

1909.
NEW ZEALAND.

FINANCIAL STATEMENT

(In Committee of Supply, 10th November, 1909)

BY THE MINISTER OF FINANCE, THE RIGHT HON. SIR J. G. WARD, P.C., K.C.M.G.

Mr. WILFORD,—

It was my privilege to place before the House during the short session that took place early in June last the financial results for the year ended 31st March, and I now propose to deal further with the financial position of the country, to review some of the conditions of the past, and to submit for your consideration important proposals affecting the future.

For the convenience of honourable members, so that they may have before them the complete figures for the last financial year, and thereby be better able to intelligently consider the proposals I submit to them this evening, I attach the Statement I delivered in June last. This will render it unnecessary for me to deal with them in detail, except in the case of the public debt and our loan transactions, full particulars of which I am desirous of placing before the House.

I will first deal with the—

PUBLIC DEBT.

The increase of the public debt, as shown in Table No. 10 attached, for the past year was £4,484,637, but it is only right to say that of this amount no less than £2,633,919 may be regarded as directly interest-bearing, with an additional profit. The acquisition of the Manawatu Railway, which was in full working-order and therefore immediately revenue-producing, necessitated a loan of £1,000,000 to complete the purchase. To enable advances to be made to settlers and workers an additional £1,172,300 was obtained. £250,000 was raised for lending moneys to local authorities under the Loans to Local Bodies Act, and £211,495 was provided for the purchase of lands under the land-for-settlements scheme. These items, with a small sum of £124 invested in New Zealand Consols, make up the £2,633,919, all of which, I repeat, is not only interest-bearing, but yields a profit after paying interest and working-expenses. This leaves a sum of £1,850,718 for general purposes, a large portion of which, however, is expended on additions to open lines and railway-construction—works that will add to our revenue receipts later on.

The gross public debt of the Dominion grew from £38,830,350 at 31st March, 1891, to £70,938,534 at 31st March, 1909—an increase of £32,108,184, equal to 82 per cent.; but of this amount no less a sum than £21,090,070 was spent in directly reproductive objects, such as advances to settlers, advances to workers, land for settlements, loans to local bodies, State coal-mines, Native land purchases, &c.

What does the other side of the balance-sheet show?

Capital value of land publicly and privately owned in 1909	£	270,537,296
Capital value of land publicly and privately owned in 1891	£	122,225,029

An increase in the value of land alone, irrespective of many other sources of property, stocks, &c. £148,312,267

Equal to over 121 per cent.

The increase in the value of railways and rolling-stock for the period 1891–1909 was £13,844,058—from £15,208,374 to £29,052,432—equal to over 91 per cent. The figures may therefore be stated as follows:—

Increase on opened railways and equipment from 1891 to 1909	£	13,844,058
Increased capital supplied to advances to settlers, land for settlements, State coal-mines, loans to local bodies, Native-land purchases, &c. (all directly reproductive)	£	21,090,070
Total	£	£34,934,128

The surplus, after paying full interest and all expenses of the advances to settlers (now over £70,000 per annum), State coal-mines (now nearly £20,000 per annum), land for settlements (£40,000), and Native-land purchase (£37,419), the bulk of which is being capitalised, is more than sufficient to make up for any deficiency on the railways, so that the total amount of £34,934,128 may be considered to be reproductive.

The increase in the public debt during the same period (1891–1909) was £32,108,184. This shows that the whole of the increase in the public debt has been utilised in directly reproductive objects, producing a profit in addition, and that the expenditure on unproductive objects, such as roads, bridges, mines, public buildings, tourist, health, &c., have been provided out of revenue; but as the effect of the bulk of this expenditure is to open up the country and promote its development and progress, thereby greatly increasing its wealth and earning-power, it may also be taken to be to a great extent reproductive in the return of revenue from increased taxes paid.

The profits earned on these State reproductive investments now reach nearly £200,000 after payment of interest and all expenses, and are increasing rapidly from year to year. In addition to this, very beneficial results accrue in the reduction of expenses and cost of living to the general public. It was not intended that these investments should reduce rates to what would be a ruinous competition with private traders and investors. The object was to maintain a fair and reasonable average in order that the public may benefit by obtaining money, coal, and land at reasonable rates, which may be said to have now reached the minimum.

