

new blocks of land, £177,861; and (3) transferred to the Public Works Fund, £89,800: leaving a cash balance of £4, as stated above, at the end of the financial year.

A very complete table has been prepared, and will be placed before honourable members, showing the grants made to, and the repayments made by, the local authorities in respect of loans authorised under the Government Loans to Local Bodies Acts. This table will, I feel sure, be much appreciated, as it furnishes a complete history of the grants which have been made by the Treasury, and of the repayments by the local authorities on account of these grants.

Local bodies find at times some difficulty in strictly carrying out the necessary steps required to obtain a loan, the procedure being somewhat different under the several Acts by which the local authorities are constituted. These difficulties and anomalies, together with several amendments of the parent Acts, render it necessary to have a consolidating Bill prepared, and I hope to be able to place it before members for their consideration during the present session. The accretions from the sinking funds of the loans to local authorities against which debentures may be issued are estimated at £23,000. I do not intend after the 31st March next to issue further debentures in respect of these accretions.

I am pleased to be able to state that the local authorities make their half-yearly payments of interest with great promptness and regularity, and that before the close of the past financial year all payments which had become due had been duly made.

The severe disasters which have recently overtaken the thriving districts of Hawke's Bay, Rangitikei, and other districts, call upon the Government to make special effort to afford facilities in the way of assistance to the local authorities who will have to repair the damages caused by the late floods. With this object in view, I intend to ask for authority to so extend the provisions of the Government Loans to Local Bodies Acts as will enable the Government to grant loans for somewhat larger sums than are therein allowed, the usual safeguards of the Act being of course carefully retained.

#### THE NEW ZEALAND CONSOLS ACCOUNT.

The deposits received during the year amounted to £136,015, making a total of £297,405 inscribed since the initiation of the system. The moneys received have been satisfactorily invested in Government securities.

#### THE PUBLIC DEBT.

On the 31st March, 1896, the gross public debt was £43,050,780, and the net debt £42,271,889. On the 31st March last the figures were respectively £44,366,618 and £43,552,324, showing an increase of £1,315,838 in the gross debt, and of £1,280,435 in the net debt.

Honourable members are aware that there is an increase in the public debt; they will remember that a million loan was authorised during the session of 1896, of which £750,000 was issued during the past financial year. The magnitude of our operations in land-acquisition for settlement purposes necessitated our issuing £297,300 under "The Land for Settlements Act, 1894." Grants to local authorities caused the raising of £93,800 under "The Government Loans to Local Bodies Act, 1886." £52,000 was raised under "The Lands Improvement and Native Lands Acquisition Act, 1894." £136,015 of New Zealand Consols were inscribed; and £70,300 of debentures in aid of revenue were issued under "The Consolidated Stock Act, 1884." The conversion operations for the year caused a small increase of £3,491 to the debt. On the other hand, debentures issued under the following Loan Acts have been paid off, namely: £4,700, Lyttelton and Christchurch Railway Loan, 1860; £16,800, Auckland Loan, 1863; £42,600, Consolidated Loan, 1867; and £22,968 under "The Consolidated Stock Act, 1884."