ s. d. 39,681 14 1	£ s. d. ...	£ s. d. 155,397 5 5	£ s. d. ...	£ s. d. 4 15 0	Paragraph 39.
" 21	Sergeant Wintrup, R.E.... Working Pay	4 15 0	...	...	...	5 11 0	Ditto.
" 22	Philip Moon " " Material	7 17 6	...	...	...	7 17 6	Ditto.
" 26	Captain Burton " " Labour	67 11 3	...	...	...	67 11 3	Ditto.
" 26	Lieutenant Battiscombe... Pay as Assistant Engineer	33 7 6	...	...	...	33 7 6	Ditto.
" 26	Sergeant Wintrup, R.E.... Working Pay	9 17 0	...	...	...	9 17 0	Ditto.
" 25	" " " " " "	4 12 6	...	...	...	4 12 6	Ditto.
" 26	" " " " " "	2 17 0	...	...	...	2 17 0	Ditto.
" 26	Messrs. Corbett " " Labour	30 0 0	...	...	...	30 0 0	Ditto.
" 26	O. Spurdle " " Material	10 0 9	...	...	...	10 0 9	Ditto.
" 26	John Gilmour " " " "	11 17 3	...	...	...	11 17 3	Ditto.
	Brought forward	39,870 3 10 155,397 5 5					
		195,267 9 3					
	Brought forward	7,810 13 11					
	Twelve months' Interest to 31st March, 1862	203,078 3 2				7,810 13 11	Paragraphs 24-27.
April 4	Cornet Greenwood	139 10 0	...	...	139 10 0	...	Paragraph 32.
" 5	Mr. D. Hay	11 7 6	...	...	...	11 7 6	Interpreter to Her Majesty's Forces.
" 12	Major Herbert	22 17 6	...	...	22 17 6	...	Paragraph 32.
" 22	Maori Irregulars	437 5 3	...	...	437 5 3	...	Ditto.
" 22	" " " " " "	394 18 11	...	...	394 18 11	...	Ditto.
" 22	" " " " " "	437 5 3	...	...	437 5 3	...	Ditto.
" 23	Taranaki Militia	1,000 0 0	...	...	1,000 0 0	...	Ditto.
" 23	Major Herbert	31 4 0	...	...	31 4 0	...	Ditto.
" 29	Taranaki Militia	1,000 0 0	...	...	1,000 0 0	...	Ditto.
" 30	" " " " " "	275 4 4	...	...	275 4 4	...	Ditto.
May 26	Maori Irregulars	2,033 13 1	...	...	2,033 13 1	...	Ditto.
" 28	Cornet Greenwood	139 10 0	...	...	139 10 0	...	Ditto.
June 15	" " " " " "	69 15 0	...	...	69 15 0	...	Ditto.
" 15	Wellington Militia	234 3 3	...	...	234 3 3	...	Ditto.
May 31	" " " " " "	146 3 3	...	...	146 3 3	...	Ditto.
April ...	Militia	1,295 8 10	...	...	1,287 17 6	...	No vouchers for £7 11s. 4d.
" " " " " "	" " " " " "	99 3 2	...	...	...	99 3 2	No vouchers.
May ...	" " " " " "	1,055 9 9	...	...	1,055 9 9	...	Paragraph 32.
" " " " " "	" " " " " "	58 10 4	...	...	58 10 4	...	Ditto.
June ...	" " " " " "	903 11 4	...	...	903 11 4	...	Ditto.
	Nine months' Interest to 31st March, 1862	10,160 3 9	304 16 1	10,464 19 10	...	304 16 1	Paragraphs 24-27.
	Carried forward	213,543 3 0					

Dr. The COLONIAL GOVERNMENT in account with the IMPERIAL TREASURY—continued. [REMARKS by the COLONIAL COMMISSIONER.]

Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	TOTAL.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1867.
1862							
Feb. 13	Brought forward	£ s. d. 8,010 18 1	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
Mar. 8	Interpreter White ... Commutation for Fuel and Light	1 4 4	...	...	...	1 4 4	Interpreter to Her Majesty's Forces.
Feb. 10	" " " " " "	1 3 6	...	...	...	1 3 6	Ditto.
Mar. 4	Taranaki Militia ... " " " " " "	23 0 1	...	...	23 0 1	...	Paragraph 32.
" 8	" " " " " " " " " "	11 6 9	...	...	11 6 9	...	Ditto.
" 8	" " " " " " " " " "	16 4	...	...	16 4	...	Ditto.
" 8	" " " " " " " " " "	1 11 4	...	...	1 11 4	...	Ditto.
" 8	Capitation charges for Year ending 31st March, 1862	27,718 15 0	...	...	27,718 15 0	...	Paragraph 18.
	Brought forward	35,768 15 5					
		237,195 11 8					
	Brought forward	272,964 7 1					
	Twelve months' Interest to 31st March, 1863	10,918 11 5					
		283,882 18 6					
June 28	Acting Col. Sub-Treasurer Pay, Taranaki Militia	1,840 10 0	...	...	1,840 10 0	...	Paragraph 32.
	War Office Queries on { Pay, Hospital Orderlies	4 10 4	...	...	4 10 4	...	Ditto.
	Cash Accounts { Lodging Money, Militia	46 15 4	...	...	46 15 4	...	Ditto. Further information required.
			
April ...	Taranaki Militia ... { Passage of Militiaman from New Plymouth to Nelson	4 0 6	...	...	4 0 6	...	Paragraph 32.
May ...	" " " " " " " " " "	38 7 4	...	...	38 7 4	...	Ditto.
June ...	" " " " " " " " " "	39 6 2	...	...	39 6 2	...	Ditto.
	Expenses of Great South Road to 30th June, 1862	37 16 0	...	...	37 16 0	...	Ditto.
	Entrenching Tools for ditto ...	31,337 17 5	...	...	10,445 19 2	...	Paragraph 33-36.
		324 6 1	...	...	108 2 0	...	Ditto.
	Nine months' Interest to 31st March, 1863	33,673 9 2	1,010 4 0	34,683 13 2	...	1,010 4 0	Paragraphs 24-27.
July 11	Acting Col. Sub-Treasurer Pay of Taranaki Militia	1,100 0 0	...	...	1,100 0 0	...	Paragraph 32.
Aug. 11	Acting Paymaster " " " " " "	1,100 0 0	...	...	1,100 0 0	...	Ditto.
Sept. 27	" Peter Elliott " " " " " "	694 9 2	...	...	694 9 2	...	Ditto.
" 23	Paymaster Rooke " " " " " "	0 7 0	...	...	0 7 0	...	Ditto.
" 25	" " " " " " " " " "	300 0 0	...	...	300 0 0	...	Ditto.
July ...	Taranaki Militia ... " " " " " "	1,046 4 9	...	...	1,046 4 9	...	Ditto.
Aug. ...	" " " " " " " " " "	60 7 6	...	...	60 7 7	...	Ditto.
Sept. ...	Expenses of Great South Road " " " " " "	87 18 7	...	...	87 18 7	...	Ditto.
July ...	" " " " " " " " " "	62 17 3	...	...	62 17 3	...	Ditto.
Aug. ...	" " " " " " " " " "	3,938 7 8	...	...	1,312 19 2	...	Paragraph 33-36.
" 12	Interpreter White " " " " " "	93 13 6	...	...	31 4 6	...	Ditto.
	Carried forward	8,487 9 5	...	318,566 11 8	...	3 4 0	Interpreter to Her Majesty's Forces.

