

1880.

NEW ZEALAND.

FINANCIAL STATEMENT

(In Committee of Ways and Means, Tuesday, 8th June, 1880)

BY THE COLONIAL TREASURER, THE HONORABLE MAJOR ATKINSON.

MR. SEYMOUR,—

When in November last I had the honor to submit for the consideration of this Committee the usual Financial Statement, it was thought by many persons not unfriendly to the Government that in estimating the probable deficit for which it would be necessary to make provision by the 1st April last at £800,000, I had taken a far too gloomy view of our financial position. I regret to say that my anticipations in this respect have been more than realized, and that the financial results of the last nine months have proved even less satisfactory than I ventured to predict as probable. I, for one, have not the least doubt that the present check to our prosperity—a check which has been felt at the same time throughout the civilized world—is temporary only; yet, bearing in mind the effect this check, and other causes which we might have controlled, have had on our finances, and also the amount of our public debt as compared with our population, the duty of economy and retrenchment has become clearer and more pressing. It is therefore gratifying to know that the plain facts of our financial position, which I had the honor to submit to Parliament last session, have fully awakened public attention to this vital subject, and have produced in the public mind a determination that the annual expenditure shall be brought within the annual revenue, by reducing the one as far as is compatible with efficiency, and, if necessary, increasing the other so far as may be needed. The Government propose, Sir, to ask Parliament to give practical effect to this determination.

My task, therefore, this evening, considering the extravagant habits into which we have fallen of late years, is one of unusual difficulty, in the execution of which I venture to hope for at least as large a measure of consideration as the Committee have so kindly extended to me upon former occasions.

Sir, in submitting the financial proposals of the Government in the last Budget, I said that it would “be impossible to surmount our monetary difficulties and escape the dangers of our position without something like a complete remodelling of our finance, both general and local, without careful administration by Ministers, and without the exercise of much thrift and self-denial on the part of all classes of the community.”

In accordance with the opinion so expressed, certain measures were introduced by the Government and passed by the House last session, modifying very considerably our fiscal system, but leaving untouched our system of local taxation and subsidies. Upon this subject I said, “The important question of local finance is far too large to go into this session; therefore I will say no more upon the subject now, except, Sir, that the Government fully recognize the fact that it is their duty to submit to this House, upon its first meeting next session, a scheme which shall place local finance on a satisfactory and something like a

permanent basis; and, by satisfactory, the Government understand placing local bodies in such a position as will enable them to obtain, as far as is possible, sufficient funds for all necessary works, while drawing a broad and distinct line between local and general finance; and such a scheme the Government will endeavour to mature before the next meeting of Parliament." To-night, Sir, I shall endeavour to redeem this promise. I trust, however, the Committee will not expect too much. The subject is one beset on every side with difficulties, and nothing but a strong determination on the part of local bodies to rely more on their own resources and less upon external help than hitherto, will render any satisfactory solution of this vexed question possible. But, before submitting for the consideration of the Committee the proposals of the Government, it will be more convenient that I should place before them the results of the transactions for the last financial period, which, through the change in the financial year, comprises nine instead of twelve months.

THE YEAR 1878-79.

I will first explain the actual financial results of the year ended 30th June, 1879. It will be remembered I estimated that, after payment of all liabilities outstanding at the close of the year, and taking credit for the assets of the year, there would be a deficit of £131,824. The actual deficit on the transactions entered up to 31st March last, in respect of the period now being referred to, proved to be £69,418. There remained unpaid, however, on that date, liabilities to the amount of £70,193, including £50,000 owing to the Bank of New Zealand as the balance of an overdraft of the late Provincial Government of Otago; while, on the other hand, further assets amounting to £5,821 have been realized since 31st March, so that the total deficit, including assets and liabilities, on 30th June last, was £133,790, instead of £131,824 as estimated.

EXPENDITURE OF THE PERIOD ENDED 31ST MARCH, 1880.

I now come to the expenditure of the last financial period. In the statement which I had the honor to make to the Committee last session, I estimated that the expenditure would amount to £3,110,262; but this sum was increased to £3,139,539 by the passing of the Supplementary Estimates. The actual expenditure to 31st March last, excluding advances in the hands of officers of the Government, amounted to £2,772,276. It will be in the recollection of honorable members that last session I proposed that in future the receipts within the year should be held to be the revenue of the year, and that expenditure made within the year should be the expenditure of the year. For reasons which I shall state presently, when I come to speak of the final results of the period ended 31st March, I shall ask the Committee to permit me to postpone giving effect to that proposal until dealing with the present year.

In accordance with the provisions of "The Public Revenues Act 1878 Amendment Act, 1879," returns of the liabilities outstanding on 31st March, certified by the several Under-Secretaries, have been laid before Parliament. These liabilities amount to £342,966, from which, however, I deduct £70,193, already referred to as belonging to the period ended 30th June, 1879, leaving a sum of £272,773 in respect of the period we are now reviewing. Adding this sum to the actual expenditure to 31st March, amounting, as I have said, to £2,772,276, we get a total expenditure of £3,045,049, as against £3,139,539, the estimated amount; there being thus an apparent saving of £94,490. A comparative return of the estimated and actual expenditure of each class, with the liabilities added, has been prepared, and will be appended to this Statement. I desire, however, to point out to the Committee that included in the apparent saving of £94,490 there are several items arising merely from an over-estimate, and which cannot be regarded as savings—such as interest, and the 20 per cent. of Land Fund payable to counties. On the other hand, there are certain necessary payments for services not provided for, which reduce, of course, the amount of the total net saving for the period. Under the head of annual appropriations, where alone savings can really be effected, the expenditure in eight classes out of eleven, after including outstanding liabilities, was £92,620 less than the estimated

amount; or, including, as we should, £13,100 for stores purchased for the railways and unexpended, the amount was £105,720. In the remaining three classes the expenditure was £9,036 over the estimate. Honorable members will recollect that six months of the nine had practically elapsed before Parliament rose, and the Government therefore think they may congratulate themselves on accomplishing so considerable a saving in so short a time.

REVENUE OF THE PERIOD ENDED 31st MARCH, 1880.

I now come to the estimates of the revenue of the colony for the nine months ended 31st March, 1880. The total revenue received during the period amounted to £2,133,759, to which I add £50,000 receivable on 1st April from the Land-tax, which the Committee will remember was included in my estimate, making together £2,183,759, the estimated amount being £2,445,200; the revenue, therefore, fell short of my anticipations by the sum of £261,441. From the returns which will be appended to the Financial Statement when printed, honorable members will be able to see the heads of revenue under which this deficiency has arisen. I shall, however, refer to some of the leading items. The revenue from Customs did not reach the estimated amount by £47,335. This, although I fear chiefly caused by the general depression prevailing throughout the colony, has also been partly caused, as I believe, by the awakening of our population to the necessity of cultivating more thrifty habits and practising greater self-denial. So far as it arises from these last-named causes, the Committee will agree with me in thinking it a matter for rejoicing rather than regret, although it may result in a temporary inconvenience so far as the revenue is concerned. The stamp duties produced £32,921 less than the estimate; but this large amount does not represent an actual falling-off to that extent in the receipts. The revenue, as honorable members know, is now stated minus the refunds made during the year. The gross revenue from stamp duties during the nine months ended 31st March amounted to £111,057, and the refunds to £18,979, an altogether unusual amount. But an estate which paid £18,405 duty in the year 1878-79 was declared by the Supreme Court not chargeable, and that sum therefore had to be refunded in February last, and is included in the refunds above mentioned. The stamp revenue, but for this unexpected occurrence, would have realized £14,516 less than the estimate, instead of £32,921. The falling off in this instance is, I think, due to the general depression, but this branch of the revenue will, without doubt, recover with returning prosperity.

The receipts from railways fell short of the estimate by £113,072; but this loss is counterbalanced to some extent by the not inconsiderable saving of £43,242 effected in the expenditure by my honorable friend the Minister for Public Works. The land revenue, too, I regret to say, produced only £155,108, instead of £246,700. The postal revenue, however, exceeded the estimate by £12,961; but of this sum £6,982 was profit of the Post Office Savings Bank Account, which has heretofore been treated as incidental revenue. There were also small excesses, derived from several minor sources of revenue, to which I need not particularly refer.

FINANCIAL RESULTS OF THE PERIOD ENDED 31st MARCH, 1880.

In my last Financial Statement I estimated that the deficit for the period ended 31st March, 1880, would amount to £796,886, which sum was increased to £826,163 by the Supplementary Estimates. Honorable members will recollect that Parliament made special provision to meet this deficiency by passing "The Treasury Bills Act, 1879," authorizing the issue of Treasury bills to the amount of £800,000, with the intention of adding that amount to the permanent debt of the colony, and of thus starting clear of floating debt from 31st March, 1880, measures being taken to secure equilibrium between revenue and expenditure from that date. In consequence, however, of the revenue of the last financial period not realizing the amount estimated by £261,441, it became necessary to fall back upon the contingent authority to issue deficiency bills granted by "The Public Revenues Act, 1878," and bills to the amount of £200,000 were accordingly issued, making a total issue of £1,000,000 of Treasury and deficiency bills during the nine months. The Government propose to deal with this additional

sum of £200,000 in the same manner as with the £800,000 to which I have referred, and Parliament will be asked to sanction a Bill to enable them to do so. The necessity for the adoption of this course will, I think, be obvious to honorable members, and it explains why, for the period to which I am now referring, effect cannot be given to the proposal indicated in my last Financial Statement, that in future the receipts and expenditure within the year should be regarded as the revenue and expenditure for the year. If it were at all probable that the revenue of the current financial year would be able to bear the charge of the liabilities outstanding on 31st March, this mode of providing for them would not be suggested; but it is altogether hopeless to expect that it will. In adding the amount, however, to the permanent debt, Parliament will only be carrying out the policy adopted last session for the purpose of enabling the colony to take a new departure financially with the beginning of the current year, by funding the whole of the floating debt up to that date.

I will now, Sir, for the convenience of the Committee, summarize the results at which I have arrived. The deficit for 1878-79 has been shown to be £133,790; the expenditure for the nine months ended 31st March last, £2,772,276; and the liabilities on the same date, £272,774: making a total of £3,178,840. The receipts for the period ended 31st March were £2,133,758; land-tax, due 1st April, £50,000; assets, £5,000: total, £2,188,758. Taking, therefore, the total revenue from the total expenditure, we arrive at a deficit of £990,081 for the period ended 31st March, 1880, to meet which, as I have already stated, Treasury and deficiency bills have been issued to the amount of £1,000,000, leaving a credit balance of £9,918 to be carried forward to the next financial period.

THE PUBLIC DEBT.

It is, perhaps, convenient that I should here say a few words about our public debt before referring to the Public Works Fund. On 30th June, 1879, the gross public debt of the colony amounted to £23,222,311. On 31st March, 1880, it was £27,422,611; or, deducting the accrued sinking funds, £1,805,498, the net public debt was £25,617,113. This amount is exclusive of Treasury and deficiency bills for £992,000, held by the Public Works Fund, and the £800,000 unsold debentures of the loan of 1870 guaranteed by the Imperial Government.

Since the 30th June, 1879, the loan of £5,000,000 authorized last year has been raised. On 1st March last, Treasury bills to the amount of £442,000, forming part of the public debt on 30th June, 1879, matured, and were temporarily redeemed out of the Public Works Fund, provision having been made under "The Treasury Bills Act, 1879," for renewing them to 31st December, 1882, and exchanging them at that date for debentures, with a currency of three years. During the nine months ended 31st March last additional Treasury and deficiency bills to the amount of £1,000,000 have been issued in aid of revenue. Of these, however, bills for £550,000 have also been taken up temporarily by the Public Works Fund; so that the actual addition to the public debt by the new loan and these bills amounts at present to £5,008,000.