Notwithstanding this, the profits continue to steadily increase, and I anticipate that the time is not far distant when these profit-earning institutions will be the means of providing a large annual sum which, in return for the great services rendered the State in establishing them, can be fairly regarded as a contribution towards the increased charges for interest upon general loans—that is, of course, after full interest and expenses have first been paid on the sums invested.

The investment in the State coal-mines has proved so successful that in a few years' time these properties will be good value for nearly half a million, and will stand to the Dominion practically free of cost. A perusal of the accounts will be found interesting, notwithstanding the unfair criticism of some publications in Australia. In one case, the *Pastoralists' Review*, ignoring the true Profit and Loss Account, which undoubtedly shows the true actual profits, constructed a balance-sheet based on receipts and expenditure, including in the latter a large expenditure of capital in opening up new mines in the Paparoa Ranges and constructing a new railway to these mines.

During the period from 1891 to 1909 the population, exclusive of Maoris, has increased from 634,058 to 960,642—an increase of 326,584, equal to 51 per cent.—and the country has been opened up and developed with steadily increasing rapidity. These are factors that should not be lost sight of when considering the question of our financial stability. Yet they are usually ignored by pessimistic critics.

It will be useful to place before you an estimate of the private wealth in 1909—

	£
Total capital value of land privately owned	205,845,053
Total value of live-stock, machinery, implements, rolling-stock, &c.	27,349,338
Total capital invested in trading and manufac- turing, estimated on the total income re- turned for taxation, capitalised at 5 per cent. (a low estimate) as the average return on capital invested	197,735,020
Native land capital value	16,276,236
Lessees' interest in Crown lands	10,546,281
Church and other lands not otherwise included	2,625,202
Education lands	5,038,615
Fixed deposits	20,084,880
Banks' mortgages not taxed	7,500,000
Public Trust Common Fund mortgages	2,309,415
Building Society mortgages	2,000,000
Post-Office Savings-Bank deposits	12,159,293
Bank-note issue	1,587,051
	<u>£511,056,384</u>

The land-values have been proved to be fully 30 per cent. below actual sales, so that no one can term them boom values.

In addition to what I have stated, there is the private wealth represented by incomes derived from salaries and professions amounting to £3,731,144. These directly employ little or no capital, but they indirectly represent capital, and if capitalised at 5 per cent. would represent £74,622,880. Then there are the wage-earners, who make no returns of income. Their estimated total income is £45,061,350.

The public and private wealth in 1909 was £613,518,825, an increase from 1891 of £300,000,000, produced to a large extent by the expenditure of public money and the corresponding development of the country. The public and private wealth per head of mean population is £768, an increase of £376 from 1891 to 1909, with an increase in the population of 51 per cent.

These figures and facts prove that although the public debt has increased by the amount I have stated, the assets in the rapid development of the country have increased in a vastly greater ratio: for every £1,000,000 increase in the public debt the assets have increased fully by £10,000,000. This in commercial circles would be considered very sound business.

In thirteen years—from 1896-7 to 1908-9—there is an annual increase of income returned for taxation alone of £9,325,976, an average increase year by year of £717,459. In fifteen years—from 1893-4 to 1908-9—there is an annual increase of £10,043,703 in incomes returned for taxation.

The expenditure of public moneys in the development of the country and in public utilities produces vastly increased wealth and earnings in return. A very small percentage of this returns to the Treasury in the shape of taxes on the capital expended; the balance, by far the greater proportion, goes into the pockets of the people. This shows the solid basis of the progress and prosperity of the country. The steady and rapid increase of public and private wealth in New Zealand during recent years is indeed remarkable, and must be considered when dealing with the increase of the public debt.

The population has not increased at nearly the same rate as the increase in wealth and income; so that, while the amount of taxation per head has increased, the wealth and incomes have increased at a very much greater rate proportionately. There has been no increase in the rates of taxation, direct or indirect, during the period 1891 to 1909. On the contrary, there have been enormous concessions in nearly every branch of the public revenue.

There are 890,352 persons in New Zealand who pay no direct taxation whatever, and included there are 297,809 wage-earners who pay no direct taxation.

The increases in the rate of graduated tax have been more than compensated for by the loss of revenue owing to the promoting of closer settlement. The increase in the graduated-tax revenue is accounted for entirely by the increase in values of land, which has been created to a great extent by the expenditure of public money.

