

amount to £28,917 9s. 3d., being a difference of £5,360 9s. 1d. Then, he took credit for £13,650 16s. 11d., to be received from the Confiscated Lands Account; but he overlooked the fact that even if that amount were recovered, £9,373 9s. 11d. of it was due, not to the Consolidated Fund, but to the Special Fund from which the advance had been made. I cannot, however, treat any part of it as an asset. I have examined into the quantity and position of what remains of the Confiscated Lands; and I believe that after granting to the Natives from whom they were taken a considerable portion—as we mean to do—any balance remaining will not pay, certainly not more than pay, the expense of management and claims upon them. Thus £13,650 16s. 11d., included as an asset by my predecessor, ceases to exist. Then, Sir, he omitted to include as a liability the interest to 30th June, upon Temporary Loan Debentures, Deficiency Bills, &c., to an amount of £2,311 10s. 6d. He also omitted the liability, which I have already referred to, in respect of Savings on Civil List, Native Schools, and Armed Constabulary Reward Fund, £17,585 5s. 7d. There is also £5,000 of additional liabilities, which I have ascertained to be due and which has since 30th June last been in great part paid. These items amount to the discrepancy of £43,908 2s. 1d., thus :—

	£	s.	d.
Provincial Account differences ... ..	5,360	9	1
Confiscated Lands ... ..	13,650	16	11
Interest on Debentures, &c. ... ..	2,311	10	6
Savings on Funds, &c. ... ..	17,585	5	7
Additional Liabilities ... ..	5,000	0	0
	£43,908	2	1

Having thus explained, I trust clearly, the position of the Consolidated Fund on the 30th June, 1872, I will proceed to do the same in reference to two portions of what is called the Special Fund—viz., The Defence Loan and Public Works Account. And first as to

THE DEFENCE AND OTHER PURPOSES LOAN.

The following is a Balance Sheet showing the position of the cash raised under that Loan as at 30th June, 1872.

ASSETS.	£	s.	d.	Cr.	£	s.	d.
By Cash in the Colony in the Bank of New Zealand ... ..	...	...	...	62,653	17	6	6
By Cash on Deposit in London, being the proceeds of sale of Bonds for £150,000, after paying all charges* ... ..	...	...	...	149,764	0	6	6
By Advances in the hands of Officers ... ..	...	...	...	4,589	19	6	6
A portion of this amount is recoverable in cash; the remainder, when accounted for, will be debited as Liabilities at 30 June, to which extent it is a cross entry as against the £23,792 17s. 4d. on the other side.							
By Amount recoverable from the Province of Otago in separate account ... ..	...	...	...	1,247	0	3	3
By Amount due from New Zealand Settlements Act Account ... ..	9,373	9	11				
This amount is not realizable, and is therefore excluded from the Assets.							
				£218,254	17	9	9

\* The accounts of the Loan Agents in which this sum appears, were not received until after 30th June, 1872.

LIABILITIES.	£	s.	d.	Cr.	£	s.	d.
To Liabilities and Engagements for Defence Services ... ..	23,792	17	4				
This is the unexpended Balance of the Appropriation for the Year 1871-72, reserved for this purpose.							
To Amount payable to Consolidated Fund, to replace amount expended therefrom in 1871-72 for Defence Services ... ..	8,358	11	4				
To Temporary Loan Bonds redeemable* ... ..	30,000	0	0				
To Advance on Temporary Loan Bonds, repayable* ... ..	39,617	1	10				
				69,617	1	10	10
To Balance of Amount raised under this Act on account of the Province of Otago, applicable to redemption of Otago Dock Bonds ... ..	...	...	...				
				9,563	7	8	8
To Cr. Balance available for Defence Services of 1872-73 ... ..	...	...	...				
				111,331	18	2	2
				106,922	19	7	7
				£218,254	17	9	9

\* Redeemed 13 September.