On the other hand, the guaranteed debentures, amounting to £800,000, have been redeemed, and debentures of the North Otago District Public Works Loan for £7,700 have been paid off, making together £807,700, which sum being deducted from £5,008,000, leaves a net increase to the public debt of £4,200,300. When, however, the Imperial guaranteed debentures for £800,000 are sold, and the whole of the Treasury and deficiency bills now held by the Public Works Fund, and representing advances to the Consolidated Fund to the extent of £992,000, are issued to the public, the gross debt will amount to £29,214,611; or, deducting the accumulated sinking fund, £1,805,498, the debt will be £27,409,113, subject to an annual charge of about £1,535,000.

In this Statement of the public debt the last loan of £5,000,000 is treated as uninscribed. Should the whole of the debentures be converted, on the terms offered to the public, the debt will be increased by £1,000,000, but the interest will be reduced by £10,000 per annum.

Parliament will be asked during the present session to make provision for extending to 31st December, 1882, the currency of certain Treasury bills amounting to £390,000 partly falling due within the current year, and to grant authority for exchanging them at that date for debentures with a currency of three years, as in the case of the bills for £442,000 provided for by "The Treasury Bills Act, 1879." Similar provision, as I have already said, will also be required with respect to the deficiency bills for £200,000, issued under "The Public Revenues Act, 1878," forming part of the bills amounting to £1,000,000 issued during the past financial period.

Before leaving the question of the public debt, the Committee will naturally expect some account of the raising of the loan of £5,000,000. In last year's Budget I said the Government had reason to believe, from advices received from London, that not more than £3,000,000 of the £5,000,000 could be then successfully floated. When, however, the time arrived for placing the loan on the market, the Loan Agents considered it would be safe to ask for the whole amount at once, and the result proved that they were right. Had they succeeded in floating £3,000,000 only, instead of the whole amount, our position at this moment would have been one of grave embarrassment. The Committee will understand this when I tell them that it has been necessary, up to the present time, to use the loan to the extent of upwards of £3,160,000, of which £1,818,000 was for expenditure, and £1,342,000 for advances to the Consolidated Fund on Treasury and deficiency bills. Now that these facts are before them, honorable members will easily appreciate the anxiety of the Government last session when it was considered certain that not more than £3,000,000 of the loan could be raised at once, and the remainder not for a year at least thereafter. They will also understand how necessary it was that our Agents should offer the loan at such a price as would insure its sale. There is no doubt that the price obtained was low, and the terms of conversion at the option of the investors very favourable to the purchasers; but honorable members who are disposed to think the terms too favourable must bear in mind, on the one hand, that investors would naturally look on the large amount of our already existing public debt and the unusually large sum asked for; whilst, on the other hand, our Agents had to consider the serious complication which would have arisen had they failed to obtain the loan. It is an unpleasant truth, but one which we shall do well to recognize, in regulating our expenditure for the future, that our financial agents in London felt themselves compelled to offer our five-per-cent. loan at $97\frac{1}{2}$, and, to insure its sale, even at that price, to leave it optional with the purchaser to exchange it for a four-per-cent. loan at $81\frac{1}{4}$, and (using an authority given them in case of need) to undertake that the colony should not for the next three years again enter the London money-market.

In the absence of the Loan Agents' accounts, which have not yet been received in the colony, I am unable to state the precise net price realized for the loan; but, after allowing for discount, commission, and accrued interest on the bonds, the price was about $95\frac{1}{2}$ for the five per cent. debentures, and $79\frac{7}{12}$ for those converted into four per cents.

PUBLIC WORKS FUND.

At the close of the year 1878-79 the balance at credit of the Public Works Fund amounted to £506,205, of which £298,543 represented advances in the hands of officers of the Government, the cash balance in the Public Account being £207,662. During the nine months from 30th June, 1879, to 31st March last we received, on account of the proceeds of the Five Million Loan, £4,249,000, and certain special receipts and recoveries amounting to £22,849, making, with the balance at the beginning of the period, a total of £4,778,054. On 31st March the cash balance in the Public Account, after providing for outstanding orders on the Bank, was, in the colony and in London together, £862,410; and the advances in the hands of officers of the Government amounted to £315,763; making together £1,178,173. We had thus issued during the nine months ended 31st March last £3,599,881, as follows:—

On Public Works, Immigration, and other services	...	...	£1,750,881
Redemption of Guaranteed Debentures of the Loan of 1870, which are, of course, available for reissue	...	...	800,000
Temporary advances to the Consolidated Fund on Treasury and Deficiency bills	...	...	992,000
Temporary advances on debentures of—			
Waimea Plains Railway Company	...	...	£40,000
Wanganui Harbour Board	...	...	17,000
			<u>57,000</u>
Total	...	...	<u>£3,599,881</u>

I have had prepared the usual statement of the total Ways and Means of the Public Works Fund, and the total net expenditure to 31st March last from the beginning of the public works policy. It will be seen, when that statement is laid on the table, that since the beginning of that policy in the year 1870 we have borrowed for public works to the extent of £18,700,000, which amount has been supplemented to the extent of £364,794 by stamp duties and other receipts, making a total of £19,064,794. Our net expenditure during the same period, on services permanently charged against the fund, has amounted to £15,286,621; to this sum I add the advances in the hands of officers of the Government on 31st March last, £315,763, and an estimated sum of £200,000 for discount and charges of raising the last loan, making together £15,802,384, which being deducted from £19,064,794, the total Ways and Means, leaves a balance on 31st March of £3,262,410, consisting of—

Cash in the Public Account in the Colony and in London...	£862,410
Balance of Five Million Loan to be received (estimated) ...	551,000
Guaranteed debentures unsold	800,000
Temporary advances at interest	57,000
	<u>2,270,410</u>
Temporary advances to Consolidated Fund	992,000
Total	<u>£3,262,410</u>

With regard to the Treasury and deficiency bills of the Consolidated Fund to the amount of £992,000, taken up under the authority of "The Public Revenues Act, 1878," and "The Treasury Bills Act, 1879," out of the moneys at credit of the Public Works Fund, I regret to inform the Committee that since the 31st March it has become necessary to take up out of the same fund a further sum of £350,000, of which £200,000 represents aid to the Consolidated Revenue, and £150,000 the redemption of bills to that amount issued in February last. Thus, the extent to which at the present date the Public Works Fund has been applied in aid of revenue amounts to £1,342,000. It will, of course, be apparent to honorable members that until we can recoup the moneys so applied, the funds available for expenditure on public works and other services are diminished to that extent. It is highly important that this fact should be kept in view. Deducting, then, the sum of £1,342,000 from £3,262,410, the balance of Ways and Means on 31st March last, we have left a sum of £1,920,410 available for our public works and other requirements, until we can sell the Treasury and deficiency bills referred to.

Having stated the amount of Ways and Means available, I shall now inform the Committee what are the liabilities to meet which funds must be set aside before the question of entering upon any new works can be entertained.

According to the returns, certified by the Under-Secretaries of the several departments, the liabilities of the Public Works Fund on the 31st March last amounted to £2,455,313, made up as follows:—

Immigration...	...	...	...	£10,000
Public Works, Departmental	...	...	...	644
Railways	...	...	...	910,506
Surveys of New Lines	...	...	...	1,500
Roads	...	...	...	180,696
Land Purchases	...	...	...	1,061,486
Waterworks on Gold Fields	...	...	...	10,704
Telegraph Extension	...	...	...	1,034
Public Buildings	...	...	...	205,314
Lighthouses	...	...	...	120
Miscellaneous Public Works	...	...	...	73,309
Total	...	...	...	<u>£2,455,313</u>

To this sum I add further liabilities incurred by the Public Works Department since 31st March, £110,000, and a contribution for the current year towards the cost of the Defence Force, on the same scale as for the past nine months, £140,000. These sums amount to £2,705,313, from which I deduct the advances in the hands of officers of the Government on 31st March, £315,763, leaving £2,389,550 as the sum required to be set aside out of the Ways and Means at credit of the fund on 31st March, amounting, as I have informed the Committee, to £3,262,410.

Honorable members will, however, bear in mind that of this sum of £3,262,410, £1,342,000 is represented by Treasury and deficiency bills issued in aid of the Consolidated Fund. It will be seen that the large amount of liabilities to which I have referred will absorb the whole of the cash at credit of the Public Works Fund, and will necessitate the sale of £469,000 of the Treasury and deficiency bills hypothecated to that fund. The means available for new works and services will therefore be represented by £873,000 in Treasury and deficiency bills, being the balance of the £1,342,000 now held by the Public Works Account.

SCHEME OF LOCAL FINANCE.

So much then, Sir, for the history of the past. I will now submit for the consideration, and, I hope, approval, of the Committee our scheme of local finance, and our proposals for the ordinary services of the current year.

It will be within the recollection of honorable members that I said last session that the Government would, this year, recommend the discontinuance of the subsidies. This warning was given because it was then generally admitted that the system of subsidies was not working satisfactorily; that, without further taxation, the Consolidated Fund could no longer bear this expenditure owing to the annual charge on our public debt having become so large; and that the local bodies themselves might have a reasonable notice before any change was made. Great, however, Sir, as were the needs of the Treasury last session, and great as they are at the present time, the Government hold firmly to the opinion they then entertained that this question of local finance, affecting as it does the vital interest of the whole country, is one of paramount importance, which must not be dealt with piecemeal, but as a whole. To propose the abolition of the grants-in-aid to local bodies without substituting a workable scheme in their place would be trifling with the subject in a manner which, I venture to think, would not meet with the approval of Parliament. Our aim is twofold: our duty being, first, to place our general finance upon a sound footing; second, to put our local bodies in such a position as will enable them to do the work which rightly devolves upon them, and which must be done by them if the country is to be prosperously settled. I do not think it convenient to trouble the Committee to-night with many reasons for discontinuing the subsidies. That question can be better discussed when considering the Bills which will be introduced to give effect to our proposals. I may, however, point out to honorable members that the system of subsidies has operated unequally: it has largely helped the rich and populous districts, while giving little assistance to those which are poor and thinly peopled. It must also be remembered that they were proposed as part of a scheme to which full effect has never been given; for the Land Fund has been generalized, instead of localized in provincial districts; and the expenditure upon public works, instead of being limited in amount and confined to arterial undertakings, has been lavish, and extended to works of all descriptions. The magnitude of this expenditure will be evident when I say that we have increased our debt for public works within the last three years and a half—the time during which the subsidies have been paid—by £9,000,000, which means an annual charge of £450,000. The circumstances of the colony having so greatly changed since the system of subsidies was introduced, and it being evident that the Treasury cannot continue to pay them without the imposition of fresh taxation, the case for a reconsideration of the whole question is complete; for it is certain that Parliament will never consent to levy additional taxation for such a purpose without full inquiry and careful deliberation.

In the scheme, Mr. Seymour, which I am about to submit to the Committee, I must ask honorable members to bear in mind that I take it for granted, first, that sections five and six of "The Financial Arrangements Act 1876 Amendment Act, 1877," which authorize the subsidies and the grants of 20 per cent. of the Land Fund to the counties, are to be repealed; and, second, that the proceeds from land sales are not to be used for the ordinary purposes of government. The ground being thus cleared, I will now endeavour to describe in sufficient detail the scheme we propose.