There are enormous undeveloped resources in New Zealand which an influx of capital in the shape of public expenditure would bring rapidly into use, thereby producing public and private wealth and incomes greatly in excess of the capital expended. In my opinion, it is not well that the resources of the Dominion should remain undeveloped, and progress be retarded, that, by bringing them into immediate use, they produce quick return on capital in the shape both of public revenue and of public and private wealth.

OUR LOAN TRANSACTIONS

During the session of 1908 Parliament authorised the raising of £1,250,000 for public works and £1,000,000 for the purchase of the Wellington-Manawatu Railway. Although the money-market has been in an easy position during the past financial year, the stock-market has not been by any means favourable to public issues of loans. This fact is borne out by the result of some issues of colonial loans during that period. I therefore decided not to go on the public market, and the result has justified that decision. The course I adopted has enabled me to obtain all the moneys I required in London on much more favourable terms than if they had been raised by public issue of stock, or debentures. Of the £1,250,000 Public Works Loan, £1,000,000 was issued on debentures at $3\frac{1}{2}$ per cent. interest, at $99\frac{7}{8}$ free of brokerage, purchaser to have the option of converting all or any into $3\frac{1}{2}$ -per-cent. inscribed stock; of this amount £500,000 was converted into $3\frac{1}{2}$ stock at £102, and the balance was replaced by issue of $3\frac{1}{2}$ stock due 1940. £100,000 was issued at 4 per cent., at $\frac{1}{2}$ per cent. premium, due 13th November, 1913; £100,000 was issued at $3\frac{3}{4}$ at par, due 1st April, 1912. Both these amounts will later on be converted into $3\frac{1}{2}$ -per-cent. stock. The balance, £50,000, was issued at $3\frac{1}{2}$ per cent. at par, due 1st April, 1916. These financial operations must, I think, be considered satisfactory even by the most fastidious critic.

As to the Wellington-Manawatu Railway Purchase Loan, £500,000 was issued in debentures at $3\frac{1}{2}$ per cent. at $99\frac{7}{8}$ net, no brokerage, purchaser to have right of converting all or any into $3\frac{1}{2}$ -per-cent. inscribed stock. Of this parcel £270,000 was converted at £102, and the balance, £230,000, replaced by issue of $3\frac{1}{2}$ per cent. inscribed stock, due 1940. £500,000 was issued at 4 per cent., at $\frac{1}{2}$ per cent. premium, to mature 1st March, 1916.

In addition to the above, £982,300 has been obtained in London for Advances to Settlers and Workers. Advances at low rates of interest as required, being obtained in the first instance and subsequently repaid by the issue of debentures.

During the year investments of £724,900 were found for the Post Office, including £250,000 for loans to local authorities, £200,000 under "The Post and Telegraph Act, 1908," for post-office buildings, £130,000 for advances to settlers and workers, £70,000 under "The Government Railways Act, 1908," for the duplication of railway-lines, and £30,000 for the Hutt Railway and Road improvement.

Offers from Australia to purchase £315,000 of our debentures were received and accepted, the rate of interest being 4 per cent.—a premium of 2 per cent. being obtained on almost every parcel. The money was invested on the balance of the 1907 loan (£191,800), Land for Settlements (£11,300), Government Advances to Settlers and Workers (£60,000), Government Railways Act and the Hutt Railway Road and Improvement Act (£14,800), and the balance under the Aid to Public Works Act, 1903, for renewals, the currency ranging from five to fifteen years.

No action whatever has been taken to induce the public in the Dominion to invest in Government securities, but several persons desirous of investing their savings in that way have, unsolicited, taken up £121,415 worth of 4-per-cent. debentures with a currency of seven years.

None of the other transactions call for special comment.

LOANS MATURED.

During the financial year just closed debentures amounting to £3,133,238 fell due, and it may be of interest to honourable members to learn that of this large amount no less a sum than £2,148,488 was renewed by the holders, leaving £984,750 to be provided for by the sale of new debentures. In this connection I may state that a large saving in interest-charges was made, debentures for over £1,000,000, which previously carried a rate of 4 per cent., being placed at 3½ per cent. No one, unless deliberately refusing to acknowledge the splendid results achieved under this head of our finance, can contradict me in asserting that the results are most satisfactory, the exact position being as follows:—

Amount matured,—					£	£
4 per cent.	....	....	....	....	2,010,800	
3½ per cent.	....	....	....	....	1,057,438	
3 per cent.	....	....	....	....	65,000	
					— — — —	3,133,238
Renewed or provided for,—						
4 per cent.	....	....	....	....	910,825	
3½ per cent.	....	....	....	....	2,221,763	
Outstanding	....	....	....	....	650	
					— — — —	<u>3,133,238</u>

LOANS MATURING.

