

Consolidated Stock Act, 1884," on account of the Sinking Fund to accrue during the financial year 1887–88. But I do not add the proceeds of deficiency bills sold, because my object is to show what the probable deficit will be at the end of the year. The total receipts were, therefore, exclusive of the proceeds of deficiency bills, £1,769,047. In estimating the revenue for the remainder of the financial year, I do so upon the assumption that taxation, including the property-tax, is not altered from last year. I may remind honourable members that no property-tax has been collected, the annual Bill not having yet been passed. With regard to the other items of revenue I have adopted the estimates of my predecessor, except as regards stamps and railways. The experience of the past six months leads to the probability that stamps will not reach the estimate by £32,600, and railways by £50,000. Taking these circumstances into consideration, I estimate that the revenue for the six months ending 31st March, 1888, will amount to £2,019,460, making a total of £3,788,507 for the year as against £4,156,184 as estimated by the late Colonial Treasurer, which included the proposed additional taxation.

THE LAND FUND.

I have already informed the Committee that on the 31st March last there was a balance of £54,263 at debit of the Land Fund Account. On the 31st March, 1884, there was a balance of £80,447 at credit; the Land Fund expenditure has, therefore, during the past three years exceeded the receipts by an average of £44,900 a year. Last year the expenditure exceeded the receipts by £33,879. It is expected that the receipts for the current year, estimated by the late Government at £108,890, will be realised; and a revision of the expenditure, estimated at £170,907, results in a probable decrease of £2,600; thus the expenditure of the year would have exceeded the revenue by £59,417. I may say that this excess of expenditure is exclusive of the outlay, amounting to £168,266, which has been made from loan during the last three years on opening up land before sale, and of liabilities, £76,908, since incurred on the same account; it is also exclusive of £1,891 expended on village settlements to 31st March last, with liabilities of £67,886 since incurred; but this latter expenditure is to be capitalised and interest obtained for it in the shape of rent, if possible; the money, however, has yet to be provided, either from loan or Consolidated Fund, no provision having been made for it by Parliament.

State of Land Fund Account.

RESULTS.

The revised estimates of expenditure of the Ordinary Revenue Account being, as I have stated, £4,118,395, and the revenue being £3,788,507, the expenditure will exceed the revenue by £329,888 on the Ordinary Revenue Account; and if we add the excessive expenditure of the Land Fund, £59,417, we get a total of £389,305. The late Government proposed to meet the deficit they anticipated on the Ordinary Revenue Account by additional taxation amounting to £250,000, and by a percentage reduction of £20,000 from salaries. With regard to the Land Fund they proposed "that for a term of years, until the increasing revenue will permit otherwise, the deficiency between the land revenue and the land expenditure should be made up by charges on the land, supplied by such local borrowing as may be required." How the present Government propose to deal with the deficiency of the Consolidated Fund as a whole, and prevent its recurrence, I will shortly state. But first I must ask your attention to the Public Debt, and to the Public Works Fund Account.

Excess of expenditure without additional taxation, £389,305.

THE PUBLIC DEBT.

With the view of showing the effect upon the public debt of the operation during the last three years of the provisions of "The New Zealand Consolidated Stock Act, 1877," and more especially "The Consolidated Stock Act, 1884," I have had a table prepared to accompany this statement.

Effect on public debt of operations under Consolidated Stock Acts.

The gross public debt at the 31st March, 1884, as set forth in that table, was £31,071,582, exclusive of £398,000 for deficiency bills; at 31st March, 1887, it was £35,741,653, exclusive of deficiency bills for £279,100 then outstanding.