To give effect to our proposals, I shall have to ask authority to introduce two Bills. The first will be an amending Bill: it will remove the present restriction upon rating: that is to say, it will permit all local bodies having the right to rate, to levy rates to any amount they may consider necessary for their local requirements, not exceeding two shillings in the pound, or beyond that amount if passed as a special rate. It will authorize boroughs and other local bodies to borrow at any rate of interest the ratepayers may choose to give, and to any amount, subject only to these restrictions: 1. That the principal and interest of all new loans shall be made payable in New Zealand. 2. That any local body desiring to raise a loan shall, before doing so, levy a special rate sufficient to cover the interest and sinking fund upon the money proposed to be borrowed; such rate to be continuous until the debt has been repaid. The Bill will also require that any local body which has already borrowed upon its general revenue shall, before again entering the money market, levy a special rate to cover the interest and sinking fund upon the existing loan or loans, as well as providing by a special rate for the new loan. These and the other powers given by the Bill are apparently very large, and will, I fear, be considered dangerous by some people; but, Sir, I would point out that if our local bodies are to be really useful they must be made independent and responsible. The one precaution to be taken is to see that the ratepayers spend their own money, and not the money of other people, and this will be carefully provided for in the Bill.

I now, Sir, come to a further and still more radical provision of the Bill—a provision which, however, I venture to hope will receive general approval, for it may be said to be the very foundation of this part of our scheme. It is clear that all who benefit by the expenditure of rates should contribute towards them; and, carrying out this principle to its legitimate conclusion, we propose that all Government property (including the waste lands of the Crown) and—subject to an important qualification—Native lands, shall be liable to rating, with the exception of Government House in Wellington and Auckland, the Parliament House and grounds, the General Government Buildings in Wellington—by which I mean the large building upon the reclaimed land,—and the railways and wharves. Whatever may be thought of this proposition at first sight, it will, I am sure, on mature reflection, and when it comes to be discussed in all its bearings, commend itself to honorable members as fair and reasonable.

I will, Sir, first state how we propose to deal with Maori lands within counties in which the Counties Act is in force. It is a fact, which I think should be recorded, that some eleven million acres of land in this North Island are still held by less than 41,300 Maoris—men, women, and children—and that not one halfpenny in the way of rates has ever been imposed upon the Natives by this House for the construction of roads and bridges which are being made throughout the country, and by which their lands are being enormously increased in value; although, Sir, it is true, and ought to be noted to their credit, that many of them have voluntarily paid rates, and contributed from time to time towards the cost of public works. The whole of Maori property, too, is exempt from taxation under the Property Assessment Act. Sir, the Government think the time has arrived, and we hope and believe that our Maori friends will agree with us in the opinion, that henceforth all Maori property in boroughs shall be subject to taxation to the same extent as the property of their fellow-citizens. But, Sir, further than this we do not propose to go. We think, after a careful consideration of all the circumstances of the case, that on grounds of public policy we may reasonably exempt the owners of Native country land from the payment of rates.

It is clear, however, if this is done, that some equivalent must be found to enable those counties containing a large area of Maori land to carry out the duties we are imposing upon them.

If, therefore, we are compelled by considerations of public policy to depart in this way from the principle of the Bill, it is clear that the cost of exemption should fall upon the colony at large, and not upon the localities on which burdens are imposed upon the assumption that all the land will contribute its fair share of the local taxation.

It is proposed to limit the amount of ordinary rates leviable upon Maori country lands to one-half the rate levied on the ordinary land in the district in which they lie, but not exceeding 6d. in the pound; and upon waste lands of the Crown 1s. in the pound upon the annual value. These lands being practically unrepresented in the local governing bodies, this limitation is not, I think, unreasonable. To simplify matters, and avoid expense and dispute, it is further proposed to attach two Schedules to the Bill—one showing, for rating purposes, the estimated acreage and value of the Crown land in each county and Road Board district; and the other affording similar information with regard to Maori land. The land, in each case, will be divided into two classes, pastoral and agricultural; valued respectively at 6s. 8d. and 20s. per acre. These Schedules will always enable the rateable value of Crown and Maori lands in any district to be ascertained, notwithstanding that sales go on from time to time, by simply deducting from the amount fixed in the Schedule 6s. 8d. or 20s. per acre, as the case may be, for all lands sold according to its class. The total estimated value of Maori land is £6,370,000, but of this only £5,200,000 is situated in counties in which the Counties Act is in operation.

All lands, then, being subject to rating, with the exceptions I have just stated, the Committee will naturally wish to know out of what fund the rates on Crown lands and property, and Maori lands, are to be paid. But, Sir, these are by no means the only objects for which money has to be provided. In any satisfactory scheme of local finance, means must be found to construct our main roads throughout the colony; some provision must be made to repair damage done by flood and tempest to our roads and bridges; and some help must be extended, if possible, to our district roads. This, then, brings me to the second Bill to which I referred as necessary to give effect to our proposals. The title of the Bill will be the Local Public Works Bill. It provides for the constitution of an unpaid Board, consisting of the Minister for Public Works, the Engineer-in-Chief, the Surveyor-General, and the Public Trustee. The duties of the Board will be to pay the rates on all waste lands of the Crown, to pay the rates on the Maori country lands, to make grants in aid of the construction of main roads, and to advance money to construct district roads. This will be done from funds the constitution of which I will now describe.

As I have before said, we shall ask Parliament to set apart the proceeds of land sales for special purposes, not permitting it to be used for the ordinary expenses of Government, charging against it only the cost of its administration, including survey. Now I think that, after this year, we may fairly estimate the annual receipts from land sales for some years to come at not less than £300,000. I believe honorable members will agree with me that this is a moderate estimate, looking at the fact that our unsold lands are estimated, at a low average, as worth £12,500,000. I think we may therefore reasonably expect to realize not less than £300,000 a year for some time to come. The charges on the Land Revenue should not exceed £140,000 a year, so that, should we only get from land sales £300,000 a year, there will be a balance to credit of at least £160,000. The Bill with which I am now dealing provides that, out of the balance of the land sales, after paying the expenses of administration, there shall be paid to the Board each year the sum of £150,000. If, however, the land sales should not in any year produce a surplus of £150,000, then such a less amount only as the sales may produce will be paid to the Board. I have estimated the land sales this year at only £200,000: it is possible that they may produce more, but I have not, after careful consultation with the department, thought it prudent to estimate it at more than that amount. The cost of administration and charges is set down at

about £150,000; the balance therefore available this year, should my estimates not be exceeded, would be only £50,000. Sir, it seems to the Government that, in starting such a scheme as we have under consideration, it would be unwise to attempt to launch it without sufficient funds to enable the Board to make a good beginning. The prospects of the surplus Land Fund for this year reaching £150,000 being but small, it is proposed to ask the House to make a grant to the Board of £150,000 out of the loan, so as to place it in funds for the work of next spring and summer. The fund thus created is to be applied to the following purposes: First, the payment of the rates on the waste lands of the Crown and Maori country lands; second, grants-in-aid for constructing main roads, and repairing damage done by flood or tempest. The rates, estimated at a shilling in the pound—supposing every Road Board and every county to levy a shilling rate—would amount to about £60,000, or to about £74,000 if rates on Maori lands are included; but I much doubt if the amount of rates payable by the Board will often reach £50,000 a year. The balance remaining, whether it be £80,000 or £100,000, will be applicable to main roads, and main roads only. The main roads, I should have said, will be defined by Proclamation. I have had sketch-maps prepared for the information of honorable members, showing the roads it is proposed to declare at once, power being given in the Bill to proclaim others from time to time, as circumstances may require. The grants-in-aid will be limited by the funds at the disposal of the Board, and will be made in this way: I will suppose, for the sake of illustration, that a county wishes to construct—and construction means forming and metalling roads or building bridges—a section of main road over which it has control, or to repair damage done to a main road by flood or tempest. The Council must obtain an estimate of the cost of the work proposed to be executed, which we will suppose amounts to £6,000. The Council will then make an application to the Board for a grant-in-aid. But, before the Board can make the grant, the Council must show that it has one-quarter of the £6,000, that is, £1,500, at its disposal, which it undertakes to spend upon the work; or the ratepayers of the county must impose upon themselves a special rate which will repay one-fourth of the £6,000, namely, £1,500, in twenty half-yearly instalments, without interest. In other words, three-fourths of the cost of the construction of the main roads will be paid by the Board, and one-fourth by the county, either in cash or by way of a special rate, extending over ten years. Honorable members must bear in mind that waste lands of the Crown and Native lands are subject to the special rate, as well as private lands. The reason for making no grants unless the county is prepared to contribute a fair proportion of the outlay will be obvious to the Committee, and honorable members will, I think, admit that the contribution has been made as small as is compatible with prudence.

I now turn to the proposed assistance to be given to district roads, that is, to all roads other than main roads. The Bill provides that the Board of Local Public Works may borrow from time to time, at 5 per cent. interest, of the Postmaster-General or Government Insurance Commissioner, any sum not exceeding in the whole £100,000—the colony being liable for its repayment—and lend it to the local bodies for the purpose of constructing district roads. The terms upon which grants are to be made are, that a special rate is to be levied by the local body desiring to borrow, which will produce 9 per cent. per annum upon the proposed loan. The interest charged is to be 4 per cent., so that 9 per cent. paid half-yearly will cover both interest and sinking fund, and will extinguish the loan in fifteen years. It will be observed that the rate of interest is very low, and the terms of repayment easy. I think, however, honorable members will approve of substantial assistance being given to local bodies for the purpose of constructing roads throughout the country, if only we keep within our legitimate means. But the Committee will say, How can the Board borrow money at five per cent. interest and lend it at four? Sir, this difficulty can only be got over by the same means as is proposed in the case of the fund for the construction of main roads, by making a grant from loan to start the fund. I shall, therefore, ask for £50,000 to be so granted for the purpose. The Board will then be in a position, should the grant be made, to lend £150,000, or any less sum, at four per cent.

interest, and at the same time to pay 5 per cent. upon such sums as it may borrow up to the limit of £100,000, with a safe margin for contingencies.

BOROUGHES.

So far, Sir, I have not yet directly mentioned an important branch of my subject. I refer to Boroughs. I do not desire to make light of the present loss to these bodies of the subsidies. My proposals will, no doubt, necessitate for a time a reduced expenditure; but there will accrue to the boroughs the permanent right to tax Government and Native property of not much less than one million in value. I say permanent, for I think no one can doubt that, if once the principle of taxing Government property is admitted by this House, it will never be possible to retrace that step. The rates upon all Government property it is proposed to charge upon the Consolidated Fund, as being properly included in the ordinary expenses of Government.

I trust, Sir, that the proposals which I have thus briefly sketched will commend themselves to honorable members as, at any rate, the basis upon which this important question of local finance may be ultimately settled. We are all of opinion, I think, that the subsidies should cease, if means to a reasonable extent for carrying on the necessary works can be provided in a better way; and I submit that our proposals are better in every respect. The scheme is sound, because it is based upon two principles which are now unanimously accepted in this House: First, that the proceeds of land sales should be applied to opening up and settling the country; second, that the land-owners must for the future practically find the means to maintain the roads of the colony. And it has moreover this great additional advantage, that it will enable us to complete the separation of general and local finance. The one will in future be in no way dependent upon the other—an advantage which I venture to think will be of incalculable benefit to both the Government and the local bodies. Should our proposals meet with the approval of Parliament, I shall also ask for authority, where necessary, to permit local bodies to receive directly every tax or rate which belongs to or has been made over to them.