During the present financial year £2,619,023 falls due. Of this amount £1,552,650 fell due during the last six months, of which £684,800 has been renewed by the holders and £867,850 paid off. This has been done without any additional charge on the Dominion for interest—in fact, in one instance, a parcel of £40,000 on which we had heretofore to pay 6 per cent. was secured at 4 per cent.

LOANS TO LOCAL BODIES.

The balance at credit of the Loans to Local Bodies Account on the 31st March, 1908, was £11,271. Debentures for £250,000 were created and issued during the year, and refunds of unexpended balances of grants amounting to £529 received. Payments on account of loans made during the past year to local bodies amounted to £192,136; towards opening up blocks of land for settlement, £54,713; and the amount transferred to Hauraki Plains Settlement Account under section 4 of "The Hauraki Plains Act, 1908," was £12,000, leaving at the end of the year a balance of £2,951 to the credit of the account.

Up to the 31st March last the total proceeds of debentures issued and carried into this account was £3,178,100, and the total disbursements have been £3,175,149, as follows: Loans to local bodies, £2,506,379; towards opening up blocks of land for settlement, £566,970; £89,800 in exchange for debentures under "The Roads and Bridges Construction Act, 1882"; and the amount transferred to Hauraki Plains Settlement Account under section 4 of "The Hauraki Plains Act, 1908," was £12,000.

Applications from local bodies for loans for public works under the Local Bodies' Loans Acts have this year been the largest since the Act of 1886 came into operation, which is no doubt attributable to the great difficulty experienced by local bodies during the year in obtaining money at a reasonable rate of interest within the Dominion from outside sources.

I have already submitted to the House a Bill altering the conditions under which moneys for local public bodies can be obtained. As this is now before the House and is receiving the attention of honourable members I need say no more than that the proposals make provision to meet the extending requirements of local public bodies throughout the Dominion to a larger extent than has hitherto been possible. The moneys required will be obtained in England at such a reasonable rate as will admit of their making use of the sums legitimately required for local purposes.

LAND AND INCOME TAX.

There has been a steady increase in the amount of land-tax collected. This is partly accounted for by the increase in values, and partly by the legislation of 1907. The increase in ordinary land-tax last year amounted to £43,677, which is wholly from increased values, no alteration in the rates of ordinary land-tax having taken place. The increase in the graduated land-tax amounted to £23,248, resulting also from increased valuations, as the scale was the same as in the previous year.

Absentee-tax increased by £129, consequent on the increased graduated tax. It may not be out of place for me to note here that on the other side the increase of private wealth in land alone during the last fifteen years is £113,573,887. The enormous increase in the public and private wealth of this Dominion, to which I have already referred, and during the last fifteen years, after careful examination and analysis, I estimate within that period amounts to the large sum of £250,000,000. It has increased at a much greater rate than the population proportionately. When it is remembered that the gain in public and private wealth is £10 for every £1 of expenditure of public money, the natural sequence to this is that there has been a large increase in revenue from direct taxation, whilst at the same time there has been no increase in the rates of tax—it is due to the increase of private wealth and incomes entirely. The whole of the direct taxation—viz., land-tax, income-tax, and death duties—is contributed by comparatively a few persons, who, it is evident, have reaped the benefit of the public expenditure to a very large extent. In 1908–9, 39,132 taxpayers contributed the whole of the direct taxation of this country, amounting to £1,186,182, equal to £30 per taxpayer. In 1893–4, 15,327 taxpayers contributed £448,151, equal to £29 per taxpayer, an average increase of £1 per taxpayer per annum in fifteen years. At the same time the average wealth of these persons has increased £9,181, which equals an average increase at the rate of £612 per annum, in addition to those increased incomes which are not included as wealth, amounting to £4,000,000, but which indirectly represents wealth, and if capitalised at 5 per cent. would represent nearly £1,500 per annum of an increase.