[REMARKS by the COLONIAL COMMISSIONER.]

Dr. The COLONIAL GOVERNMENT in account with the IMPERIAL TREASURY—continued.

[illegible]

Dr. The COLONIAL GOVERNMENT in account with the IMPERIAL TREASURY—continued. [REMARKS by the COLONIAL COMMISSIONER.]

Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	TOTAL.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1867.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
1864	Brought forward			600,384 6 7			
Jan. ...	Colonial Forces ... Cost of Rations	8,478 6 10	...	...	7,898 19 3	...	No vouchers for the difference.
Feb. ...	" ... " "	8,736 7 7	...	...	8,213 18 8	...	Ditto.
Mar. ...	" ... " "	12,459 0 2	...	...	12,458 18 2	...	
Jan. 5	Colonial Government ... Stores from Pimlico	6,181 5 0	...	...	6,181 5 0	...	
1863-64	" ... " "	115 9 2	...	...	115 9 2	...	
Dec. & Jan. 1863-64	" ... Medical Stores issued at Auckland	347 6 5	...	...	347 6 5	...	
	Capitation Charge for Year ending 31st March, 1864	34,826 5 0	...	...	...	34,826 5 0	Paragraph 18.
	Brought forward	71,144 0 2					
		600,384 6 7					
		671,528 6 9					
	Twelve months' Interest to 31st March, 1865		26,861 2 8	698,389 9 5	...	26,861 2 8	Paragraphs 24-27.
April 19	Mr. Mainwaring ... Mail Service	200 0 0	...	...	200 0 0	...	
" May ...	Colonial Forces ... Cost of Rations	9,766 9 0	...	...	9,766 9 0	...	
" June ...	" ... " "	9,083 4 1	...	...	9,083 4 0	...	
April 5	Colonial Government ... Stores from Woolwich	9,925 11 6	...	...	9,925 11 6	...	
May 23	" ... Stores from Pimlico	3,815 9 8	...	...	3,815 9 8	...	
" 27	" ... Stores from Tower	6,718 1 11	...	...	6,718 1 11	...	
" 27	" ... " "	687 9 9	...	...	687 9 9	...	
	Material for Naval Flotilla on Waikato River, vide Commander Mayne's Letter	624 7 1	...	...	...	624 7 1	This amount, for the issue of 500 swords, has been charged, being included in the preceding item.
		40 3 4	...	...	40 3 4	...	
	Nine months' Interest to 31st March, 1865	40,860 16 4	1,225 16 5	42,086 12 9	...	1,225 16 5	Paragraphs 24-27.
July ...	Value of Boats transferred to Waikato River Transport	1,056 12 9	...	...	1,056 12 9	...	
" Aug. ...	Colonial Forces ... Cost of Rations	13,992 19 2	...	...	13,787 6 11	...	Overcharge of £205 12s. 3d. admitted by Comt.
" Sept. ...	" ... " "	11,639 8 1	...	...	11,639 8 1	...	
Aug. 17	Colonial Government ... Stores from Pimlico	12,648 14 4	...	...	12,648 14 4	...	
" 22	" ... " "	3,125 9 4	...	...	3,125 9 4	...	
" 22	" ... " "	2,060 16 10	...	...	2,060 16 10	...	
Sept. 22	" ... " "	2,859 10 4	...	...	2,859 10 4	...	
" 30	" ... Medical Stores issued at Auckland	1,298 12 5	...	...	1,298 12 5	...	
		67 9 9	...	...	67 9 9	...	
	Six months' Interest to 31st March, 1865	48,749 13 0	974 19 10	49,724 12 10	...	974 19 10	Paragraphs 24-27.
	Carried forward			790,200 15 0			

Dr. The COLONIAL GOVERNMENT in account with the IMPERIAL TREASURY—continued.

[REMARKS by the COLONIAL COMMISSIONER.]

Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	Total.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1887.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
1864	Brought forward	12,912 16 7	...	700,200 15 0	12,912 16 7	...	
Oct. ...	Colonial Forces ... Cost of Rations	8,504 19 11	...	...	8,504 19 11	...	
Nov. ...	" " " "	9,681 6 5	...	...	9,601 15 7	...	Overcharge of £79 10s. 10d. admitted by Comt.
Dec. ...	Colonial Government ... Stores from Pimlico	4,174 4 9	...	...	4,174 4 9	...	
Nov. 10	" " " "	1,218 12 7	...	...	1,218 12 7	...	
" 15	" " " "	12 5	...	...	12 5	...	
Dec. 3 & 17	" " " "	2,047 13 3	...	...	2,047 13 3	...	
" 27	" " " "	38,540 5 11	...	...	...	...
	Three months' Interest to 31st March, 1865	385 8 0	...	38,925 13 11	...	385 8 0	Paragraphs 24-27.
1865		829,126 8 11	...	...	...	...
Jan. ...	Colonial Forces ... Cost of Rations	9,540 14 8	...	...	9,540 15 7	...	Undercharge of 11d.
Feb. ...	" " " "	6,110 12 2	...	...	6,110 12 2	...	
Mar. ...	Colonial Government ... Stores from Pimlico	8,232 13 7	...	...	8,232 13 7	...	
Jan. 26	" " " "	2,656 9 6	...	...	2,656 9 6	...	
Mar. 22	" " " "	3,054 12 11	...	...	3,054 12 11	...	
	Capitation Charge to 31st December, 1864, at £5 per man per annum	37,495 0 0	...	...	...	37,495 0 0	Paragraph 18.
	Capitation Charge from 1st January to 31st March, 1865, for 4000 men, at £40 per man per annum	40,000 0 0	...	...	...	40,000 0 0	Ditto.
	Brought forward	107,090 2 10	...	...	...	...
		829,126 8 11	...	...	...	...
	Twelve months' Interest to 31st March, 1866	936,216 11 9	37,448 13 3	973,665 5 0	...	37,448 13 3	Paragraphs 24-27.
April ...	Colonial Forces ... Cost of Rations	10,656 11 10	...	...	10,656 11 10	...	
May 18	Paymaster Powell ... Pay of Wanganui Militia	1,500 0 0	...	...	1,500 0 0	...	
" 14	" " " "	2,500 0 0	...	...	2,500 0 0	...	
June ...	" " " "	4,580 0 0	...	...	4,580 0 0	...	
" 26	Paymaster Hempton ... Pay, Friendly Natives	1,377 17 6	...	...	1,377 17 6	...	
" 29	Paymaster Powell ... Pay, Militia	3,036 11 10	...	...	3,036 11 10	...	
May ...	Colonial Forces ... Cost of Rations	7,409 4 10	...	...	7,409 4 10	...	Overcharge of £91 9s. 4d. admitted by Comt.
June ...	" " " "	7,640 8 4	...	...	7,548 19 0	150 0 0	Occupied by Imperial Troops.
May 6	Mr. Alexander ... Compensation...	150 0 0	...	...	...	...
	Nine months' Interest to 31st March, 1866	38,850 14 4	1,165 10 4	40,016 4 9*	...	1,165 10 4	Paragraphs 24-27.
	Carried forward	1,013,681 9 9	...	...	...	...

