

I will, however, say no more about the Property-Tax here, as I shall have to speak somewhat fully upon that subject presently. Telegraphs also yielded £12,562 less than estimated. On the other hand Customs and Stamps (in the latter I include Land and Deeds) produced more than was estimated: the former by the sum of £57,634, the latter by £10,886. The increase in the Customs and Stamp duties is, I think, a subject for congratulation, as showing that the commercial depression under which we have been suffering is passing away, and that the spending power of the community is gradually resuming its normal condition.

LAND FUND OF THE YEAR 1880-81.

The estimated expenditure chargeable against the Land Fund was £158,706, exclusive of £51,648, representing one-half of the proposed subsidies to local bodies. Honorable members will doubtless recollect that when it was found impossible, from want of time, to consider the Local Public Works scheme of the Government, it was determined to continue the subsidies at a reduced rate. I then thought that the Land Fund would not bear the whole of these subsidies, but I am glad to say that it has proved quite sufficient for the purpose, I have therefore charged against the Land Fund the full amount paid on this account. The total expenditure, including £110,506 for subsidies, has been £266,793.

The estimated revenue from land sales was £200,000, but, through the successful handling of affairs on the West Coast of this Island by my honorable friends the late and present Native Ministers, we have had most satisfactory sales of land in that district, which have brought up the receipts from lands sales to £299,166. The expenditure having been £266,793, leaves a credit balance of £32,373. The liabilities outstanding at the close of the year amounted to £37,561. (Tables Nos. 1, 2, and 3.)

THE PUBLIC DEBT.

The gross public debt of the colony on 31st March, 1880, amounted to £27,422,611. On 31st March, 1881, it was £29,165,511, or, deducting the accrued Sinking Funds, £2,057,241, the net public debt was £27,108,270. (Table No. 4.)

It will be observed, on reference to the Statement I made last year, that the gross amount of the debt on 31st March, 1880, did not include £992,000 Treasury and deficiency bills taken up out of the moneys at credit of the Public Works Fund, or the £800,000 unsold debentures of the loan of 1870 guaranteed by the Imperial Government. As £560,100 of the bills referred to have been disposed of during the year, and advances amounting to £300,000 have been obtained upon security of the debentures, these sums have now to be added to the public debt as on 31st March, 1880. The public debt has further been increased during the year by the conversion of £4,476,000 5 per cent. debentures into £5,371,200 4 per cents. under the option, expired on 16th March last, given to subscribers to the Five Million Loan of 1879. This operation resulted in an increase of the debt by £895,200.

Since 31st March, 1880, the following debentures have been redeemed and cancelled: Nelson Waterworks Loan of 1864, £6,200, North Otago District Public Works Loan of 1872, £6,200. The net increase of debt during the year, exclusive of the increase by conversion into inscribed stock, was therefore £847,700, but inclusive thereof it was £1,742,900. Adding to the gross debt on 31st March, 1881, the balance of the guaranteed debentures £500,000, and the Treasury bills £431,900, held by the Public Works Fund, the total gross public debt when these securities are disposed of will amount to £30,097,411, or, deducting the Sinking Fund accrued to 31st March, 1881, £2,057,241, the net debt will be £28,040,170, in respect of which the annual charges will amount to about £1,543,000. I may add that, by the conversion of £4,476,000 5 per cent. debentures into £5,371,200 4 per cents., a saving of £8,952 interest per annum has been effected.

PUBLIC WORKS FUND.

On 31st March, 1880, the total Ways and Means available, subject to liabilities, was £3,778,173. This sum included—Cash in the colony and in