The income-tax revenue for years past has also shown a consistent increase, which as an indication of the progress and prosperity of the Dominion is interesting. I attach a table showing the wonderful increases in the income of the taxpayers, which I think honourable members will appreciate, and from which it will be observed that the incomes returned for taxation have increased over what they were fifteen years ago by the enormous sum of £10,043,703, for the year

ending 31st March, 1909, and increasing by large amounts each year. During that time there has been an increase of 7,396 income-tax payers, equivalent to 315 per cent. There is also to be taken into account the increase in incomes of those in-employment, and who do not contribute anything to direct taxation, which the Commissioner of Taxes estimates at an average of 10s. per week all round, and this is certainly a low estimate, which amounts to a very large sum in the aggregate. These figures will convey some idea of the enormous development and prosperity of the country during the past fifteen years, which alone has contributed the increase in revenue from direct taxation, and this may be attributed to a large extent to the expenditure of public money in opening up the country, without which it would have been impossible. During that time there has been no increase in the rates of income-tax, but on the other hand large concessions have been made from time to time.

POST AND TELEGRAPH DEPARTMENT.

The revenue of the Post and Telegraph Department again shows a material increase, having reached no less a figure than £913,995. All the principal sources—viz., postages, telegrams, and telephone exchanges—have materially contributed to the £91,356 by which the previous year's revenue was exceeded.

As in the past, concessions have led to increased business. Money-order and postal-note commission, which was reduced by 50 per cent., shows 75 per cent. of the previous year's revenue.

This, considering the largeness of the reductions, is most satisfactory.

I estimate that at least £938,000 revenue will be received during the current year.

LAND REVENUE AND SETTLEMENT.

The total land revenue from all sources was £696,375. This is £37,581 more than the previous year, which I informed you in last year's Budget had been the largest received by the Department. The territorial revenue amounted to £222,856, and the revenue received as rentals from the lands dealt with under the Land for Settlements Act was £237,831. The sum credited to "Territorial" is less than in previous years, as a portion of the moneys hitherto credited as such now belongs to the National Endowment Fund. The amount received for this latter fund during the past year was £76,222. It is estimated that the gross land revenue for the year 1909-10 will amount to the sum of £659,000, of which £224,000 will belong to "Territorial."

The number of Crown tenants at the close of the year was 25,204, an increase of 1,108 during the year, the area held being 18,264,083 acres. The area disposed of during the year for immediate sale for cash payment was 42,176 acres to 371 purchasers, the amount received being £41,689. In addition to the disposal by immediate sale, the freehold was acquired by 232 holders of deferred-payment, perpetual-lease, occupation-with-right-of-purchase, and lease-in-perpetuity holdings to the extent of 55,372 acres. The total area selected during the year on settlement conditions—that is, exclusive of pastoral and miscellaneous holdings—was 521,145 acres, by 1,863 persons.

During the current year the work of preparing Crown lands for settlement is being energetically pursued, and it is believed that the transactions and number of settlers will compare favourably with the figures of the past year.

LAND FOR SETTLEMENTS.

Five estates were finally acquired and opened for close settlement during the past year at a cost, with incidental expenses, of £382,426. Up to 31st March, 1909, 1,195,292 acres were purchased at a cost of £5,146,999, with a further expenditure of £452,680 for expenses incidental to the acquisition and subdivision into smaller farms and construction of new roads. This large investment shows rents, &c., received £1,710,032, and interest paid £1,331,980, for the whole period—a satisfactory financial result, especially as it is obtained from a

process of closer settlement which has in itself proved so beneficial in other ways.

The demand for these lands continues unabated, but it must be remembered that, apart from cost, the extent of land suitable by quality and position for close settlement is not plentiful.

The market for rural lands has for some time past been somewhat inflated, and especially so in the case of suburban areas, and owners in many cases are still asking excessive values, rendering purchases difficult to negotiate, as the future of the settlements depends upon the rents being reasonable.

ADVANCES TO SETTLERS.

This eminently serviceable and profitable Department continues its success. About 28,000 settlers and workers have received assistance amounting to £9,810,725. The average amount of the advances now outstanding is £390 for the settlers, and £251 for the workers.

The total amount of the advances for the combined Departments during the year amounted to the record sum of £1,792,019, and this average has been maintained throughout the year. Four years ago the total amount of advances made during the year was £100,000.

The Department advanced during the year in the Settlers Office alone £1,521,409, an excess over the previous year of over a quarter of a million.