* An error occurs here in the addition, being 1d. too much.

Dr. The COLONIAL GOVERNMENT in account with the IMPERIAL TREASURY—continued. [REMARKS by the COLONIAL COMMISSIONER.]

Date of Payment.	To whom Paid, and for what Service.	Amount.	Interest at 4 per cent.	TOTAL.	Amount Admitted.	Amount Objected to.	Reference to Commissioner's Report of 1st July, 1867.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
1866.	Brought forward	2,076 2 7		1,081,608 0 10			
Feb. 15	Paymaster Powell	1,652 10 0			1,652 10 0		
Mar. 28	Paymaster McPherson	630 0 0			630 0 0		
Jan. ...	Colonial Forces	6,364 14 9			6,364 14 8		
Feb. ...	"	5,376 7 1			5,376 7 1		
Mar. ...	"	5,532 0 10			5,532 0 10		
"	Colonial Forces, Wanganui	560 17 2			560 17 2		
"	Supplies Lost in Transit to Waikato	438 5 1				438 5 1	
31	Mr. Johnson	1,210 0 0				1,210 0 0	Paragraph 39.
"	Working party, 43rd Regt. Labour at Coal Mines, Waikato	28 0 0			28 0 0		Paragraph 42.
31	Capitation charge to 31st March, 1866, for 4000 men at £40 per man per annum	160,000 0 0				160,000 0 0	Paragraph 18.
	Brought forward	183,868 17 6					
		1,081,608 0 10					
	Six months' Interest to 30th September, 1866	1,265,476 18 4	25,309 10 9	1,290,786 9 1		25,309 10 9	Paragraphs 24-27.
April 7	Paymaster McPherson	900 0 0			900 0 0		
" 29	"	750 0 0			750 0 0		
"	Colonial Forces	6,125 12 2			6,184 16 8		
May ...	"	5,774 9 0			5,714 14 5		Overcharge of 10s. 1d.
	Three months' Interest to 30th September, 1866	13,550 1 2	135 10 0	13,685 11 2		135 10 0	Paragraphs 24-27.
July 26	Paymaster McPherson	45 4 2			45 4 2		
"	"	44 9 7			44 9 7		
To Aug. 31	Captain Frazer	262 0 9			262 0 9		
	Sundry items subsequently directed to be included in the account against the Colony	351 14 6		351 14 6			
	TOTAL			140 2 4		140 2 4	Unsupported by vouchers.
				£ 1,304,963 17 1	759,621 14 7	516,130 12 5	

N.B. The first five columns, with the exception of typographical and clerical errors, form an exact copy of the "Statement of Claims by the Imperial Treasury against the Colonial Government of New Zealand to 30th September, 1866," as presented by Mr. Commissary-General Jones on 5th April, 1867.

J. RICHARDSON,
Colonial Commissioner.

Appendix B.

ACCOUNTANT'S REPORT, No. 1.

SIR,—

Colonial Commissioner's Office, Wellington, 8th January, 1867.

In reference to the Imperial account against the Colony of New Zealand, which was placed in my hands for examination on the 9th October last, I have the honor to report—

1. That the Account rendered by the Imperial Commissioner is professedly incomplete.
2. That the total amount of the Debit side of the account, as stated by the Commissary-General, is £858,380 2s. 9d., exclusive of Capitation charge for 1865-6, and also exclusive of any charge for interest.
3. The items on the Credit side of the account amount to £16,248 8s. 7d., inclusive of £8,333 6s. 8d. being five months' interest on the Colonial payment of £500,000 in Four per cent. Debentures.
4. With the exception of the charges for rations, I have carefully examined each item in this account, as well as in the subsidiary account of expenditure on the Great South Road, amounting to £35,369 18s. 7d., comparing the vouchers with the charges, and noting the authorities produced for the expenditure in every case.
5. The examination of the Ration Account, amounting in the aggregate to the sum of £276,960 0s. 8d., is in progress, and the verification thereof, involving minute computations, comprised in some thousands of vouchers, is necessarily a work of time. The vouchers under this head, for 1860, being in an imperfect state, cannot be proceeded with until further information is received from the Commissariat; and for the period from January, 1861, to September, 1862, no vouchers have been furnished.
6. Certain other missing vouchers and authorities have been applied for, but up to this date have only partially been supplied. A portion were received on the 17th ultimo, and the remainder were promised as soon as they could be traced.
7. The report of the Waikato Transport Commissioners has recently been handed to me, and has been minutely examined. The cost of this service to the 31st December, 1864, according to the Commissioners' account, after deducting certain sums for freight and passage money received, and the valuation of property remaining afloat and on shore amounts to £65,938 4s. 7d.; the total tonnage carried during the same period on Imperial and Colonial account was 9031 tons 8 cwt. 2 qrs. 24 lbs., equal to £7 6s. per ton. On these data the amount chargeable to the Commissariat for 1864 is £59,809 9s. 6½d., and for the further period, from the 1st January to the 31st July, 1865, at the same rate per ton, is £16,145 11s. 11d.; together, £75,955 1s. 5½d. At this date payment for this service was commuted for a monthly subsidy of £750, which has been duly received up to the month of May last inclusive.
8. But during the examination of this account, the omission of very considerable sums strictly chargeable to the service has been discovered. A few of these omissions are items rejected by the Commissioners probably from want of information, and a larger proportion consists of expenditure which has apparently been overlooked. Amongst the omitted items are the whole expense of clearing the Waikato River, amounting to £1,290 10s. 10d.; without which the navigation of the river was almost impracticable; and a proportion of the cost and working expenses of the Colonial steamer "Prince Alfred," which vessel was chiefly employed between Onehunga and Port Waikato, feeding the River service, and carrying large quantities of stores on Imperial account. A supplementary statement, embracing these items, is being prepared.
9. I have further examined the proceedings, and scheduled the awards of Mr. Commissioner Beckham, on the military claims for compensation at Taranaki. The amount paid by the Colony under this head is £3854 17s. 3d.
10. Reverting to the Imperial account, I would direct your attention to the items of "Extraordinary expenditure," under the heads "working pay" and "material," in the general account, and working pay (and special transport) Royal Artillery, in the Great South Road account, the former amounting to £4779 9s. 8d., and the latter to £757 12s. On referring to the Commissary-General's Memorandum, dated 3rd January, 1862, and attached to the Great South Road account, and to his letter to His Excellency the Governor, dated October 31, 1865, these items would appear to have been inadvertently admitted into the Imperial claim.
11. No further accounts have been furnished by the Imperial Commissioner, and I trust that, very shortly after the receipt from Auckland of the information and vouchers called for, I shall be able to present my final Report on the account now in my hands.
12. For your information in the meantime I have compiled the documents noted below, which I now present, and

The Honorable Major Richardson,
Colonial Commissioner.