ESTIMATED EXPENDITURE OF THE CONSOLIDATED FUND 1880-81.

I now come, Mr. Seymour, to our proposals for the current year. Honorable members will kindly bear in mind that the Land Fund, by which I here mean the proceeds of land sales, and the charges against it, will be treated separately, and that it is therefore excluded from the estimates of expenditure and revenue which I am now about to submit for the consideration of the Committee. I need hardly say that, although treated separately, the Land Fund remains, to all intents and purposes, a part of the consolidated revenue, for the purpose of security to New Zealand bondholders.

The Estimates, which will be in the hands of honorable members to-morrow, show a very large reduction of the charges upon the Consolidated Fund as compared with last year, amounting in the gross to £541,000, and but for the increase in expenditure over last year of £109,000 for interest and £23,000 for education—over which, of course, the Government had no control—the reduction would have been £673,000; and if we deduct from this the sum of £150,000 transferred as charges against the land sales, there would still have remained the very substantial reduction of £523,000. But even after making provision for this increased expenditure of £132,000 on interest and education, and allowing for the loss to the revenue of the proceeds of land sales, £200,000, there will be a net saving of expenditure from the Consolidated Fund of £341,000, and this without impairing the usefulness of the local bodies, the efficiency of the public service, or shifting burdens which should be borne upon revenue to loan or other funds. The total proposed votes for the year, exclusive of liabilities, is £3,473,709, but of this we cannot spend and bring into the accounts within the year more than £3,248,709. This advantage will not recur, but fortunately comes to our aid now, thus giving the revenue time to recover its normal condition, as we have every reason to hope it will, by next year. There are some items of expenditure to which I

desire to call the especial attention of the Committee, as showing the reductions which have been effected, and the directions in which the Government think further reductions are possible and should be made.

It will perhaps astonish honorable members to hear that we are now paying over £1,000,000 a year in salaries, pay, and wages, and £18,700 for pensions: this includes our railway employés and our ordinary complement of constabulary and police. Of this sum, £643,000 is for salaries, pay, and wages of £200 a year and under. The Government, Sir, as must be evident to every one, have had no time to grapple with this enormous expenditure during the short recess just terminated; but they have made reductions, wherever it was possible to do so without detrimentally affecting the machinery of Government. We have given the subject as careful consideration as the time at our disposal would permit; but, as I have often before pointed out, effective and permanent reductions, as distinguished from spasmodic efforts at economy, must be the work of time. Sir, the Government are of opinion that it will take the whole of next recess to deal with this matter as it must be dealt with. To assist us in the accomplishment of this object a Royal Commission has been appointed to inquire into and report upon the whole organization of the Civil Service. Its labours will, I feel sure, be of great value to the House and Government in dealing comprehensively with this difficult subject.

But, Sir, although time was necessary to deal with this subject comprehensively, and we had so little time at our disposal, we felt this could be no excuse for not at once making a beginning. Besides several minor reductions, my honorable friend the Minister for Public Works has reduced the expenditure of his department by £36,000, without impairing in any way its efficiency. The Native Minister has succeeded in reducing the expenses of his department from £46,944, which was last year's estimate, to £14,262 this year, or, after allowing for transfers to other departments, to nearly 50 per cent. Salaries and contingencies were last year £21,164; this year they are estimated at £13,453. Nor is this all; for in the Land Purchase Department, which had grown into a serious excrescence on the Native Office, he has reduced the salaries from £10,000 to £6,000 a year, or about 40 per cent., and in both cases I venture to assert the service is being better performed than formerly. From this, honorable members will see that the honorable gentleman has more than fulfilled his promises of reduction made to this Committee last year. My honorable friend will, no doubt, explain what he has done more fully when the Native Estimates are under discussion.

I have said, Sir, that we are paying over £1,000,000 yearly for salaries, pay, and wages, and this is upon Estimates which have been apparently reduced to the lowest possible amount. The Government have had under consideration the question of the reduction of the salaries of Ministers. They do not think Ministers are over-paid, and they are not prepared at present to recommend a reduction in their salaries. That question will be carefully considered during the recess; but, looking to the financial position of the colony, and the necessity for reduction, which must be made in some form, we propose that 20 per cent. shall be deducted from their salaries for the current year, beginning on the 1st July next.

So far, Sir, a reduction is simple enough, but how to deal with the Service generally is a far more difficult question, as gross and cruel injustice may be easily done to many deserving officers if large reductions are indiscriminately insisted upon, and the efficiency of the Public Service may be seriously impaired. We have among our Civil Servants not only a large number of willing and efficient officers, but we have men who would be a credit to any Service; and while some of our departments urgently require reform or remodelling, or even abolishing, by consolidation with others, some, I am sure, could hardly be touched without being injured. And, again, while some officers are no doubt over-paid, others, considering the value of their services, and the difficulty of filling their places, deserve more than they get. We can, therefore, lay down no inflexible rule for retrenchment. But, Sir, an effort must be made in the interests of economy at once. We shall, therefore, propose to the House, notwithstanding the fact that the

Estimates have been apparently kept within the narrowest limits, that 5 per cent., or £50,000, be struck off the votes for salaries, pay, and wages, and we shall then proceed in the manner I have indicated to make this saving; and if, with the aid of the departments, we are unable to make the necessary reductions to cover this amount, we shall issue a scale of percentages showing the sum to be deducted for every employé of the Government, which together will make up the £50,000. I hope, Sir, the Committee will think this a sufficient earnest of our intention to take this subject seriously in hand. The task, Sir, is a very unpleasant and a very thankless one; but it is a clear duty, and must therefore be done.

If, then, the Committee should agree to this reduction, the total expenditure within the year will, I estimate, be £3,198,709, for which provision has to be made.

ESTIMATED REVENUE OF THE CONSOLIDATED FUND 1880-81.

In estimating the revenue of the year 1880-81, which I do at £3,190,000, full particulars of which honorable members will find in Table No. 7 attached to this Statement when printed, I regret to say that I am unable to take as hopeful a view of the Customs receipts as I did last session. It must be admitted that there is no known basis on which to found a trustworthy calculation as to the probable receipts from Customs duties in the colony. The influences at work are so various and uncertain in their operation that it is impossible to form more than an approximate estimate as to the receipts for any period of financial or commercial depression, such as we are still suffering under. There are, however, indications pointing to a gradual improvement, which I hope has begun, but which, I think, I am not justified in relying upon to a larger extent than I have done in estimating the Customs at £1,250,000 for the year. It is an ominous fact that there was a net decrease of duty of £107,684 paid at the Customs during the year 1879, as compared with the year 1878, and that a more than proportionate decrease has continued for the first quarter of 1880, notwithstanding the large increase of duties imposed in November, 1879. The Customs receipts for the March quarter, 1880, were less by £42,257 than for the corresponding quarter of 1879. The imports, too, were less in the former quarter than in the latter by £978,734, and this difference was not caused by any large falling-off in railway material and other articles imported for the Government; the total value of Government imports being, for the March quarter, 1879, £95,263, as against £54,012 for the March quarter, 1880. Tobacco yielded an increase of £7,193 during the last quarter, but this is owing to the increased duty; 31,726lbs., or 12½ per cent. less, being cleared than in the March quarter, 1879; but the greater portion of the decrease may be traced to the fact that in the preceding quarter there had been withdrawals of tobacco from bond considerably in excess of the usual average, in the expectation of the duty being increased. Drapery and spirits both show an actual falling off during the last quarter as compared with the corresponding quarter of 1879; the former of £6,346, the latter of £7,457. Drapery yielded for the first quarter of 1880 £39,862, and spirits £82,482. Honorable members will observe that the percentage of loss upon drapery is nearly double that upon spirits, which I take as an indication that smuggling and illicit distillation have not increased to any appreciable extent through the additional duty imposed upon spirits last session. Looking at all these facts, I do not think it would be wise to estimate the Customs for the year at more than I have done, namely, £1,250,000. Honorable members will see there is a considerable increase in the estimated surplus of receipts over expenditure on the railway, namely, £341,082; but my honorable friend the Minister for Public Works proposes to slightly increase the charges for freight, and still further to reduce the expenditure. The remaining items of estimated revenue do not, I think, call for special remark, except that I should point out that the proceeds of land sales are not included as revenue.

I have said that the estimated expenditure to be made within the year is £3,198,709, and the estimated revenue £3,190,000, thus leaving a balance unprovided for of £8,709; though I would again call the attention of the Committee to the fact that, if we made up our accounts as we have done hereto-

fore, there would be a still further amount to make good of £225,000; but, as I have said before, this will not become payable within the year, and therefore I do not propose to make provision for it. I hope honorable members will understand that, although this is in no sense putting off a payment which could be made during the year, yet that in future years the postponed liabilities at the end will be counter-balanced by the outstanding liabilities at the beginning. In other words, through beginning this year free, we have to pay less during the year than in any succeeding year by the amount of liabilities which will necessarily be outstanding at the end of this year.

LAND FUND.

I must, Sir, here say a few words about the Land Fund, the receipts of which from all sources are estimated at £335,000. Of this, £200,000 is for land sales, and £135,000 for pastoral rents. The pastoral rents being revenue have been included in the Consolidated Fund, but the £200,000 estimated to be received from land sales has not been so included, but in accordance with our proposal of last session, repeated this evening, it has been set apart to be separately dealt with. The charges, as honorable members will see upon reference to the Estimates, against this amount to £150,223, leaving a balance of £49,777, which, if our scheme of local finance should meet with the approval of the House, will be handed over to the Local Public Works Board. We shall further propose that in any year when the proceeds of land sales is more than enough to pay charges and administration, and the £150,000 to the Board of Local Public Works, that the balance shall be paid into the Public Works Fund.

PROPOSALS FOR THE FUTURE.

The Government, Mr. Seymour, had hoped to do without proposing any alteration or increase of taxation this year, and would not have made any such proposal if, on the one hand, the taxes imposed last session had been generally accepted with only that amount of reluctance which is perhaps the natural attitude towards all direct taxation, and if upon the other hand the proceeds of the taxation had amounted to what might reasonably have been expected. But I have shown that in the Custom duties the increased rate has not sufficed to prevent a decrease in the amount collected, while from many quarters we have received strong representation that one feature of the Property-Tax is extremely distasteful to a large section of the people. The discontent has, I believe, largely arisen through a misapprehension of the Act, which does not, as is commonly supposed, empower any officer of the Government to enter a man's house to value his goods. But, as I say, the discontent exists, and whether baseless or not, should, as far as possible, be removed. The removal of this obnoxious feature of the Property-Tax is fortunately rendered the more easy from the fact that it is generally admitted that this cannot be done without the substitution of some other tax which will produce at least an equal amount to that abandoned. The Government, therefore, in accordance with what they believe to be the desire of the taxpayers, will ask the House to exempt personal effects, furniture, and books, &c., from assessment under the Act. By this concession, Sir, it is estimated that the revenue will lose £40,000 a year. This, then, together with the deficit of £8,709, has to be made good. The question is, how can it be done in the most effective and least objectionable manner. I fear, Sir, there are only two practicable courses open to us. We may reimpose the tea and sugar duties, or we may tax beer. The Government, Sir, have carefully considered which of these courses to follow, and have determined to ask Parliament to impose a tax upon colonial beer of 6d. per gallon. It is with great regret that I make this proposal. When Colonial Treasurer some time ago my colleagues and I carefully considered the subject, and we ultimately decided that we would not propose this tax; and when in Opposition two years ago I helped to throw it out when introduced by the late Government, upon the ground that it was practically beginning the system of excise taxes, which I was very loth to see introduced into New Zealand so long as it could be avoided. But the financial position of the colony is such as to compel us to resort to taxes which in more favourable times we should not have

supported. We also propose to increase the duty upon imported beer by 6d. a gallon. I hope to obtain from the beer-tax during the current year £80,000, or at the rate of £100,000 per annum.