It is difficult to conceive what would have been the state of things during the past twelve months if the Advances to Settlers Department had not been in existence. Owing to the financial depression throughout the world, the pinch has been felt in New Zealand, but it would have been positively disastrous had not this Department been able to grapple with the emergency as it did. At the same time, as evidence of the advantage of obtaining the assistance at low rates of interest, the instalment-payments of principal and interest have been met with the usual promptitude, the stringency of the money-market having apparently not affected the ability of mortgagors to meet their instalment-payments to any noticeable extent—a sufficient proof of the value of this Department in affording relief in times of depression.

The repayments to the Department from all sources totalled £801,980. These show a steady increase as a result of the larger amount of money being advanced annually, but a considerable reduction has taken place in the amount of mortgages repaid in full, or in part, this year as compared with former years; and it will be observed that the claims made on the Department have grown unexpectedly quite out of proportion to the moneys repaid. This will, however, adjust itself when money becomes easier. It is therefore clear that unless the benefits and advantages to be derived from the Department are to be denied to numbers of deserving settlers and workers desirous of obtaining advances at a low rate of interest, at a minimum of cost, the borrowing-powers of the Department must be maintained, and I have already placed before the House proposals to enable this be effected.

ADVANCES TO WORKERS.

The system of making advances to workers has been in existence now a little over two years, and the sanguine hopes expressed for the measure when being placed on the statute-book have been more than realised by the great success which has attended the operations of that branch of the Department. The advances paid out during the year numbered 1,116, and amounted to the sum of £298,184 6s., an excess over the previous year of 336 loans for £94,206 3s. 10d. Up to the 31st March last, loans aggregating £603,800 had been granted to 2,399 workers, who have been able to acquire homes for themselves and their families under the favourable and liberal conditions offered by the Act. The increase of the borrowing-powers from £200,000 to £500,000 in any one financial year as provided by the Act passed last session has materially aided that branch of the Department in its endeavours to meet and supply the growing needs of the workers.

LABOUR.

It is gratifying to be able to state that our prospect of success in industrial legislation is gradually becoming assured. Not only are fewer offences committed against the labour laws or the Arbitration Court awards than was formerly the case, but there is noticeable a general feeling of enhanced confidence between employers and employed. Much of this is owing to the change wrought by last year's amendment of the Industrial Conciliation and Arbitration Act in the direction of appointment of Commissioners and Councils of Conciliation. The work done already by these Commissioners and Councils has not only prevented much litigation and eased the former strain on the Arbitration Court, but has brought about a spirit of mutual forbearance and agreement which is full of promise and encouragement.

Certain trades in the Dominion have suffered from the unemployment of some of their members during this last autumn and winter. Flax-millers and fellmongers were among the earliest to feel the "tightness" of money resulting from financial crises abroad, then the building trades and general labourers found many of their number out of work. The scarcity of employment was not universal, but was locally severe, especially in Wellington. Every effort was made by the Government to meet the difficulty by expediting proposed building operations, and by placing some of the men at bushfelling or on public works. The financial depression is now apparently over; flax-mills are beginning to reopen, and building contracts are being let. With the spring, the high prices of our staple exports, and the productivity of the country generally, which has been undiminished during the time of stress, will again induce prosperity.

MINING.

This industry is steadily progressing. The works for testing the deep alluvial leads at Ross, which have been assisted by subsidy from the Mines Department, are nearly completed, and it is hoped that this company will soon be included in the dividend-paying list. The negotiations for testing the deep quartz reefs at the Thames are still being proceeded with, and it is expected that a start will soon be made with the driving of the crosscut.

The deposits of hæmatite ore at Parapara, though still unworked, are now attracting the attention of capitalists, and the manufacture of iron may be added to the other industries of the Dominion in the course of a few years.

In April last arrangements were completed with the Native owners, and the Urewera District Native Reserve was opened to the prospector and the miner, but the negotiations were so recently completed that nothing definite as to the value of the mineral wealth of the area has yet been recorded.

The export of silver for the past year is again considerably in excess of any annual export so far recorded, and this also applies to the output of coal for the year.

OCEAN MAILS.