I have, &c.,
B. SMITH,
Accountant to Colonial Commissioner.

SCHEDULE.

1. Copy of Debit Side of Imperial Account, with Authorities and Vouchers noted.
2. Abstract of the same.
3. Epitome of the same, showing the totals under each head.
4. Abstract of the Great South Road Account.
5. Epitome of the same (attached to No. 3).
6. Copies and Memoranda of Authorities produced in support of the Account.
7. Military Claims, Taranaki.

N.B.—The documents referred to in the Schedule are kept for reference among the records.

J. RICHARDSON,
Colonial Commissioner.

Appendix C.

ACCOUNTANT'S REPORT, No. 2.

SIR,—

Colonial Commissioner's Office, Wellington, 29th March, 1867.

In reply to your inquiry respecting the Imperial account against the Colony I have the honor to state :—

1. That I have not yet received the Auditor-General's Report upon the "Ration Account;" but from a Memorandum received this morning from the Audit Office I find that further information is required, and has been requested from the Commissariat, but has not yet been received. The Memorandum also directs the attention of the Colonial Commissioner to a statement made by the Commissary-General, to the effect that the charge for rum in the Great South Road account (amounting to £3300 7s. 2d.) had been made in error.

2. The only document yet received towards the completion of the Imperial account is a Memorandum of "Supplementary Items in Commissariat Accounts," dated 21st February, 1867, which came to my hand on the 7th instant, and comprises :—

	£	s.	d.
(I.) Cost of supplies, March to May, 1866, and amounts to ...	12,460	18	4
(II.) Pay of Militia in Commissariat Transport Corps, advanced to Mr. McPherson, 7th April to 26th July, 1866 (less a refund)	1,346	12	10
(III.) Transport by contract at Tauranga, April to October, 1866	262	0	9

For the first item vouchers are in the Audit Office, and are now under examination. For items II. and III., vouchers are in this office, and the items are supported by the vouchers.

3. Respecting the "Statement of Payments made by the Colony to Imperial Officers," I have to report :—

*That a Memorandum (marked A. 1) was furnished to the Commissary-General of these payments on the 15th January last, and was returned by him to the Treasury on the 7th instant with sundry marginal annotations (some in pencil); also a letter from D. S. Hamley (marked B. 1), dated 12th February, 1867, stating that in comparing the "War Office" (query Colonial) statement with the claims rendered to the Colonial Government, he finds that only a few items correspond, and enclosing two statements of payments received from the Colony, and one of outstanding claims; and further, a Memorandum by the Military Accountant, Greenwood (marked C. 1), dated 27th February, 1867, stating that the items (in his Memorandum), which have no corresponding vouchers noted against them, could not be traced in the accounts (those so noted are very few), and accompanied by a "Statement of all Amounts paid into the Chest by the Colonial Government."

On the 27th February a "Detailed Statement of the Sums paid to Imperial Officers" was compiled, in compliance with the request of the Imperial Commissioner, and forwarded to Auckland by the first mail thereafter. This Statement crossed the Commissioner on his way down, but a copy was placed at his disposal on his arrival in Wellington. With the exception of an "Abstract of transactions between Principal Purveyor Adams and the Colonial Government, taken from Mr. Adams' Ledger" (marked D. 1), furnished to this office on 19th March last, no further information tending to the elucidation of the accounts has been received, nor anything in the nature of a complete *Dr.* and *Cr.* Account between the Imperial and Colonial Governments.

4. In expectation of receiving more definite information from the Imperial Commissioner, for which it was understood the detailed Statement was required, no serious attempt has been made to do what the Imperial Officers deem impracticable, viz., to reconcile the Colonial Statement with their Abstracts and Memoranda.

Under the circumstances above mentioned, I regret that I cannot yet present my final Report upon the accounts entrusted to me.

I have, &c.,

B. SMITH,

Accountant to Colonial Commissioner.

The Hon. Major Richardson,

Colonial Commissioner.

* The documents referred to are kept for reference among the records.

J. RICHARDSON,

Colonial Commissioner.

Appendix D.

ACCOUNTANT'S REPORT, No. 3.

SIR,—

Colonial Commissioner's Office, Wellington, 23rd April, 1867.

1. From the date of my first Report, 8th January, 1867, I received no further accounts from the Imperial Commissioner until the 7th March, when a Memorandum of "Supplementary Items in Commissariat Accounts" (marked A. 2) was handed to me, comprising charges for supplies for three months in 1866, Pay of Militia in Commissariat Transport Corps for a similar period, and for Transport at Tauranga, amounting in the whole, after the deduction of a small refund, to £14,069 11s. 11d.

2. On the 5th April, only three days prior to the Commissary-General's departure for England, I received a "Statement of Claims by the Imperial Treasury against the Colonial Government of New Zealand, to 30th September, 1866" (marked B. 2).

3. This altered and extended Statement contains, on the Debit side, forty-seven new items, dating so far back as 1861 (Appendix C. 2), amounting, with differences in sundry other items, to £279,305 7s. 2d.; and also compound interest at four per cent. (capitalized annually), amounting to £167,278 7s. 1d., augmenting the gross claim to £1,304,963 17s. 1d. Fourteen new items are added to the Credit side, amounting to £111,084 18s., inclusive of eleven months' interest on the Colonial payment in Debentures of £500,000—the principal of which is omitted—raising the total credit (with compound interest at 4 per cent.) to £127,781 6s. 1d., and showing a net balance against the Colony of £1,177,182 11s. (Appendix D. 2.)

4. This Account is still incomplete, the Admiralty charge, which it has been intimated will amount to about £45,000, not having been brought into the Statement, nor yet a credit for the value of twenty-two horses, the property of the Colony, sold by Her Majesty's Commissariat.

5. The new Statement bears evidence of hasty compilation in the occurrence of many errors, chiefly clerical, most of which, however, are rectified in the subsequent operation of addition, but have somewhat impeded the analysis of the Account.

6. There are some discrepancies between the first and second Statements, the most important of which I proceed to note:—

Item, Fencibles—In excess of First Account	£	s.	d.
Capitation, 1862-3—Less than in do.	102	0	0
Do. 1863-4—In excess of do	1,138	6	8
Do. 1864-5—This, in the first Statement, is charged for the twelve months at £5 per head; in the new Statement, nine months are charged at £5 per head, and three months at £40 per head, being in excess of the first Statement	919	18	4
	26,618	15	0

And subsequently, for the year 1865-6, 4,000 men are charged for at £40 per man, amounting to £160,000.

7. Under the head of Rations, the sum of £277,829 18s. 5d. is charged against the Colony. Of this I have prepared an Abstract, which has passed through the Audit Office, and it is found that several sums charged are unsupported by vouchers, while in some cases the vouchers are in excess of the charge, and in others the reverse occurs; the result being an apparent overcharge of £2,275 9s. 11d. (See Abstract and Auditor's Report, Appendix E. 2.)