It will be within the recollection of honorable members that I proposed last year to introduce a Bill to increase the succession duties, but that, through want of time, the Bill was never circulated. I propose to proceed with that Bill, and should it become law it will increase the Stamp revenue this year by about £10,000.

Summarizing then, Sir, my proposals for the convenience of the Committee, they amount to this: The deficit, as shown by the difference between the estimated expenditure and revenue, is £8,709, to which I add the £40,000 lost by the exemption proposed in the Property-tax, making a total of £48,709. The estimated produce of the Beer-tax is £80,000, to which I add the £10,000 for increase Stamp duties, and obtain £90,000; thus showing, if our expectations prove correct, a credit balance of £41,291 with which to end the year—a margin, as the Committee will agree, none too wide.

CONCLUSION.

In conclusion, Mr. Seymour, the Committee will permit me to recall to their minds some of the main facts of our position, and to sum up shortly our proposals. I would first call attention to one fact of cardinal importance which, more than any other, has embarrassed our finances for some time past, the fatal mistake—as pernicious in practice as it is bad in theory—of treating the proceeds of land sales as ordinary revenue. This, and our unexampled prosperity for some years, led us greatly to over-estimate our resources, and so completely to misunderstand our financial position; and to such a length had this gone, that the House was content in 1878–79 to vote one million of the proceeds of land sales as revenue of the year, and adopt a scheme of public works requiring a yearly receipt from land sales of £750,000 more. When, therefore, the land sales suddenly fell to less than £200,000 a year, our difficulties became great and pressing—for it was manifestly impossible to stop immediately the enormous expenditure then in full progress, based upon the assumption that the Land Fund would reach something like two millions a year. The Government, Sir, of which I have the honor to be a member, have been blamed, both in this House and in the country, for stopping expenditure too suddenly, and thereby intensifying the depression under which we are suffering. But when I tell the Committee that, during the nine months ended on 31st March last, we actually spent on the ordinary services of Government and on Public Works in hard cash, notwithstanding our strenuous endeavours to retrench, no less a sum than £4,981,079, of which £2,673,208 was borrowed money, they will fully appreciate what I have said as to the difficulty of bringing our expenditure within reasonable limits, founded as it was upon an exaggerated assumption of our means, and will, I think, fully acquit the Government of undue parsimony. To meet this serious difficulty and retrieve our position, the Government at once set to work to reduce the expenditure in every direction; but this must necessarily be the work of time, our commitments both by habit and engagements being so large. We propose to separate our land sale receipts from revenue, and to impose additional taxation to raise a sufficient sum to meet our necessary expenditure. But although all this, so far as it could be done, was done promptly, it was impossible to bring it into effective operation during the last financial period, the time being far too short; and, as a consequence of our want of forethought through our years of prosperity, we have now to add one million to our funded debt, that is, a permanent charge of £50,000 a year as the result of the deficit outstanding against the Consolidated Fund on 31st March last. Of the necessity of funding this, no one who considers our engagements and our heavy taxation, will, I think, entertain a doubt, and if only we have learnt the lesson of economy and thrift which our difficulties should teach, we shall not have passed through our troubles in vain. If, however, we are to come successfully through the present crisis, we must make up our minds to three things: To a greatly reduced expenditure, both on public works and from the Consolidated Fund; to a complete separation of our local from our general finance; and to submit to increased

taxation for some years to come. And I would also emphatically point out that we ought to connect far more closely than we have ever yet done, the idea of additional taxation with further borrowing. As soon as it is actually realized by the people of the colony, not only that each new loan has to be repaid, but that until repaid it imposes a yearly burden, which must be met, if not by the increase of the tax-paying population, then by the increase of taxation itself—as soon as this is fully realized, I say, fresh loans will be less often called for, and much more carefully spent.

That some further borrowing will be necessary is to me evident, but I trust that it will be only in very moderate sums and for specific objects. I also hope, Sir, that the time is not far distant when, through the restoration of real economy in our finance, we shall see our way to addressing ourselves seriously to the task of reducing our large public debt; and I trust that the proposals of the Government, in part already sanctioned by Parliament, will at least tend towards making such a course possible. I sincerely thank the Committee for the kind attention with which it has listened to my Statement, and would only add, before resuming my seat, that I have no doubt of the thorough soundness of the colony, and of the great future before us, now that the people have awakened to the real facts of our financial position and the responsibilities it involves.

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No. 1.

ACCOUNT for the Financial Period ended 31st MARCH, 1880.

EXPENDITURE.				£	s.	d.	£	s.	d.	£	s.	d.
CONSOLIDATED FUND.												
FINANCIAL YEAR 1878-79.												
REVENUE ACCOUNT:—												
Liabilities paid,—												
Permanent Appropriations,—												
Interest and Sinking Fund	...	...	...	1,216	0	0						
Under Special Acts of the Legislature	...	...	...	1,276	3	2						
Subsidies to Local Bodies	...	...	...	30,690	19	7						
Trustees of Wellington Hospital	...	...	...	5,000	0	0						
Twenty per cent. of Land Revenue paid to Counties	...	...	...	25,549	3	5						
One-third of Proceeds of Land Sold on Deferred Payments, paid to Local Bodies	...	...	...	2,575	6	11						
New Plymouth Harbour Board Endowment	...	...	...	583	12	8						
Ellesmere and Forsyth Reclamation and Akaroa Railway Trust	...	...	...	276	11	6						
							67,167	17	3			
Surplus Land Revenue transferred to Deposit Accounts,—												
Canterbury	...	...	...	55,100	13	6						
Hawke's Bay	...	...	...	1,678	2	6						
							56,778	16	0			
Annual Appropriation,—												
Miscellaneous Services	...	...	...				222,531	19	9			
										346,478	13	0
										£346,478	13	0
FINANCIAL PERIOD ENDED 31st MARCH, 1880.												
Advances.												
Deficit from the Year 1878-79	...	...	...	£6	8	3				69,418	12	1
Permanent Appropriations,—												
Civil List	...	...	...				19,457	17	0			
Interest and Sinking Fund	...	...	28,770	12	1	1,005,181	3	8				
Under Special Acts of the Legislature	...	...	16	7	6	28,796	9	11				
Subsidies paid to Local Bodies	...	...				273,365	9	7				
Twenty per cent. of Land Revenue paid to Counties	...	...				19,567	3	0				
One-third of Proceeds of Land Sold on Deferred Payments, paid to Local Bodies	...	...				2,676	14	5				
New Plymouth Harbour Board Endowment	...	...				1,214	6	9				
Ellesmere and Forsyth Reclamation and Akaroa Railway Trust	...	...				356	0	0				
							1,350,615	4	4			
Annual Appropriations,—												
Class I.—Colonial Secretary	...	...	8,690	18	6	186,067	19	3				
II.—Colonial Treasurer	...	...	347	13	0	25,715	4	6				
III.—Minister of Justice	...	...	1,573	1	9	98,319	7	4				
IV.—Postmaster-General	...	...	686	19	3	187,274	3	5				
V.—Commissioner of Customs	...	...	7,506	15	6	70,240	19	1				
VI.—Commissioner of Stamps	...	...	974	19	9	19,649	3	5				
VII.—Minister of Education	...	...	154	18	9	195,240	5	0				
VIII.—Minister of Native Affairs	...	...	1,325	11	5	35,947	1	0				
IX.—Minister of Lands and Mines	...	...	4,212	7	7	108,533	16	3				
X.—Minister for Public Works	...	...	50,458	8	6	412,744	15	0				
XI.—Minister of Defence	...	...	50,790	4	4	79,142	1	9				
						1,417,974	16	0				
Less in Excess of Appropriations	...	...				8,575	4	7				
Unauthorized Expenditure,—												
In Excess of Appropriations	...	...				8,575	4	7				
Services not provided for	...	...	2,132	15	4	3,685	14	5				
							12,260	19	0			
Imperial Pensions Account, &c.	...	...	33,523	6	0					2,772,275	14	9
			£197,171	7	6							
Treasury Bills redeemed 1st March, 1880	...	...								442,000	0	0
										3,283,694	6	10
Balance on 31st March, 1880:—												
Cash in the Public Account	...	...					94,892	16	3			
Advances in the hands of Officers of the Government	...	...					197,171	7	6			
										292,064	3	9
										£3,575,758	10	7

Table

STATEMENT of RECEIPTS and EXPENDITURE of the PUBLIC

RECEIPTS.	£	s.	d.	£	s.	d.	£	s.	d.
CONSOLIDATED FUND—continued.									
ACCOUNTS OF LOCAL BODIES.									
Balance on 30th June, 1879,—									
Cash in the Public Account	7,755	14	9
Revenue Accounts,—									
Revenue from License and other Fees	14,980	18	9			
Revenue from Lands made over	2,853	5	6			
Gold Fields Revenue	11,740	9	5			
Gold Duty	21,956	16	0			
Counties Separate Account,—							51,531	9	8
Receipts	90,075	16	7
Advance Accounts,—									
Recovered on account of Expenditure of previous year	1,843	15	1
									143,451 1 4
									£151,206 16 1
DEPOSIT ACCOUNTS.									
Balance on 30th June, 1879,—									
Cash in the Public Account	6,870	16	3
Advances in the hands of Officers of the Government	31,666	19	11
									38,537 16 2
Lodgments,—									
Armed Constabulary Reward Fund	371	19	9
Armed Constabulary Reward Fund Investment	1,500	0	0
Canterbury Surplus Land Revenue	55,119	4	4
General Assembly Library Fund	150	0	0
Hawke's Bay Surplus Land Revenue	1,678	2	6
Imperial Pensions Expenses	701	5	2
North Otago District Public Works Loan	12,236	11	2
Nelson Rifle Prize Fund	756	0	0
Railway Servants' Fund	95	7	8
Temporary Deposits	51,641	14	1
Unclaimed Balances	136	3	3
Waiau Sheep Dip...	7	10	0
Westland Loan Act 1873 Redemption	117	5	4
									124,511 3 3
									£163,048 19 5

Treasury, Wellington, 20th April, 1880.

Examined and found correct :

JAMES EDWARD FITZGERALD,
Comptroller and Auditor-General.
31st May, 1880.

No. 1—continued.

ACCOUNT for the Financial Period ended 31st March, 1880.