Negotiations have been proceeding with the view of including Auckland as a port of call of the Vancouver steamers, and I am hopeful that the sympathetic attitude of Canada will assist towards securing the desired result. Sir Wilfrid Laurier has, in response to a cable communication from me, replied that Canada is agreeable if Australia consents. I am submitting the matter by letter to the Prime Minister of Australia, with a view to Auckland being included as a port of call. I trust that the Commonwealth Government may be able to agree to what would be to the advantage of Canada, Australia, and New Zealand, as a linking-up of the three countries by a service of this kind must confer advantages upon all. In the meantime I have endeavoured to arrange a close connection with the Vancouver steamers at Fiji, but the high cost of this and the undesirability of establishing such a connection, if there is a possibility of the main line being diverted to Auckland, may make it advisable to await the result of the negotiations now proceeding between this Dominion, Canada, and Australia; but should it not eventuate, then every effort must be made to

establish a mail and passenger service from Auckland to San Francisco *via* Suva and Honolulu.

I have devoted much attention to the possibility of establishing a service by New Zealand steamers between Auckland and San Francisco by way of Tahiti, only to find that without assistance from the American Government the cost of such a service is beyond our resources. There is, however, some reason to believe that in the next session of Congress the much-debated Shipping Subsidy Bill will become law, when a service by American steamers will, it is practically certain, be undertaken. At the same time, I do not think we should overlook the advantages to New Zealand of having a suitable service *via* Suez. It is deeply to be regretted that after so many years of control by the Suez Canal Company the obtaining of large profits is made paramount to a lowering of the scale of charges by which increased trade by that route would be encouraged to the great advantage of the Motherland and some of her principal oversea dependencies. I am hopeful that finally we may have the advantages to this country of regular services by the three routes—namely, Vancouver, San Francisco, and Suez. These, together with the excellent direct services that are being run for passenger and cargo purposes between New Zealand and Great Britain, should place us in a position in the oversea carrying for our general trade of much greater advantage than at present exists.

INLAND-MAIL SERVICES.

The tendering for the inland-mail services for the ensuing triennium has been very satisfactory. Owing to the large increase in mail matters generally and particularly in the parcel post—the latter has risen by 175 per cent. in a little over two years—an increase in the amount required was to be expected, but this has not been more than might be regarded as a normal one. I have in many cases been able to authorise considerable extensions of frequency in country districts, and otherwise improve existing services. Following the general policy of Government services to the back-blocks are being extended as rapidly as possible, notwithstanding that the cost is in most cases very considerably in excess of the revenue.

WIRELESS TELEGRAPHY.

Although a preliminary vote of £2,000 for wireless telegraphy was taken in 1907, it was not expended owing to the difficulty of arriving at a final decision as to the best system to adopt, there having been a succession of inventions of new methods of some excellence during the last few years. From my recent observations in London, and also in America, I am of the opinion that considerable developments are likely to take place within the next twelve months, and this country should wait and obtain the best system possible. Three wireless stations should be erected in New Zealand of sufficient power to enable communication to be made with Australia, and for a radius of about 1,200 miles from the extreme north and extreme south of the mainland; and simultaneously legislation providing for the establishment of the wireless system on passenger steamers trading from New Zealand should be passed. I hope to be in a position to lay definite proposals before Parliament next session.

OLD-AGE PENSIONS.

The widening of the scope of the Act in 1908 has been mainly responsible for an increased expenditure of £11,560 during the financial year just closed. As, however, the majority of those taking advantage of the new provisions did not participate until after October, the full effect will be much more pronounced during the current year, for the first six months of which the increased expenditure has been at the rate of £26,000 per annum.

The number of pensioners increased by 827, the greatest numerical advance since 1801, the percentage to the population eligible by age being 34, as against 32 in 1908.

During the early part of this year there was a marked increase in the number of new claims recorded, due no doubt to the financial stringency. I am glad to be able to announce that there has been, during the past two months, an almost equally marked falling-off.

The increase due to every widening of the scope of the Act, and the natural increase which, without any advance in the percentage, is based upon a greater eligible population each year, necessitates considerable caution in dealing with demands for further concessions.

The question of the full exemption of pensioners' *bona fide* homes has been raised, and it has received considerable attention at my hands. It will further increase the expenditure. In these circumstances it is only fair that where pensioners have relatives who were able to maintain them, but allow the burden to fall on the State, the pensioner's property should not be alienated, but that should go to the State. This will enable a contribution towards this humane fund to be made, instead of the money going into the coffers of comparatively well-to-do people who have been relieved from the monetary obligation that would have been entailed upon them but for the existence of the old-age pensions. I will submit proposals this session which, while assisting pensioners, will at the same time check any abuses against which the State should rightly be protected.

FERRY SERVICE.