8. Under the head of "Extra Issues" in the Great South Road Account, supplies amounting to £13,271 8s. 10d. are charged. Of this I have also prepared an abstract, which has been audited. The amount unvouched is £4,707 18s. 7d., a large part of which sum—£3,050 11s. 6d.—is for Rum; and the Auditor in his Report directs attention to a written memorandum of a verbal statement made by the Commissary-General, to the effect that the item, "Rum," is charged in error. (See Appendix E. 2a.) In the same Appendix I have also noted other errors and overcharges in the Great South Road accounts, amounting to £1,081 16s. 10d., made up as follows, viz:—Arithmetical and clerical errors, £1 10s.; overcharges of Field Allowance,* £737 11s.; Fuel and Light, issued to Mr. White (Interpreter), who, I am informed, was not employed upon the road, £8 19s. 9d.; items unvouched, £88 5s. 10d.; and working pay, Royal Artillery, £245 10s. 3d. This last item was specially directed by Deputy Commissary-General Jones to "remain chargeable to Army Funds." (Vide Memo. 3rd January, 1862, attached to the account); and I venture to suggest that the charge for "special transport" by the same corps (£512 1s. 6d.) should also be excluded under the same authority.

9. The War Office charge for Arms, Accoutrements, and Clothing, has also been referred to the Auditor, who, in his Report (Appendix F. 2) demurs to the second charge for 500 swords, amounting to £624 7s. 1d., as a duplicate charge; and also to the item "Supplies to Militia Prisons," &c., amounting to £140 2s. 4d., for which no particulars of date or locality are given. The sum of £102 5s. 11d., for Arms and Ammunition for the gunboat "Caroline," included in the War Office Statement, having been paid in June, 1864, has been withdrawn from the claim.

10. I observe that an amount of £280 5s. 4d. is charged, in items Nos. 20, 21, 22, and 27, for expenditure on account of Wellington Militia, which is not covered by Mr. Stafford's guarantee, dated 28th April, 1860, and which is retrospective only to the 1st April in that year.

11. Requesting your attention to the tenth paragraph of my first Report, I would now further remark, that if there be any meaning in the Commissary-General's declaration, that not one farthing of the past Extraordinary Expenditure had ever been included in his accounts against the Colonial Government, it is difficult to understand how such items as those noted in the margin came to be admitted into the Imperial claim. If, however, these items be allowed, then credit should be given to

Transport (except
for Colonial
Forces.)

* The General Order authorizing the issue of Field Allowance is dated 23rd December, 1861, and is not retrospective, while the allowance has been drawn from the 1st October preceding.

the Colony for Tools, Harness, &c., which it is presumed would be sold or returned into store; and also for a House, and a Theatre, purchased at Taranaki, unless they have been conveyed to the Colonial Government, of which no evidence is afforded.

12. In accordance with your instructions, three Abstract Statements have been compiled from the Imperial Account (Appendix G. 2*), which exhibit the following results:—

1.—Period from 31st March, 1848, to 31st December, 1861.					
Claim	...	...	...	...	£193,287 4 4
Interest	...	...	...	...	43,908 4 11
Total Claim	...	...	...	...	£237,195 9 3
Less amount credited	...	...	...	...	15,913 17 4
And interest	...	...	...	...	870 18 11
Net claim for the period	...	...	...	...	£220,410 13 0
2.—Period from 1st January, 1862, to 31st December, 1864.					
Claim	...	...	...	...	£533,644 16 3
Interest	...	...	...	...	58,286 1 0
Total Claim	...	...	...	...	£591,930 17 3
Less amount credited	...	...	...	...	64,368 8 10
And interest	...	...	...	...	3,126 7 4
Net claim for the period	...	...	...	...	£524,436 1 1
3.—Period from 1st January, 1865, to 30th September, 1866.					
Claim	...	...	...	...	£410,753 6 11
Interest	...	...	...	...	65,084 1 2
Total Claim	...	...	...	...	£475,837 8 1
Less amount credited	...	...	...	...	£37,604 2 10
And interest	...	...	...	...	5,897 10 10
Net claim for the period	...	...	...	...	£432,335 14 5

Interpreters:—
Field Allowance,
&c.
Pay of Militia,
&c., in Commis-
sariat employ.
Compensation for
losses sustained
by Military
operations.
Supplies lost or
damaged in
transit, and
Expenditure on
the Great South
Road.

A condensed Abstract of the whole claim is also appended.

13. The statements of the further cost of the Waikato Transport Service, mentioned in the eighth paragraph of my first Report, have been completed; and show an additional amount chargeable to the Commissariat of £8,096 Os. 5½d. for the year 1864, as per Statement No. 8 (Appendix H. 2); and for the first seven months of 1865, a further amount of £4,487 10s. 11½d., as per Statement No. 9 (Appendix I. 2.)

14. A Schedule has also been compiled of the cost and working expenses of the Colonial steamer "Prince Alfred," employed chiefly between Onehunga and Port Waikato, in connexion with the Waikato River Service, showing the amount of £5,140 4s. 9d. chargeable to the Commissariat for the period ending 31st July, 1865, after which date the Transport Service on the Waikato for the Imperial Troops, was performed by the Colony for a fixed subsidy. (Appendix K. 2.)

15. In reference to the attempt made in January last, to obtain from Her Majesty's Commissariat a complete *Dr.* and *Cr.* Statement of Account between the Imperial and Colonial Governments, I have little further to state than is contained in my second Report: no such complete account has yet been produced; and my opinion of the uselessness of the attempt to compare and identify the items contained in the Statement of Payments made by the Colony to Imperial officers with the Abstracts and Memoranda as furnished by the Commissariat, is confirmed by the Memorandum of the Assistant Treasurer upon the same subject, under date 1st April, 1867, in which he alludes to "the accounts supplied by the Commissariat Department * * * * as being quite irreconcilable with the accounts furnished by the Treasury." I should, however, state that on the 5th April a paper, purporting to be further explanatory of those accounts, was produced by the Imperial Commissioner's clerk, but was at once returned, in order that, if it were intended for your information, it might be formally presented; but as the paper was never seen again, I have had no opportunity of ascertaining how far it might have assisted me in the inquiry upon which I have been engaged.

16. It will have been observed that my Report is not exclusively confined to the claims of the Imperial Government, but embraces portions of the counter-claim of the Colony. In examining the Report and Account of the Waikato Transport Commissioners, it became apparent that a large expenditure had been entirely overlooked, which necessitated my going minutely into those accounts. The results of that examination are stated in the preceding paragraphs, Nos. 13 and 14. The amount paid on account of Claims for Compensation, for damages sustained in consequence of Military operations in Taranaki, was also scheduled, and is noted in the ninth paragraph of my first Report. These inquiries were undertaken on the understanding that a complete and minute examination was to be made of the Imperial claims, and also of the Colonial counter-claims; and that both were to be mutually discussed between the Imperial Commissioner and yourself; but having subsequently learned from you that the sudden departure of the Imperial Commissioner had precluded you from a joint inquiry into the Colonial counter-claim, and that you had consequently resolved to omit that branch of the subject from your Report, I have not further pursued my investigation of the Colonial side of the Account.

