and, with that view, they submit that one of the following courses might with propriety be adopted,

1. That Officer's Quarters shall be at once built on sites to be provided by the Colony; to construct which, the Imperial Government should advance a sum not exceeding Thirty Thousand Pounds,-for which the Colony should be charged per annum, at the rate of 4 per cent. for interest, and 2 per cent, for a sinking fund. That, in order to secure the repayment of the advance, the property in the sites shall be vested in Imperial Officers, with a power of sale whenever the interest or sinking fund shall fall in arrear. The whole Barrack accommodation, for Officers and Men, to be then kept in repair by the Colonial Government; and whenever the debt shall have been repaid, the land and buildings to become the property of the Colony.

2. If the Imperial Authorities do not concur in this arrangement,—which would be preferable to any other,—it is proposed 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.

If either of these arrangements are adopted, it is submitted that no further demands on account of Military expenses should be made upon the Colony for five years, at the end of which time the question might be reconsidered with reference to the then position of New Zealand,—which, if able, would no doubt be willing to contribute more largely towards the expense of maintaining the Military Force necessary to preserve it from anarchy.

If Her Majesty's Imperial Government shall think fit to accede to either of these propositions, the Colony may be able to bear up against the very heavy burthens to which it is subject, and may, at no distant day, be in a position to relieve the Imperial Government from a large portion of the Military

expenditure now incurred on its account.

If, on the other hand, further pecuniary demands are made on the Colony, there appears to be no

alternative but the withdrawal of the Troops.

No doubt such an event would seriously imperil the Colony: but the Colonists would have no option. They are not in a position, at present, to bear increased pecuniary burthens; and, if the alternatives be, that increased burthens must be submitted to or the Troops withdrawn, the latter must

necessarily be accepted.

In making this statement, His Excellency's Advisers do not shut their eyes to the result which, sooner or later, would no doubt prove most disastrous. Without an adequate Military Force, peaceful relations could not, for any length of time, be maintained between the different Races of Her Majesty's subjects; and a war of Races, if it did not speedily exterminate the Aborigines, would certainly annihilate all hope of their civilization, and, while injurious in every way to the Colonists themselves, would be most embarrassing to Her Majesty's Government.

(Signed) E. W. STAFFORD.

COPY OF A MEMORANDUM BY MR. STAFFORD.

Colonial Secretary's Office, Auckland, 10th September, 1858.

With reference to Lord Stanley's Despatch, No. 20, of the 25th May last, with its enclosures, relative to the expenses incurred for Barracks at New Plymouth, His Excellency's Advisers have to Baracks at New State that the Iron Houses for the Barracks in question were, in April, 1855, ordered from Melbourne Plymouth. by the Military Authorities, on their own responsibility.

To meet the expenses thus incurred, no Colonial funds are available, the House of Representatives having refused to appropriate any portion of the public revenues of New Zealand towards defraying these expenses, on the ground that they had been incurred at a time when the power of exercising a control over the Executive proceedings of the Government had not been conceded to the Legislature.

The House of Representatives has now undertaken to provide the sums required in future for maintaining existing, and constructing new Barracks; but there is no probability that it will consider that a retrospective charge like the present, is different in character from any other charges which might be advanced on account of expenses previously incurred for similar purposes in New Zealand.

(Signed) E. W. STAFFORD.

COPY OF A LETTER FROM COL. WYNYARD, C.B., TO GOVERNOR GORE BROWNE, C.B.

Auckland, 11th September, 1858.

SIR,-Before I transmit for the information of the Right Honorable the Secretary of State for War, a copy of the Minute accompanying your Excellency's communication of this day's date, respect- September 10th, ing the sum set forth in the margin, advanced from the Military chest in 1856, on account of the outlay incurred for Barracks at Taranaki, for the sole purpose of relieving the Colonial Funds, and that too, on the special guarantee of your Excellency that, if disallowed, it should be forthwith repaid, which repayment I must observe was postponed in April 1857, agreeably to the terms of a further correspondent and that the repayment is the repayment is the repayment of the start of the sum of the start of th pondence with a renewed assurance that the responsibility would of course rest with yourself.