EXPENDITURE.					£	s.	d.	£	s.	d.	£	s.	d.
CONSOLIDATED FUND—continued.													
ACCOUNTS OF LOCAL BODIES.													
Revenue Accounts,—													
Revenue from License and other Fees	...	...	...	...	15,052	18	3						
Revenue from Lands made over	...	...	...	...	2,853	5	6						
Gold Fields Revenue	...	...	...	...	11,228	14	11						
Gold Duty	...	...	...	...	21,763	11	6						
Counties Separate Account,—													
Payments	...	...	...	...				50,898	10	2			
								93,387	5	8			
											144,285	15	10
Balance on 31st March, 1880,—													
Cash in the Public Account	...	...	...	...							6,921	0	3
											<u>£151,206</u>	<u>16</u>	<u>1</u>
DEPOSIT ACCOUNTS.													
Withdrawals,—					Advances.								
Armed Constabulary Reward Fund	...	...	...	...				88	18	0			
Armed Constabulary Reward Fund Investment	...	...	...	...				1,500	0	0			
Bay of Plenty Districts	...	...	...	...				46	5	0			
Canterbury Surplus Land Revenue	...	...	...	...				20,898	15	3			
General Assembly Library	...	...	...	...				150	0	0			
Hawke's Bay Surplus Land Revenue	...	...	...	...				1,496	5	1			
Imperial Pensions Expenses	...	...	...	...				842	5	4			
Nelson Rifle Prize Fund	...	...	...	£175 0 0				275	0	0			
Nelson Rifle Prize Fund Investment	...	...	...	...				700	0	0			
North Otago District Public Works Loan	...	...	...	...				10,879	10	8			
Railway Servants' Fund	...	...	...	...				0	10	0			
Temporary Deposits	...	...	...	43,064 13 8				35,771	4	5			
Unclaimed Balances	...	...	...	...				82	7	8			
Westland Loan Act 1873 Redemption	...	...	...	...				57	17	10			
				<u>£43,239 13 8</u>							72,788	19	3
Balance on 31st March, 1880,—													
Cash in the Public Account	...	...	...	...				47,020	6	6			
Advances in the hands of Officers of the Government	...	...	...	...				43,239	13	8			
											90,260	0	2
											<u>£163,048</u>	<u>19</u>	<u>5</u>

JAMES B. HEYWOOD,
Accountant to the Treasury.JAMES C. GAVIN,
Secretary to the Treasury.

No. 1—continued.

ACCOUNT for the FINANCIAL PERIOD ended 31st MARCH, 1880.

EXPENDITURE.					£	s.	d.	£	s.	d.	£	s.	d.
PUBLIC WORKS FUND													
Annual Appropriations,—													
Class	I.—Immigration	...	...	...	122,112	14	1						
"	II.—Public Works—Departmental	...	...	...	11,114	3	6						
"	III.—Railways	...	...	...	856,550	11	2						
"	IV.—Surveys of New Lines...	...	...	...	7,123	5	1						
"	V.—Roads	...	...	...	39,136	6	4						
"	VI.—Land Purchases	...	...	...	82,884	3	4						
"	VII.—Waterworks on Gold Fields	...	...	...	15,603	8	6						
"	VIII.—Telegraph Extension	...	...	...	40,777	19	9						
"	IX.—Public Buildings	...	...	...	202,418	10	4						
"	X.—Lighthouses	...	...	...	3,963	0	7						
"	XI.—Miscellaneous	...	...	...	259,850	8	5						
"	XII.—Contingent Defence	...	...	...	105,000	0	0						
"	XIII.—Charges and Expenses	...	...	...	3,816	1	5						
Unauthorized :—								1,750,350	12	6			
Services not provided for					...			530	12	3			
Temporary Advances repaid :—													
On security of short-dated Debentures of "The New Zealand Loan Act, 1879"					456,500	0	0						
On security of Imperial Guaranteed Debentures of "The Immigration and Public Works Loan Act, 1870"					1,000,000	0	0						
								1,456,500	0	0			
Advances to the Consolidated Fund :—											3,207,381	4	9
On security of Treasury Bills issued under "The Treasury Bills Act, 1879"					...			592,000	0	0			
On security of Deficiency Bills issued under "The Public Revenues Act, 1878"					431,800	0	0						
On security of Deficiency Bills issued under "The Public Revenues Act 1878 Amendment Act, 1879"					200,000	0	0						
								631,800	0	0			
Investment Account :—											1,223,800	0	0
On security of Debentures issued by—													
The Waimea Plains Railway Company (Limited)					...			40,000	0	0			
Wanganui Harbour Board					...			17,000	0	0			
											57,000	0	0
Balance on 31st March, 1880 :—											4,488,181	4	9
Cash in the Public Account,—													
In the Colony					154,406	11	3						
In London					*1,000,540	14	10						
Cash in Deposit with other Banks in London					...			1,154,947	6	1			
								1,229,000	0	0			
Less Orders on Bank of New Zealand, London, unpaid					...			2,383,947	6	1			
								1,521,537	1	11			
								862,410	4	2			
Advances in the hands of Officers of the Government :—													
In the Colony					24,694	3	11						
In London					291,069	6	0						
								315,763	9	11			
											1,178,173	14	1
											£5,666,354	18	10
SUSPENSE ACCOUNT.													
Amount transferred to Revenue					...			4,199,974	12	11			
Balance on 31st March, 1880,—													
Cash in the Public Account,—													
In the Colony					2,888	11	6						
In London					153	13	0						
								3,042	4	6			
											£4,203,016	17	5

* On 25th February, 1880.

JAMES C. GAVIN,
Secretary to the Treasury.
JAMES B. HEYWOOD,
Accountant to the Treasury.

Table No. 1—continued.

STATEMENT of LAND REVENUE RECEIPTS (Net) for the FINANCIAL PERIOD ended
31st March, 1880.

	Land Sales.	Depasturing Licenses, Rents, &c.	Miscellaneous.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Akaroa	Dr. 193 7 2	Dr. 19 12 4	...	Dr. 212 19 6
Amuri ... ..	...	470 6 3	...	470 6 3
Ashburton	3,994 5 4	...	...	3,994 5 4
Ashley	2,707 15 6	5 12 1	...	2,713 7 7
Bay of Islands	457 17 6	30 0 0	1 5 0	489 2 6
Bruce	1,037 18 9	341 11 10	21 0 0	1,400 10 7
Buller ... ..	...	428 3 4	16 3 0	444 6 4
Clutha	3,182 9 0	446 2 0	12 10 0	3,641 1 0
Collingwood ... ..	...	205 0 0	1 12 6	206 12 6
Cook	450 0 0	...	...	450 0 0
Coromandel	20 0 0	...	...	20 0 0
Eden ... ..	...	36 14 0	...	36 14 0
Fiord ... ..	...	40 8 4	1 0 0	41 8 4
Geraldine	2,844 0 9	...	...	2,844 0 9
Grey	67 11 3	997 4 11	2 15 0	1,067 11 2
Hawke's Bay	59 14 8	82 0 11	...	141 15 7
Hobson ... ..	...	15 0 0	31 1 1	46 1 1
Hokianga ... ..	...	...	189 18 11	189 18 11
Hutt	24 10 0	...	...	24 10 0
Inangahua	355 12 0	1,052 1 10	6 0 0	1,413 13 10
Kaikoura	60 0 0	1,230 1 7	1 0 0	1,291 1 7
Lake	2,062 18 4	8,452 3 8	241 10 0	10,756 12 0
Manawatu	2,082 3 7	...	...	2,082 3 7
Manukau	1,035 11 9	58 5 0	45 0 0	1,138 16 9
Maniototo	996 14 4	9,747 1 2	5 0 0	10,748 15 6
Marlborough	643 6 0	2,335 1 3	66 18 1	3,045 5 4
Mongonui	349 10 0	109 10 0	...	459 0 0
Patea	2,358 4 4	Dr. 150 0 0	...	2,208 4 4
Piako	673 14 0	...	...	673 14 0
Raglan ... ..	...	...	15 18 0	15 18 0
Rodney	68 0 0	...	...	68 0 0
Selwyn	1,066 4 5	3 2 0	...	1,069 6 5
Sounds ... ..	...	311 5 4	69 12 2	380 17 6
Southland	21,656 19 3	1,828 19 9	865 19 7	24,351 18 7
Stewart Island ... ..	...	12 10 0	127 9 3	139 19 3
Taieri	19 6 6	2,550 0 5	5 0 0	2,574 6 11
Tauranga	2,193 11 3	...	1 10 0	2,195 1 3
Taranaki	2,503 9 7	17 10 0	...	2,520 19 7
Thames ... ..	...	23 15 0	...	23 15 0
Tuapeka	8,991 13 7	5,766 18 1	6 10 0	14,765 1 8
Vincent	1,624 7 4	12,534 17 10	10 0 0	14,169 5 2
Waikato	82 0 0	...	...	82 0 0
Waikouaiti	5,881 1 11	3,220 15 6	7 10 0	9,109 7 5
Waimate	1,621 6 2	...	...	1,621 6 2
Waiuea	4 0 0	296 14 7	10 7 1	311 1 8
Waipa	1,816 15 6	...	...	1,816 15 6
Waipawa	4,138 8 2	...	7 10 0	4,145 18 2
Wairarapa East	32 5 0	...	...	32 5 0
Wairarapa West	128 3 3	...	...	128 3 3
Wairoa ... ..	...	73 4 4	...	73 4 4
Waitaki	162 18 6	414 10 6	...	577 9 0
Waitemata	19 0 0	...	4 2 0	23 2 0
Wallace	2,087 9 7	1,016 9 6	27 0 8	3,130 19 0
Wanganui	23 17 6	...	...	23 17 6
Whakatane	475 15 0	...	...	475 15 0
Whangarei	283 5 0	5 0 0	...	288 5 0
Westland	124 15 0	213 17 6	16 10 0	355 2 6
General	8,219 7 3	42 15 0	55 17 0	8,317 19 3
Ellesmere and Forsyth Reclamation and Akaroa Railway	757 7 6	...	...	757 7 6
Westport and Ngakawau Coal Field Railway ... ..	...	380 14 8	...	380 14 8
Deferred Payments	9,357 0 1	...	...	9,357 0 1
Total	98,608 17 3	54,625 15 10	1,873 9 4	155,108 2 5

NOTE.—County Akaroa, marked *Dr.* The refunds during the nine months exceeded the receipts.Treasury,
Wellington, 20th April, 1880.JAMES B. HEYWOOD,
Accountant to the Treasury.

Table No. 2.

COMPARATIVE STATEMENT of the ACTUAL and ESTIMATED EXPENDITURE of the CONSOLIDATED FUND (including Liabilities outstanding), for the Financial Period ended 31st March, 1880, exclusive of Accounts of Local Bodies and Deposits.