I have, &c.,

To the Hon. Major Richardson,
Colonial Commissioner, &c.,

Your obedient Servant,

B. SMITH.

*This Appendix is printed herewith, and the other Appendices referred to in this Report are kept for reference among the Records.

J. RICHARDSON,
Colonial Commissioner.

G. 2.

ABSTRACT STATEMENTS
OF
IMPERIAL CLAIM,
DIVIDED INTO THREE PERIODS,

VIZ. :—

31ST MARCH, 1848, TO 31ST DECEMBER, 1861.
1ST JANUARY, 1862, TO 31ST DECEMBER, 1864.
1ST JANUARY, 1865, TO 30TH SEPTEMBER, 1866.

ALSO,

ABSTRACT OF IMPERIAL CLAIM,
31ST MARCH, 1848, TO 30TH SEPTEMBER, 1866.

FROM 31ST MARCH, 1848, TO 31ST DECEMBER, 1861.

CR.

	£	s.	d.	£	s.	d.	£	s.	d.
PAY—									
Excess of Militia Pay		7	8						
Difference between Commissariat Account and War Office statement:—									
Taranaki Militia, 1860-1	79	18	10						
				80	6	6			
MISCELLANEOUS—									
Repairs of Imperial Barracks	14,054	13	9						
Passage of Military Prisoners	28	17	1						
Proportion of Cost of Surf Boat Establishment at Taranaki	1,750	0	0						
				15,833	10	10			
Interest at 4 per cent., capitalized annually							15,913	17	4
							870	18	11
Balance (net claim for the period)							16,784	16	3
							220,410	13	0
Total							£237,195	9	3

FROM 1ST JANUARY, 1862, TO 31ST DECEMBER, 1864.

CR.

	£	s.	d.	£	s.	d.	£	s.	d.
PAY—									
Refund, Field Allowance overdrawn				2	5	6			
RATIONS—									
Fresh Meat supplied to "Eclipse"				21	17	7			
Overcharges, per War Office statement				205	12	3			
Estimated Value of Animals purchased for road-making, available on completion of Great South Road				3,990	0	0			
Clothing for Military Prisoners, per "Light Brigade"				79	4	0			
Charter of "Egmont"				200	0	0			
Waikato River Transport (£60 in excess of Waikato Commissioner's award)				59,869	9	6			
							64,368	8	10
Interest at 4 per cent., capitalized annually							3,126	7	4
Balance (net claim for the period)							67,494	16	2
							524,436	1	1
Total							£591,930	17	3

Dr. ABSTRACT OF IMPERIAL CLAIM. THIRD PERIOD,

	£	s.	d.	£	s.	d.	£	s.	d.
ADVANCES FOR PAY—									
Taranaki Militia	8,464	15	4						
Wanganui Militia	27,027	0	8						
Friendly Natives	1,377	17	6						
Militia in Commissariat Transport Corps	10,419	13	9						
				47,289	7	3			
ADVANCES FOR RATIONS—									
Colonial Forces				117,675	4	9			
Stores from Pimlico	5,711	2	5						
Medical Stores at Auckland	64	19	6						
				5,776	1	11			
MISCELLANEOUS—									
Coals for Colonial Steamer "Prince Alfred"	52	0	0						
Compensation, Mr. Alexander	150	0	0						
Compensation, Mr. Johnson, Loss of Cattle	1,210	0	0						
Supplies lost in Transit to Waikato	438	5	1						
Inspection of Targets	19	9	4						
Transport, Natives, Wanganui	217	15	6						
Transport at Tauranga, for Militia	262	0	9						
Working Party, 43rd Regiment, at Waikato Coal Mines	28	0	0						
Sundries, viz.—									
Transport	51	7	6						
Supplies, Militia Prisons... ..	22	1	3						
Coals, Militia Hospital	7	19	0						
Diets, Militia Hospital	58	14	7	140	2	4			
				2,517	13	0			
CAPITATION CHARGES—									
Nine Months, 1864-5, at £5	37,495	0	0						
Three Months, 1864-5, at £40	40,000	0	0						
Twelve Months, 1866, 4,000 men at £40	160,000	0	0						
				237,495	0	0			
				237,495	0	0			
Interest at 4 per cent., capitalized annually							410,753	6	11
							65,084	1	2
Total							£475,837	8	1

Dr. ABSTRACT OF THE IMPERIAL CLAIM,

	£	s.	d.	£	s.	d.	£	s.	d.
ADVANCES FOR PAY—									
Taranaki Militia	64,407	1	5						
Wellington Militia	4,859	3	5						
Wanganui Militia	30,654	6	3						
Native Allies, Friendly Natives, &c.	5,289	5	1						
Militia in Commissariat Transport Corps	10,419	13	9						
				115,629	9	11			
ADVANCES FOR RATIONS—									
Taranaki Militia (inclusive of Commutation for Fuel and Light)	14,878	10	9						
Wellington Militia	1,323	11	10						
Wanganui Militia... ..	1,988	13	11						
Militia	3,412	3	5						
Native Allies, &c.	1,733	17	4						
Colonial Forces	254,552	7	10						
				277,889	5	1			
ADVANCES IN CASH—									
For Naval Allowance	5,000	0	0						
To Colonial Treasurer	186,000	0	0						
				191,000	0	0			
New Zealand Fencibles				68,029	5	9			
Barracks at Taranaki				6,931	5	5			
Great South Road—Extraordinary Expenditure, viz., Working Pay, Material, Purchase of Animals, Hire of Paddocks, Transport, Supplies, &c.	35,369	18	7						
Entrenching Tools for Great South Road... ..	324	6	1						
				35,694	4	8			
Stores from Tower, Pimlico, and Enfield, &c.	73,520	5	4						
Departmental Expenses thereon	1,181	5	5						
Medical Stores at Auckland	64	19	6						
				74,766	10	3			
MISCELLANEOUS—									
Arms and Accoutrements	3,515	2	1						
Breach of Contract for Transport per "Sporting Lass"	70	0	0						
Carried forward	£3,585	2	1	769,940	1	1			

31 B.—No. 5A.

C_R.

* Credit will be given as soon as amount realized by auction can be ascertained.

CR.

* Credit will be given as soon as amount realized by auction can be ascertained.

