

“Revenue, was £1,005,748. Out of this the sum of £486,354 was spent for
 “Defence and Native purposes, (including the sum of £225,310 for Interest
 “and Sinking Fund on War Loans,) besides £3,849 paid as pensions or
 “gratuities to widows, children, and disabled men, many of whom will remain as
 “a permanent burden upon the Colony. There was also a sum of £61,205
 “expended out of Loans, thus making the whole expenditure for Defence and
 “Native purposes, and charges arising out of the War, to amount to £551,408.
 “According to the latest returns, the male population between the ages of fifteen
 “and sixty-five, numbers about 90,000. These may fairly be considered as
 “the bread-winners on whose industry the main weight of the heavy taxation
 “rests.

“Since 1860, the Colony has been compelled to raise three several Loans.
 “The first of these, for £150,000, was applied entirely to purposes arising out
 “of the Native rebellion. The second Loan was for £3,000,000, out of which
 “only £115,135 has been applied to any other purposes than Defence (including
 “the formation of military settlements, and the various charges incident to
 “the confiscated lands). A third Loan (or portion of a Loan) has been nego-
 “tiated, amounting to £260,000, out of which the sum of £157,051 has been
 “spent for Defence purposes; and, in addition to all this, there is a floating debt,
 “in the shape of Treasury Bills, amounting to £378,000, the whole of which has
 “been brought in aid of revenue, in consequence of the heavy expenses to which
 “the Colony has been subjected through the Native insurrection. In other
 “words, debts have been incurred amounting to £3,788,000; and out of this, all
 “that has been expended for Lighthouses, Telegraphs, Marine Survey, and Public
 “Domains, has been £218,083, leaving over three and a half millions of debt,
 “with no return in the shape of railways or other large works for which colonies
 “usually borrow money.

“When these results are compared with those at the Cape, the troubles
 “of which Colony bear a striking analogy to the troubles with which New
 “Zealand has had to contend, the enormous sacrifices which the latter Colony has
 “made are remarkably illustrated.”

4. It will be seen that, during the financial year ending June 30th, 1869,
 alone, the charges incurred for Native purposes and Defence, amounted to
 £551,408; that is, to more than a moiety of the general revenue, which little
 exceeded one million sterling (£1,005,748); also, that during the nine years
 of the Maori war, which has now lasted with little intermission since 1860, New
 Zealand has incurred over three and a half millions of debt for War Loans only,
 in addition to the heavy annual expenditure caused by the Native insurrection.

I have, &c.,

The Right Hon. Earl Granville, K.G.

G. F. BOWEN.

No. 12.

COPY of a DESPATCH from Governor Sir G. F. BOWEN, G.C.M.G., to the
 Right Hon. Earl GRANVILLE, K.G.

(No. 103.)

Government House, Wellington,

MY LORD,—

New Zealand, 5th August, 1869.

I have the honor to transmit herewith copies of two Ministerial
 Memoranda, showing the action taken by the Government and Parliament of this
 Colony in consequence of the alarming intelligence recently received from the
 disturbed districts. At the same time, I forward copies of my Memorandum in
 reply.

2. These documents contain a full statement of the case in its present aspect.
 In my general confidential report of the 7th December, 1868, and in many other
 communications, I have submitted at length my own views with regard to the
 condition and requirements of this Colony.

3. It has been positively asserted here, on what appears to be high authority,
 that General Chute still possesses discretionary powers as to the removal or
 otherwise of the 18th Regiment from New Zealand. It will be remembered,
 moreover, that when all the necessary arrangements had been made in last
 March, 1869.

* See Governor of
 New Zealand to
 Secretary of State,
 No. 28 of 8th
 March, 1869.