

The balance is thus shown to be composed of amounts at the credit of

	£	s.	d.
Native Purposes	16,378	14	11
Native Schools Act	3,638	12	5
Manual of New Zealand Botany	301	10	0
	<u>£20,318</u>	<u>17</u>	<u>4</u>

This amount will be still further reduced to some extent by the end of the year, and it will be a question for the Colonial Treasurer to decide whether the fiction of a non-existent fund is to be continued. The operation of the Appropriation Act of the past year will necessitate a Reserve Fund to such an extent as may meet actual "contracts and engagements," but such a fund would be extinguished in the course of the succeeding year. This would be unobjectionable, but so much can scarcely be said for the "Reserve Fund" that has appeared in the accounts of the last few years.

Treasury, Wellington, 21st July, 1866.

J. WOODWARD.

TABLE showing the Progressive Accumulation of the RESERVE FUND from the year 1857 to the 30th of April, 1866.

FINANCIAL YEAR.	Amount received in account of year.	Amounts paid during year.	Balance decreased by the sum of	Balance increased by the sum of
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1857-8	128 18 2	- - -	- - -	128 18 2
1858-9	12,423 10 4	2,523 3 1	- - -	9,900 7 3
1859-60	- - -	- - -	- - -	- - -
1860-1	7,637 0 10	8,951 12 7	1,314 11 9	- - -
1861-2	9,539 11 11	6,773 1 6	- - -	2,766 10 5
1862-3	25,481 9 9	10,574 10 7	- - -	14,906 19 2
1863-4	39,606 14 3	8,523 8 7	- - -	31,083 5 8
1864-5	5,314 11 0	14,460 18 4	9,146 7 4	- - -
1865-6 (to 30th April)	631 16 7	28,638 0 10	28,006 4 3	- - -
				58,786 0 8
				38,467 3 4
Net Balance 30th April, 1866			£	20,318 17 4

FRIDAY, 3RD AUGUST, 1866.

The committee met pursuant to adjournment: Present all the members.

The minutes of the last meeting were read and confirmed.

The committee resumed their inquiry into items of Unauthorized Expenditure.

*Department of Minister for Defence.*

Captain Holt attended and explained that the items of £603 9s. 2d. unauthorized expenditure was occasioned by the employment of an extra clerk during the year, and two during the latter half of it, in consequence of the Adjutant-General's Department being transferred to the Minister's of Defence Department.

*Provincial Expenditure—Postal.*

Mr. Gray attended, and explained that the unauthorized expenditure of £163 14s. 7d., under the head of "Auckland," was caused by the erection of some additional buildings to the Post Office; that that of £222 17s. 7d., under the head of "Taranaki," was occasioned by the appointment of an extra clerk and messenger arising out of the increased work caused in the office by the presence of a large number of troops in the Province; that that of £212 13s., under the head of "Wellington," was caused by the appointment of additional clerks, requisite on account of the increase of business at the offices of Wellington and Wanganui; that that of £441 17s. 7d., under the head of "Nelson," was caused by the additional postal service necessary in the Province chiefly on account of the Gold Fields. To similar causes the unauthorized expenditure of £475 19s., under the head of "Marlborough," and of £3,086 14s. 4d., under the head of "Canterbury," must be attributed.

*Customs.*

Mr. Seed attended, and explained that with regard to the unauthorized expenditure of £1428 4s. 4d. he was unable to state definitely the cause, but he believed that it was in consequence of the increased business of the establishment requiring increased assistance and buildings; that that of £127 9s. 4d., under the head of "Taranaki," was necessitated by extra assistance being required in consequence of the increased business of the department. This reason applies to the unauthorized expenditure in the Customs Department in the remaining Provinces, and particularly to that in Canterbury and Marlborough, where the Gold Fields have caused a large increase of business, and necessitated increased accommodation.