Dr. ABSTRACT OF THE IMPERIAL CLAIM, FROM

	£	s.	d.	£	s.	d.	£	s.	d.
Brought forward	3,585	2	1	...			769,940	1	1
MISCELLANEOUS—continued—									
Extraordinary Expenditure at Taranaki:	£	s.	d.						
Working Pay	716	17	3						
Material	3,839	1	5						
Purchase of Theatre	150	0	0						
Purchase of House	72	16	9						
				4,778	15	5			
Sentry Boxes for Militia				81	18	0			
Mail Service, Taranaki to Wanganui				25	0	0			
Mail Service by Natives				200	0	0			
Enrolment of Pensioners				37	0	0			
Interpreter's Field Allowance (Commutation Fuel and Light)				53	3	8			
Clothing, Taranaki Militia				555	0	0			
Clothing, Wellington Militia				400	10	4			
Material for Naval Flotilla on Waikato River				40	3	4			
Boats for Waikato River Service				1,056	12	9			
Stores for Gunboat "Pioneer" (at Sydney)				141	15	11			
Working Party, 43rd Regiment, at Waikato Coal Mines				28	0	0			
Transport, Taranaki Militia				4	7	6			
Transport, Natives, Wanganui				217	15	6			
Transport for Militia at Tauranga				262	0	9			
Freight				35	18	3			
Medical Supplies at Auckland				414	16	2			
Coals for Colonial Steamer "Prince Alfred"				52	0	0			
Compensation, Mr. Alexander				150	0	0			
Compensation, Mr. Johnson, Loss of Cattle				1,210	0	0			
Supplies lost in Transit to Waikato				438	5	1			
Inspection of Targets				19	9	4			
Sundries:	£	s.	d.						
Transport	51	7	6						
Supplies, Militia Prisons	22	1	3						
Coals, Militia Hospital	7	19	0						
Diets, Militia Hospital	58	14	7						
				140	2	4			
							13,927	16	5
Capitation Charge, 1858-61, at £5 per head per annum	26,740	0	0						
Capitation Charge, 1861-2, at £5 per head per annum	27,718	15	0						
Capitation Charge, 1862-3, at £5 per head per annum	27,037	10	0						
Capitation Charge, 1863-4, at £5 per head per annum	34,826	5	0						
Capitation Charge, 1864-5, nine months at £5 per head	37,495	0	0						
Capitation Charge, 1864-5, three months at £40 per head	40,000	0	0						
Capitation Charge, 1866, 4,000 men at £40 per head	160,000	0	0						
							353,817	10	0
Interest at 4 per cent., capitalized annually ... ..	...			...	
Total ... ..	...			...			£	1,304,963	14 7

NOTE.—The difference between the above total and the sum stated in the Imperial claim is occasioned by two plus errors in addition in the Imperial statement.

AGAINST THE COLONIAL GOVERNMENT.

33 B.—No. 5A.

31ST MARCH, 1848, to 30TH SEPTEMBER, 1866—continued.

CR.

	£	s.	d.	£	s.	d.	£	s.	d.
Brought forward	127,781	6	1
<div></div>									
Balance, Dr.	1,177,182	8	6
Total	£	1,304,963	14	7

23rd April, 1867.

B. SMITH,
Accountant to Colonial Commissioner.

Appendix E.

CLASSIFIED STATEMENT of EXPENDITURE for NATIVE PURPOSES for the period commencing 1st January, 1862, and ending 31st December, 1864, as per Despatch from the Right Hon. the Secretary of State for the Colonies, dated Downing Street, 26th May, 1862.

	1862.	1863.	1864.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
NATIVE MINISTER'S DEPARTMENT—				
Salaries and Incidental Expenses	1,811 11 5	5,020 4 3	5,322 17 4	12,154 13 0
EUROPEAN OFFICERS, Civil Commissioners, Resident Magistrates, Interpreters, &c.—				
Salaries, Travelling Expenses, and Incidental Expenses of Courts	9,789 13 3	17,041 3 11	16,749 19 0	43,580 16 2
NATIVE OFFICERS, Wardens, Assessors, Police, &c.—				
Salaries and Travelling Expenses	4,605 0 3	8,137 13 3	12,864 6 6	25,607 0 0
HOSPITALS — Salaries and Travelling Expenses of Medical Officers, Drugs, Medical Comforts, and other expenses connected with the health of the Natives	2,969 12 7	4,107 10 10	5,304 8 8	12,381 12 1
PRESENTS AND ENTERTAINMENT OF NATIVES—Passages paid, and other expenses for the benefit of particular tribes or individuals	5,096 14 5	3,736 14 8	12,845 15 0	21,679 4 1
PENSIONS TO NATIVES	465 0 0	964 9 3	1,266 9 6	2,695 18 9
SCHOOLS—Teachers' Salaries, and other expenses connected with Education	7,001 1 9	10,415 9 4	6,128 10 2	23,545 1 3
RUNANGAS—				
Payments to Members and other expenses ...	532 3 10	944 6 10	842 5 8	2,318 16 4
PUBLICATION OF MAORI NEWSPAPER	598 5 11	754 10 0	74 6 6	1,427 2 5
MISCELLANEOUS—				
Building of Court Houses, Police Stations, &c....	243 17 2	2,008 18 7	864 12 2	3,117 7 11
Expenses of Governor and Suite visiting Native Districts	425 9 9	301 0 9	...	726 10 6
Roads and Public Works	309 16 0	159 8 9	...	469 4 9
Purchase of Land for Natives, Surveys, Fencing, Laying out Village, &c	492 12 3	995 7 0	250 18 2	1,738 17 5
Contributions towards erection of Churches ...	5 0 0	51 14 0	70 5 10	126 19 10
Sundries	135 11 3	1,317 2 5	525 14 1	1,978 7 9
				153,547 12 3
Portion of this expenditure to be borne by the Colony, three years at £26,000 per annum				78,000 0 0
Amount to be deducted from Capitation Charge			£	75,547 12 3

Approved as an Expenditure on Native Government or other purely Native objects.

G. GREY,
Governor.

Treasury, Wellington,
1st July, 1867.

J. WOODWARD,
Assistant Treasurer.

Appendix F.

STATEMENT showing TOTALS of AMOUNTS paid from the COLONIAL TREASURY on Account of IMPERIAL TROOPS and SERVICES, to 30th September, 1866.