	EXPENDITURE, 1879-80.				ESTIMATED EXPENDITURE.		DIFFERENCES.	
	Final Charges.	Liabilities Outstanding.	Total.		£	s. d.	More than Estimate.	Less than Estimate.
PERMANENT APPROPRIATIONS :—	£	£	£	£	£	s. d.	£	s. d.
Civil List ...	19,457 17 0	1,339 15 8	20,797 12 8	20,797 12 8	22,488 0 0	1,690 7 4	...	1,690 7 4
Interest and Sinking Fund ...	1,005,181 3 8	22,269 12 6	1,027,450 16 2	1,027,450 16 2	1,036,930 0 0	9,479 3 10	...	9,479 3 10
Under Special Acts of the Legislature ...	28,796 9 11	426 19 11	29,223 9 10	29,223 9 10	25,616 0 0	...	3,607 9 10	...
ANNUAL APPROPRIATIONS :—								
Class I.—Colonial Secretary ...	186,067 19 3	12,997 14 0	199,065 13 3	199,065 13 3	207,113 11 8	8,047 18 5	...	8,047 18 5
II.—Colonial Treasurer ...	25,715 4 6	1,772 18 9	27,488 3 3	27,488 3 3	24,977 6 6	...	2,510 16 9	...
III.—Minister of Justice ...	98,319 7 4	7,318 15 0	105,638 2 4	105,638 2 4	101,262 0 0	4,376 2 4	...	...
IV.—Postmaster-General and Commissioner of Telegraphs ...	187,274 3 5	14,636 5 0	201,910 8 5	201,910 8 5	207,628 10 1	5,718 1 8	...	5,718 1 8
V.—Commissioner of Customs ...	70,240 19 1	7,856 6 8	78,097 5 9	78,097 5 9	83,473 5 0	5,375 19 3	...	5,375 19 3
VI.—Commissioner of Stamps ...	19,649 3 5	350 6 7	19,999 10 0	19,999 10 0	20,359 16 7	360 6 7	...	360 6 7
VII.—Minister of Education ...	195,240 5 0	7,758 4 6	202,998 9 6	202,998 9 6	206,313 0 0	3,314 10 6	...	3,314 10 6
VIII.—Minister of Native Affairs ...	35,047 1 0	17,397 11 11	52,444 12 11	52,444 12 11	50,204 13 9	...	2,149 19 2	...
IX.—Minister of Lands and Mines ...	108,533 16 3	22,605 0 0	131,138 16 3	131,138 16 3	149,686 0 0	18,541 3 9	...	18,541 3 9
X.—Minister of Public Works ...	412,744 15 0	87,713 1 9	500,457 16 9	500,457 16 9	531,758 12 9	31,300 16 0	...	31,300 16 0
XI.—Minister of Defence ...	79,142 1 9	46,956 4 2	126,098 5 11	126,098 5 11	146,030 0 0	19,931 14 1	...	19,931 14 1
SPECIAL APPROPRIATIONS :—								
Subsidies paid to Local Bodies ...	273,365 9 7	2,093 4 7	275,458 14 2	275,458 14 2	275,620 0 0	161 5 10	...	161 5 10
Twenty per cent. of Land Sales paid to Counties ...	19,567 3 0	7,478 4 1	27,045 7 1	27,045 7 1	37,000 0 0	9,954 12 11	...	9,954 12 11
One-third of Land Sales on Deferred Payments ...	2,676 14 5	8,962 2 6	11,638 16 11	11,638 16 11	7,500 0 0	4,138 16 11	...	4,138 16 11
Twenty-five per cent. of Land Sales paid to New Plymouth Harbour Board ...	1,214 6 9	327 6 5	1,541 13 2	1,541 13 2	4,665 0 0	...	...	...
Ellesmere and Forsyth Reclamation and Akaroa Railway Trust ...	356 0 0	321 19 6	677 19 6	677 19 6	800 0 0	3,123 6 10	...	3,123 6 10
Refund to Otago Education Reserve ...	...	2,192 0 0	2,192 0 0	2,192 0 0	...	122 0 6	...	122 0 6
Services not provided for ...	3,685 14 5	...	3,685 14 5	3,685 14 5	...	...	2,102 0 0	...
Estimated Deficit of the Year 1878-79 ...	272,275 14 9	272,773 13 6	3,045,049 8 3	3,045,049 8 3	3,139,539 16 4	117,151 7 6	22,660 19 5	117,151 7 6
	69,418 12 1	64,372 5 4	133,790 17 5	133,790 17 5	131,824 0 0	...	1,966 17 5	...
Net Difference—Less than Estimate ...	2,841,694 6 10	337,145 18 10	3,178,840 5 8	3,178,840 5 8	3,271,363 16 4	117,151 7 6	24,627 16 10	117,151 7 6
	...	...	...	...	3,178,840 5 8	24,627 16 10	...	24,627 16 10
	...	...	...	...	£92,523 10 8	£92,523 10 8	...	£92,523 10 8

	Liabilities.	Assets.	Net Liabilities.
1878-79 ...	£70,193 4 0	£5,820 18 8	£64,372 5 4
1879-80 ...	272,773 13 6	...	272,773 13 6
	£342,966 17 6	£5,820 18 8	£337,145 18 10

Table No. 3.

COMPARATIVE STATEMENT of the ESTIMATED and ACTUAL RECEIPTS of the CONSOLIDATED FUND for the Financial Period ended the 31st March, 1880 (exclusive of the Revenue of Local Bodies and Deposits).

Receipts.	Estimated.	Actual.	DIFFERENCES.			
			More than Estimate.		Less than Estimate.	
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
ORDINARY REVENUE :—						
Raised by Taxation,—						
Customs	950,000 0 0	902,664 14 7	...	...	47,335 5 5	...
Stamps	125,000 0 0	92,078 1 2	...	...	32,921 18 10	...
Land-Tax	97,300 0 0	92,803 5 1	...	...	4,496 14 11	...
Receipts for Services rendered,—						
Railways	675,000 0 0	561,927 14 2	...	...	113,072 5 10	...
Postal	101,200 0 0	114,161 16 10	12,961 16 10	...	...	...
Telegraphic	60,000 0 0	56,665 5 0	...	...	3,334 15 0	...
Judicial	36,000 0 0	41,930 10 9	5,930 10 9	...	...	...
Land and Deeds	27,000 0 0	25,925 18 0	...	...	1,074 2 0	...
Registration and other Fees	25,500 0 0	28,688 2 8	3,188 2 8	...	...	...
Marine	16,600 0 0	16,970 13 5	370 13 5	...	...	...
Miscellaneous	34,900 0 0	28,340 10 4	...	...	6,559 9 8	...
TERRITORIAL REVENUE :—						
Land Sales	186,000 0 0	98,608 17 3	...	...	87,391 2 9	...
Depasturing Licenses, Rents, &c.	60,700 0 0	56,499 5 2	...	...	4,200 14 10	...
SPECIAL RECEIPTS :—						
Miscellaneous Recoveries ... ..	...	16,493 16 2	16,493 16 2	...	...	...
Land-Tax due 1st April, 1880	2,395,200 0 0	2,133,758 10 7	38,944 19 10	...	300,386 9 3	...
	50,000 0 0	50,000 0 0	...	...	...	...
	2,445,200 0 0	2,183,758 10 7	38,944 19 10	...	300,386 9 3	...
	2,183,758 10 7			...	38,944 19 10	...
	261,441 9 5				261,441 9 5	...

Table No. 4.

SUMMARY of RECEIPTS and EXPENDITURE of the CONSOLIDATED FUND, with ASSETS and LIABILITIES added, for the Period ended the 31st March, 1880.

RECEIPTS.				EXPENDITURE.			
	£	s.	d.		£	s.	d.
Revenue :—				Deficit of the period			
Actually received ...	2,133,758	10	7	ended 30th June, 1879	...	133,790	17 5
Land-Tax, due 1st Apr.	50,000	0	0				
Assets, Miscellaneous	5,000	0	0	Expenditure :—			
	2,188,758	10	7	Actually paid ...	2,772,275	14	9
Receipts in Aid :—				Liabilities (estimated)	272,773	13	6
Treasury and Deficiency					3,045,049	8	3
Bills	1,000,000	0	0		3,178,840	5	8
				Balance	9,918	4	11
	£3,188,758	10	7		£3,188,758	10	7

Table No. 5.

THE PUBLIC DEBT OF NEW ZEALAND ON 31ST MARCH, 1880.

LOANS.	DEBENTURES AND TREASURY BILLS IN CIRCULATION.		SINKING FUNDS ACCRUED.		NET INDEBTEDNESS.	ANNUAL CHARGE.				
	When Redeemable.		Rate.			INTEREST.		SINKING FUND.		TOTAL.
	Amount.		Rate.	Amount.		Rate.	Amount.	Rate.	Amount.	
UNDER ACTS OF THE COLONIAL GOVERNMENT:—	£	£	£ s. d.	p. cent.	£ s. d.	p. cent.	£ s. d.	p. cent.	£ s. d.	
Ordinance of Legislative Council ...	311	...	311 0 0	...	...	...	...	...	...
New Zealand Loan Act, 1856 ...	375,000 25,000 50,000 50,000	500,000	148,963 13 2	4	20,000 0 0	2	10,000 0 0	2	30,000 0 0	
New Zealand Loan Act, 1860 ...	488,000 500,000 201,500 236,000 93,900	93,100	35,226 0 4	6	5,586 0 0	2	1,862 0 0	2	7,448 0 0	
New Zealand Loan Act, 1863 ...	1,519,400 236,000 93,900	1,519,400	1,125,932 2 3	6	12,900 0 0	2	4,030 0 0	2	25,000 0 0	
Consolidated Loan Act, 1867 ...	4,583,100 64,000 13,000	4,660,100	7,938,453 17 11	5	229,155 0 0	1	45,831 0 0	1	274,986 0 0	
Defence and Other Purposes Loan Act, 1870 ...	600,000 50,000 20,000 75,000 5,000 250,000	1,000,000	...	5	30,000 0 0	1	6,000 0 0	1	36,000 0 0	
Immigration and Public Works Loan Act, 1870 ...	372,100 27,900 200,000 500,000	3,200,000	...	4	2,500 0 0	...	...	...	2,500 0 0
North Otago District Public Works Loan Act, 1872 ...	...	23,200	23,162 9 0	5	1,160 0 0	10	7,000 0 0	10	8,160 0 0
Immigration and Public Works Loan Act, 1873 ...	1,500,000 500,000	2,000,000	2,000,000 0 0	4	67,500 0 0	...	...	...	67,500 0 0
General Purposes Loan Act, 1873 ...	12,300 49,500 20,900 18,500 6,200 142,600 500,000	750,000	750,000 0 0	5	25,000 0 0	...	...	...	25,000 0 0
Carried forward ...	...	13,746,111	12,022,049 2 8	5	666,121 10 0	...	112,201 0 0	...	778,322 10 0

* Sinking Funds accrued in London to 31st December, 1879.

† This rate is payable on the amount of the original issue, viz., £270,000.

Table No. 5—continued.
THE PUBLIC DEBT OF NEW ZEALAND ON 31ST MARCH, 1880—continued.

