

The disbursements to the same date have been £647,792 to local bodies, £116,918 to Land and Survey Department, and £89,800 transferred to Public Works Fund, leaving a cash balance of £290 at the close of the year.

Details of receipts and expenditure will be found attached to the usual annual statement of accounts.

As showing the continued increase of the aggregate amount of grants made to local bodies, the grants made during 1892–93 amounted to £74,445, in 1893–94 to £87,151, whilst during the last year, 1894–95, the amount of such grants was £102,842.

Experience has shown that, owing to absentees, to the indifference of rate-payers, and to other causes, the existing law exhibits defects and difficulties which should be removed; and during the present session an attempt will be made to consolidate and amend the existing Acts. The principal feature of the proposal will be that the machinery to carry out all the steps required to obtain a loan will be found embodied in the Bill. In this way we shall do away with the different and at times conflicting processes which the various local authorities have to consider and carry out.

NEW ZEALAND CONSOLS ACCOUNT.

There have been twenty deposits inscribed, amounting to the sum of £158,025, of which £158,000 has been invested in securities yielding a 4-per-cent. rate of interest.

Of this sum, £150,000 was inscribed by the Bank of New Zealand as a special investment of a portion of the second guaranteed million. By arrangement with the bank, in the event of the public desiring to make deposits in excess of the limit fixed by law, the arrangement provided that the £150,000 referred to, or any portion thereof, should be transferred to the investing public. At the time the investment was made the Bank of New Zealand was desirous of finding suitable investments in New Zealand Government securities for the balance of the guaranteed million, in order that they might be held with coin as a reserve against liabilities in accordance with law.

I feel sure that it only requires to be more thoroughly understood that we are offering a secure investment for fourteen years at what may be now called a full rate of interest, to secure a satisfactory flow of deposits properly representing the thrift of our colonists. In connection with the consols account exception has been taken to our having deposited with the Colonial Bank the sum of £150,000, at 4 per cent. The deposit made was strictly in accordance with law, was business-like, and advantageous to the colony. At the time the transaction took place the colony owed the bank £100,000, the payment of which did not fall due until June, 1895. On maturity, this was renewed for eighteen months at a rate of interest of $3\frac{1}{2}$ per cent. The bank thus pays the colony 4 per cent. on £150,000, and the colony pays the bank $3\frac{1}{2}$ per cent. on £100,000.

THE PUBLIC DEBT.

During the year there was advanced £152,000 for loans to local bodies, £234,000 for land improvement and the purchase of Native lands, and £25,100 for the purchase of land for settlements, making a total of £411,100. On the 31st March, 1894, the gross public debt stood at £39,826,415, and on the 31st March last had been increased by £560,549, making a total of £40,386,964. Of the increase of £560,549, the large sum of £411,100 was, as I have before stated, advanced to local bodies, to land improvement, purchase of Native land, and land for settlements. At first sight this increase appears a large sum, but, upon mature consideration, it will be found reasonable enough if we are to carry on successfully the advancement of the country in the direction contemplated under the Acts providing for placing the people on the land and relating to settlement. The interest which the Treasury has to pay upon these loans is considerably exceeded by the receipts derived from the transactions leading to the raising of the loans. In addition to this, £158,025