	£	s.	d.
1. Blockhouses, Stockades, and Defensible Buildings for Imperial Troops	29,061	11	11
2. Barracks for Imperial Troops, and repairs of ditto	14,054	13	9
Expenditure on Roads made for Military Purposes, viz. :—			
3. Auckland	54,727	3	9
4. Taranaki	30,050	4	3
5. Wanganui	16,059	5	10
6. Hawke's Bay	2,038	16	0
7. Pay of Interpreters and Guides to Imperial Officers	102,875	9	10
8. Pay of Transport Corps and Militia attached to Her Majesty's Commissariat... ..	4,603	4	0
9. Harbour Boats, New Plymouth	97,589	12	7
10. Shipping Men and Guns of the Royal Artillery, New Plymouth	3,500	0	0
11. Wharfage on Military Stores, Auckland	104	17	6
12. Charter of Ship for Conveyance of Troops	1,864	14	4
13. Charter of Steamer "Egmont," sent to Tauranga for Troops	108	0	0
14. Pay to Guards in charge of Imperial Barracks, Wellington	200	0	0
15. Passages of Military Prisoners to England per "Swordfish"	711	7	2
16. Rewards and Expenses for Capture of Deserters from Imperial Troops	28	17	1
17. Fresh Beef supplied to H.M.S. "Eclipse," and Pilotage for ditto	2,496	0	6
18. Rent of Premises occupied by Imperial Troops at Te Papa and Awamutu	37	0	4
19. Amount paid for Four Horses taken from Friendly Natives by Imperial Troops at Pukorokoro	525	0	0
20. Cost of Horses, Saddles, Arms, and Accoutrements for the Royal Artillery Mounted Corps and } other Imperial Troops	150	0	0
21. Pay to Imperial Troops employed as a Moveable Column	8,956	11	0
22. Allowance to Imperial Troops at Otago... ..	4,069	11	6
23. Pay to Men of the Royal Artillery as a Mounted Corps	4,941	7	1
24. Miscellaneous	2,985	11	4
25. Taranaki Compensation, Mr. Commissioner Beckham's Awards under head of "Military Claims"	12,238	1	2
	3,854	17	3
26. Proportion of Cost of Waikato Transport Service, as per Commissioner's account	£	s.	d.
27. Proportion of further Cost of ditto, 1864, as per schedule	59,809	9	6½
28. Proportion of Cost, Waikato Transport Service, 1865, as per Commissioner's } account	11,367	13	2½
29. Proportion of further Cost of ditto, 1865, as per account	16,145	11	11
30. Proportion of Cost and Working "Prince Alfred" Steamer :—	4,670	7	3½
Total Cost, &c., for 1864	6,265	9	3
Total Cost, &c., for 1865	1,738	9	2
Less Proportion one-third chargeable to Colony	8,003	18	5
31. Expenses incurred in Maintaining Prisoners on board the "Manukau," and in recapturing them } after their escape therefrom	2,667	19	5
32. Clothing supplied to Men of the Royal Artillery employed as a Mounted Corps	5,335	19	0
33. Postages, Naval and Military	1,887	12	10
34. Debentures... ..	165	3	3
	12,518	10	4
	500,000	0	0
	£906,856	15	8½

Treasury, Wellington, 29th June, 1867.

J. WOODWARD,
Assistant Treasurer.

Appendix G.

ANNUAL RETURN of EXPENDITURE in aid of the SUPPRESSION of the REBELLION, from 1ST JULY, 1859, to 30TH JUNE, 1867.

	1859-60.			1860-1.			1861-2.			1862-3.			1863-4.			1864-5.			1865-6.			1866-7.			GRAND TOTAL.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
I. SUPPRESSION OF REBELLION — Colonial Forces:—																											
Pay	1,612	4	2	4,479	8	7	...	...	...	54,476	5	3	428,806	8	1	206,011	7	1	162,514	12	11	...	...	...	...	...	...
Forage	5	0	0	...	...	...	...	...	...	...	...	...	5,001	19	8	2,910	19	3	3,348	11	1	...	...	...	...	...	...
Clothing, Bedding, and Equipments ...	1,435	17	0	...	...	...	...	...	...	17,486	13	3	46,382	14	10	5,205	12	1	7,454	10	3	...	...	...	...	...	...
Arms, Ammunition, and Accoutrements	4,548	14	0	13,294	17	9	17,114	9	2	10,450	19	2	39,018	10	8	24,775	18	4	10,227	2	10	...	...	...	...	...	...
Rations	84	15	6	...	...	...	...	...	...	...	...	...	25,192	18	7	21,341	17	6	39,344	3	11	...	...	...	...	...	...
Allowance to Families ... ..	...	...	...	...	...	...	...	...	...	...	...	...	4,928	5	7	2,922	3	3	1,806	18	3	...	...	...	...	...	...
Transport ... ..	...	...	...	...	...	...	...	...	...	...	...	...	9,048	11	4	6,182	18	3	10,252	16	10	...	...	...	...	...	...
Horses	139	0	0	...	...	...	...	...	...	6,260	0	8	13,423	6	11	2,688	8	3	187	16	9	...	...	...	...	...	...
Hospitals ... ..	...	...	...	...	...	...	...	...	...	...	...	...	11,443	7	0	6,620	2	8	5,129	11	5	...	...	...	...	...	...
Miscellaneous	673	9	7	3,196	17	8	...	...	...	826	9	7	11,628	10	8	6,455	3	7	3,848	15	4	...	...	...	...	...	...
Blockhouses, Defences, and Buildings	5,025	0	2	9,826	10	2	693	14	3	2,952	13	0	22,467	15	10	14,495	16	3	3,951	11	2	...	...	...	...	...	...
Sea and River Service	936	13	5	5,304	2	4	390	12	1	16,942	12	5	75,239	16	6	50,884	13	4	22,890	10	10	...	...	...	...	...	...
Maori Prisoners ... ..	...	...	...	...	...	...	...	...	...	...	...	...	5,747	17	1	2,915	17	1	3,890	3	7	...	...	...	...	...	...
Miscellaneous	354	8	2	10,710	2	2	2,839	7	3	613	10	8	9,739	15	8	2,984	12	1	6,566	14	3	...	...	...	...	...	...
Total	14,815	2	0	46,811	18	8	21,038	2	9	110,009	4	0	708,069	18	5	356,395	9	0	281,413	19	5	...	...	...	1,538,553	14	3
Less Deductions on Appropriations, &c.	...	...	...	7,594	17	11	844	14	1	...	...	...	17,914	16	1	19,339	13	8	14,239	18	6	...	...	...	59,934	0	3
Balance	14,815	2	0	39,217	0	9	20,193	8	8	110,009	4	0	690,155	2	4	337,055	15	4	267,174	0	11	...	...	...	1,478,619	14	0
II. INTRODUCTION OF SETTLERS	...	...	...	...	...	...	...	...	...	...	...	...	36,230	19	7	33,090	5	0	25,330	5	11	...	...	...	...	...	...
III. SURVEYS ... ..	...	...	...	...	...	...	...	...	...	...	...	...	6,149	12	11	38,020	13	7	32,090	5	11	...	...	...	...	...	...
IV. PUBLIC WORKS ... ..	...	...	...	...	...	...	...	...	...	...	...	...	48,398	18	2	45,204	4	4	12,448	12	1	...	...	...	...	...	...
V. LOCATION OF SETTLERS	...	...	...	...	...	...	...	...	...	29,402	8	9	4,964	11	6	54,659	13	9	9,175	4	8	...	...	...	...	...	...
VI. COMPENSATION ... ..	...	...	...	...	...	...	...	...	...	...	...	...	2,565	2	0	989	18	2	11,101	10	4	...	...	...	...	...	...
VII. REINSTATEMENT OF TARANAKI	...	...	...	...	...	...	...	...	...	34,899	13	10	11,937	13	11	91,089	17	1	10,408	10	1	...	...	...	1,247,041	1	8
VIII. CHARGES ON DEBENTURES	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
IX. REMOVAL AND RELIEF OF SETTLERS	5,530	6	6	17,125	4	11	23,921	5	9	17,639	1	9	915	0	10	203,578	19	8	49,645	15	4	...	...	...	...	...	...
X. GENERAL MISCELLANEOUS ...	1,706	8	4	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Total	22,051	16	10	56,342	5	8	46,641	13	2	191,950	8	4	801,317	1	3	803,700	12	7	417,374	5	3	386,282	12	7	2,725,660	15	8

Treasury, Wellington, 6th July, 1867.

C. T. BATKIN,
Accountant to Treasury.