

The receipts exceeded the expenditure by £55,236 13s. 1d., to which was added the cash and advances, amounting to £338,565 14s. 1d., held in hand at the commencement of the year, thus producing a balance of £393,802 7s. 2d. on the 31st March last towards the ways and means of the fund for the current year.

I may further mention that of the half-million left of the loan authorised last session, up to the 31st March last the Treasury had sold £83,950, leaving a sum of £416,050, which I have little doubt will be gradually sold to investors during the current year. I say "gradually," as I have no desire to disturb the local money-market, which might happen were I to ask for subscriptions to a definite emitted loan.

Taking, therefore, the available balance of ways and means for the current year at £809,852, and at least a similar contribution from the Consolidated Fund to that made last year (£350,000), I have an assured finance to enable us to carry on our public works with a prudent and at the same time a satisfactory expenditure.

The tables which accompany my Budget give very clear and precise particulars of the operations which have taken place during the past year in the various "separate" accounts, and I do not therefore intend to make comment upon all of them.

LAND FOR SETTLEMENTS ACCOUNT.

Recommendations to purchase twenty-five estates were made by the Board of Land Purchase Commissioners, and transactions were completed embracing ten properties, containing 97,149 acres, and the purchase-money ran into large figures, totalling £468,615. The expenses charged to the account amounted to £39,564, and interest on moneys borrowed was recouped to the Consolidated Fund to the extent of £115,088.

The total charges during the year amounted to £623,268 10s. 5d. To meet these charges sales of debentures were made to the value of £511,350; and from rents we received £150,406 18s. 5d. The interest derived from investments of moneys belonging to the account yielded £13,608 11s. 3d., and other small receipts £486 19s. 9d., besides which we brought forward a balance of cash, advances, and investments amounting to £366,074 19s. 9d.

Deducting the expenditure of £623,268 10s. 5d., the account leaves off on the 31st March with a credit balance of £418,658 18s. 9d. The earth-hunger is still unappeased, and I have arranged the purchase of several large estates, the settlement of which will absorb fairly large sums, to be provided for during the current year. I shall have some remarks to make about closer settlement later on.

LOANS TO LOCAL BODIES ACCOUNT.

Up to the 31st March last the total amount of debentures created and issued and carried into this account was £2,227,100, and the total disbursements have been—to local bodies, £1,777,550; to Lands and Survey Department towards opening up blocks of land for settlement, £358,666; and to Public Works Fund, £89,800, in exchange for debentures under "The Roads and Bridges Construction Act, 1882."

By section 8 of "The Local Bodies' Loans Amendment Act, 1903," the low rate of interest of $3\frac{1}{2}$ per cent. per annum was abolished, and the rates mentioned in section 59 of "The Local Bodies' Loans Act, 1901," were increased by one-half per cent. in each case, with the same currencies, so that the lowest rate at which loans are now obtainable is at £4 per cent. per annum, having a currency of forty-one years.

Of the total amount of debts inscribed to the 1st February last, the following figures will indicate the proportion of the various rates at which the loans were made:—

Loans at $4\frac{1}{2}$ -per-cent. rate	....	....	....	£ 1,005,880
Loans at 4-per-cent. rate	....	....	....	42,067
Loans at $3\frac{1}{2}$ -per-cent. rate	....	....	....	809,205
				<hr/>
				£1,857,152