LOANS.	DEBENTURES AND TREASURY BILLS IN CIRCULATION.		SINKING FUNDS ACCRUED.	NET INDEBTEDNESS.	ANNUAL CHARGE.					TOTAL.
	Amount.	When Redeemable.			INTEREST.		SINKING FUND.			
					Rate.	Amount.	Rate.	Amount.		
Brought forward	£ ...	...	£ s. d. 1,724,061 17 4	£ s. d. 12,022,049 2 8	p. cent. ...	£ s. d. 666,121 10 0	s. d. p. cent. ...	£ s. d. 112,201 0 0	£ s. d. 778,322 10 0
UNDER ACTS OF THE COLONIAL GOVERNMENT— <i>continued.</i>										
Westland Loan Act, 1873	...	15 April, 1894	751 11 2	49,248 8 10	5	2,500 0 0	...	...	2,500 0 0
Immigration and Public Works Loan Act, 1874	...	1 February, 1905	...	4,000,000 0 0	4½	180,000 0 0	...	...	180,000 0 0
New Zealand Loan Act, 1876	...	1 March, 1918	...	1,000,000 0 0	5	50,000 0 0	...	...	50,000 0 0
New Zealand Loan Act, 1877	...	1 March, 1918	...	2,500,000 0 0	5	125,000 0 0	...	...	125,000 0 0
New Zealand Loan Act, 1879	...	1 November, 1889	...	5,000,000 0 0	5	250,000 0 0	...	...	250,000 0 0
Treasury Bills,—										
Treasury Bills Extended Currency Act, 1873	180,000	1 November, 1882	...	390,000 0 0	3¾ d. p. d.	20,017 19 5	...	...	20,017 19 5
Treasury Bills Extended Currency Act, 1876	60,000	1 November, 1882	...	...	...	...	...	...	...
Financial Arrangements Act, 1876	126,100	1 November, 1880	...	...	...	...	...	...	...
	23,900	1 November, 1881	...	...	...	...	...	...	...
UNDER ACTS OR ORDINANCES OF THE LATE PROVINCIAL GOVERNMENTS:—										
Auckland Loan Act, 1863	31,600	33 years from issue	8,416 6 9	23,183 13 3	6	1,896 0 0	2	632 0 0	2,528 0 0	
Wellington Loan Act, 1866	13,500	1 July, 1886	5,989 0 0	7,511 0 0	8	1,080 0 0	2	270 0 0	1,350 0 0	
Nelson Waterworks Loan Act, 1864	6,200	1 January, 1881	5,742 17 6	457 2 6	8	496 0 0	2	124 0 0	620 0 0	
Nelson Loan Act, 1874	18,000	Various	...	18,000 0 0	7	1,200 0 0	...	...	1,200 0 0
Lyttelton and Christchurch Railway Loan Ordinance, 1860	77,700	30 years from issue	29,162 13 0	48,537 7 0	6	4,662 0 0	2	1,554 0 0	6,216 0 0	
Canterbury Loan Ordinance, 1862	22,800	50 years from issue	1,868 1 6	20,931 18 6	6	1,368 0 0	1	228 0 0	1,596 0 0	
Otago Loan Ordinance, 1862	116,700	1 July, 1898	29,505 16 5	87,194 3 7	6	7,002 0 0	1	1,167 0 0	8,169 0 0	
ADVANCES ON SECURITY OF TREASURY AND DE- FICIENCY BILLS:—										
Treasury Bills,—										
Treasury Bills Act, 1879	50,000	31 Dec., 1882	...	200,000 0 0	3¾ d. p. d.	2,566 8 1	...	...	2,566 8 1
Deficiency Bills,—	150,000	...	...	...	6	9,000 0 0	...	...	9,000 0 0
Public Revenues Act, 1878	70,000	30 Sept., 1880	...	250,000 0 0	5	3,500 0 0	...	...	3,500 0 0
	180,000	...	...	...	6	10,800 0 0	...	...	10,800 0 0
Totals	27,422,611		1,805,498 3 8	25,617,112 16 4		1,337,269 17 6		116,176 0 0	1,453,445 17 6	

Table No. 6.

STATEMENT showing the Total Ways and Means of the PUBLIC WORKS FUND, and the Total NET EXPENDITURE to the 31st March, 1880.

WAYS AND MEANS.			NET EXPENDITURE.		
LOANS:—	£	s. d.	£	s. d.	£
Immigration and Public Works Loan, 1870	4,000,000	0 0	Immigration	1,891,718	15 3
Immigration and Public Works Loan, 1873	2,000,000	0 0	Public Works Department	144,594	12 9
Immigration and Public Works Loan, 1874	4,000,000	0 0	Railways, including Surveys of New Lines	8,495,974	6 2
General Purposes Loan, 1873	750,000	0 0	Roads	1,013,501	10 0
New Zealand Loan, 1876	750,000	0 0	Land Purchases	787,965	14 11
New Zealand Loan, 1877	2,200,000	0 0	Waterworks on Gold Fields	480,929	17 0
New Zealand Loan, 1879	5,000,000	0 0	Telegraph Extensions	368,763	11 9
			Public Buildings	652,019	10 7
			Lighthouses	85,203	3 9
RECEIPTS IN AID:—			Miscellaneous Public Works	474,928	5 7
Contribution of Canterbury Province for Railways	56,000	0 0	Contingent Defence	105,000	0 0
Stamp Duties to 31st December, 1876	264,657	16 4	Charges and Expenses	558,085	17 8
Transfer from Confiscated Lands Liabilities Account	19,963	1 3	Coal Mines	10,835	8 0
Special Receipts under section 9 of "The Railways Construction Act, 1878"	19,210	2 7	Interest and Sinking Fund	218,500	0 0
Proceeds of Railway Material handed over to Cook County Council	4,963	7 4			
			Estimated Cost of Raising Five Million Loan	15,286,620	13 5
			Imprest Advances in the hands of Officers of the Government	200,000	0 0
				315,763	9 11
					15,802,384 3 4
			Balance on 31st March, 1880,—		
			Cash in the Public Account and on Deposit	£2,383,947	6 1
			Less Orders on Bank of New Zealand, London, unpaid	1,521,537	1 11
			"New Zealand Loan Act, 1879," balance to be brought to Account	862,410	4 2
			"Immigration and Public Works Loan Act, 1870," Imperial Guaranteed Debentures unsold	551,000	0 0
			Investments made on Security of Debentures issued by—	800,000	0 0
			The Waimea Plains Railway Company (Limited)		
			The Waiganui Harbour Board...	57,000	0 0
				2,270,410	4 2
			Advances to the Consolidated Fund on Security of Treasury and Deficiency Bills	992,000	0 0
					3,262,410 4 2
					£19,064,794 7 6

Table No. 7.
ESTIMATED REVENUE and EXPENDITURE of the CONSOLIDATED FUND (exclusive of Land Fund) for the Financial Year ending 31st March, 1881.

REVENUE.			EXPENDITURE.			£ s. d.		
RAISED BY TAXATION :—			PERMANENT APPROPRIATIONS :—			£ s. d.		
Customs	...	...	Civil List	...	...	29,750	0	0
Stamps	...	...	Interest and Sinking Fund	...	...	1,453,161	7	2
Property-Tax	...	...	Under Special Acts of the Legislature	...	...	50,587	14	0
FOR SERVICES RENDERED :—			ANNUAL APPROPRIATIONS :—					
Railways	...	...	Class I. Legislative	...	...	39,851	15	10
Postal	...	...	" II. Colonial Secretary	...	...	170,220	8	5
Telegraphic	...	...	" III. Colonial Treasurer	...	...	49,470	6	8
Judicial	...	...	" IV. Minister of Justice	...	...	137,139	6	7
Land Transfer and Deeds Registry	...	...	" V. Postmaster-General	...	...	278,646	10	0
Registration and other Fees	...	...	" VI. Commissioner of Customs	...	...	90,843	11	4
Marine	...	...	" VII. Commissioner of Stamps	...	...	23,785	0	0
Miscellaneous	...	...	" VIII. Minister of Education	...	...	297,730	0	0
TERRITORIAL REVENUE :—			" IX. Minister of Native Affairs	...	...	14,262	6	8
Depasturing Licenses, &c.	...	...	" X. Minister of Mines	...	...	23,200	0	0
	...	...	" XI. Minister for Public Works	...	...	634,079	8	8
	...	...	" XII. Minister of Defence	...	...	180,981	11	3
						1,949,210	5	5
Estimated expenditure in excess of revenue carried down			Less—					
			Estimated amount which will not be spent within the year	...	...	225,000	0	0
			Departmental reductions	...	...	50,000	0	0
						3,473,709	6	7
PROPOSED TAXATION :—			Estimated expenditure in excess of revenue brought down	...	...	
Duty on Beer	...	...	Estimated surplus	...	...	8,709	6	7
Increase of Stamp Duties (succession)	...	...				41,290	13	5
Deduct estimated loss by Property-Tax Exemptions	...	...				
						275,000	0	0
						3,198,709	6	7
						50,000	0	0
						£90,000	0	0

Table No. 8.
ESTIMATED REVENUE and EXPENDITURE of the LAND FUND for the Financial Year ending 31st March, 1881.

REVENUE.			EXPENDITURE.			£ s. d.		
LAND SALES	...	...	PERMANENT APPROPRIATIONS :—					
	...	...	New Plymouth Harbour Board	...	...	£3,000	0	0
	...	...	One-third of Sales of Deferred-payment Lands	...	...	16,000	0	0
			ANNUAL APPROPRIATIONS :—					
			Crown Lands Department	...	...	£35,180	0	0
			General Survey	...	...	90,043	3	4
			BALANCE	...	...	
						131,223	3	4
						150,223	3	4
						49,776	16	8
						£200,000	0	0

Table No. 9.

STATEMENT showing the AMOUNT of REVENUE from STAMP DUTIES during the Financial Period ended 31st March, 1880.

DISTRICT.	ADHESIVE STAMPS.										IMRESSED STAMPS.										BANK COMPOSITIONS.	MISCELLANEOUS RECEIPTS.	GROSS TOTAL.	LESS REFUNDS.	NET TOTAL.						
	Stamp Act, 1875.					Stamp Act, 1866.					Fines and Penalties.					Stamp Act, 1875.															
	Schedule 1.		Schedule 2.			Probate.		Adminis- tration.		Legacies and Residues.		Succession.			Licenses to Companies.																
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.						£	s. d.				
Auckland	5,939	5 3	2,087	17 0	46	0 0	...	...	...	27	13 0	...	...	...	78	1 2	4,266	12 0	1,116	8 6	1,847	17 9	7	5 9	15,057	1 11	15,057	1 11	
Blenheim	571	2 0	29	10 0	...	...	...	...	...	...	...	...	...	...	...	...	234	9 2	0	15 0	...	...	0	5 0	848	11 8	848	11 8	
Christchurch	12,431	16 2	2,053	5 8	4	0 7	...	0 4 3	...	71	7 9	243	1 9	6,468	15 10	921	19 7	5,332	8 2	5,332	8 2	5,332	8 2	2	5 0	27,557	10 1	27,557	10 1		
Dunedin	10,988	3 8	4,155	1 2	91	0 0	...	16 10 0	...	26	17 11	158	11 3	5,939	13 6	3,190	12 0	3,190	12 0	3,190	12 0	2,367	6 5	0	5 0	26,988	5 8	26,988	5 8		
Hokitika	789	19 6	638	0 6	11	0 0	1,458	19 3	1,458	19 3	
Invercargill	2,020	19 6	42	9 10	...	...	...	...	...	2	1 4	19	6 9	738	18 5	203	5 0	774	10 1	774	10 1	774	10 1	...	...	3,817	16 8	3,817	16 8
Napier	2,622	1 4	5,062	12 0	...	...	...	...	...	...	...	...	...	972	14 2	8	5 0	785	1 1	785	1 1	785	1 1	0	5 0	9,577	5 8	9,577	5 8
Nelson	927	6 7	343	5 9	52	0 0	...	...	...	117	11 2	29	8 0	700	19 5	5	0 0	670	14 0	670	14 0	670	14 0	0	10 0	2,849	17 11	2,849	17 11
New Plymouth	837	8 3	708	14 7	...	...	...	...	...	15	4 1	25	7 11	368	13 5	5	6 0	...	...	...	...	...	...	0	17 11	1,975	2 11	1,975	2 11
Wellington	7,104	10 9	1,622	1 3	1	10 0	...	1 10 0	...	150	7 2	164	2 9	4,719	18 2	4,402	18 4	4,402	18 4	4,402	18 4	2,087	19 6	...	...	20,326	8 5	20,326	8 5
Total	44,232	13 0	16,104	17 3	194	10 7	18	4 3	4 11 2	5 266	5 7	1,037	12 5	25,048	14 7	9,865	9 5	13,865	17 0	13,865	17 0	13,865	17 0	11	13 8	111,057	0	218,978	19 0	92,078	1 2

* Of this amount £18,405 was refunded in respect of duty received during the preceding year.