The development of the railways in both Islands, and the consequent necessity for having a complete State-owned link for the conveyance of mails and passengers between the two Islands, has been from time to time receiving the consideration of the Government, and the time is approaching when this important matter should be dealt with on practical lines. Up to the present the service has been carried on by the Union Company in a satisfactory manner, but the Government are considering whether the time has not arrived when something definite should be given effect to in order to own and control the steamers carrying the mails and passengers, a large number of the latter being travellers over the Government railways in both the North and South Islands.

The matter has been the subject of negotiations with the Union Steamship Company, and, should it assume a definite shape, the House will be duly advised. I am of the opinion that two steamers of the "Maori" type are necessary so as to give a close connection on every night of the week except Sunday, thus enabling the transport of mails and passengers to be carried out under State administration at both ends.

NAVAL DEFENCE.

Honourable members are aware that the Imperial Defence Conference, which was attended by me as the representative of this Dominion, arrived at decisions in connection with the strengthening of the British navy which call for action on the part of New Zealand. The offer of a "Dreadnought" made by this country was accepted by the British Government, and the necessary steps require to be taken to enable the vessel to be built and handed over to the Admiralty.

For this purpose I propose to ask the House for authority to raise a loan of up to two millions, at a rate of interest not exceeding $3\frac{1}{2}$ per cent. Until the vessel is actually completed it is not possible to say what the exact amount of the expenditure will be, but it will be within the amount I have named.

Having regard to the nature of the expenditure, you will I hope agree with me that it should not be treated as part of our permanent public debt, and I propose that we make provision for paying it off within eighteen years. For this purpose a sinking fund of 4 per cent. will require to be provided, and proposals in this direction will be submitted to you.

It is scarcely necessary to say anything at this time in support of our offer of the "Dreadnought." The Government made it, subject, of course, to ratification by Parliament. Parliament ratified it, and, in doing so, acted, I am convinced, with the hearty approval of the great majority of the people. The motive

throughout was the same. We recognised, all of us, that the best interests of New Zealand were bound up with the maintenance of British supremacy on the seas. That supremacy appeared to be directly challenged. In our own interests, as well as those of the Empire at large, we felt that at that particular juncture the offer we made was not only opportune in itself, but was the most effective way of strengthening the Empire.

At the Conference the oversea representatives were of one mind in their willingness to take some share in Imperial defence, though they differed as to the form it should take. Local sentiment and local conditions no doubt weighed with them. Some preferred local navies; others, amongst them myself, thought the more excellent way was to contribute a quota to the British navy itself. The course I followed will be best seen by the following correspondence, which summarises the position:—

DEAR MR. McKENNA,—

Hotel Cecil, London, 11th August, 1909.

At to-day's meeting you explained that the general idea underlying the Admiralty memorandum was that the present East Indies, China, and Australian Squadrons should be treated strategically as one Far Eastern—or, as you thought, as a preferable term, "Pacific"—Station, and that each of the principal portions of this station should have a complete fleet unit, the Commonwealth Government maintaining one unit in Australian waters in lieu of the present Australian Squadron and the Imperial Government providing the remainder, the "Dreadnought" cruiser presented by New Zealand forming the flagship of the China unit. If Canada found herself able also to come into this agreement, her contribution to the Pacific Station would be a fourth unit.

I think it will conduce to clearness if I state my views in writing, hence this memorandum.

I expressed myself as generally satisfied with this arrangement as a strategic plan; but I would point out that if, as I understand, Australia is providing an independent unit, it means the superseding of the present British Australian Squadron, and the fact of that being done would, on its completion, determine the Naval agreement with Australia and New Zealand, thus creating an entirely new position.

I favour one great Imperial Navy, with all the oversea dominions contributing either in ships or money, and with naval stations at the self-governing dominions supplied with ships by and under the control of the Admiralty. I, however, realise the difficulties, and recognise that Australia and Canada in this important matter are doing that which their respective Governments consider to be best; but the fact remains that the alteration that will be brought about upon the establishment of an Australian unit will alter the present position with New Zealand.

New Zealand's maritime interests in her own waters and her dependent Islands in the Pacific would under the altered arrangements be almost entirely represented by the Australian fleet unit, and not as at present by the Imperial fleet. This important fact, I consider, necessitates some suitable provision being made for New Zealand, which country has the most friendly feeling in every respect for Australia and its people. I am anxious that in the initiation of new arrangements with the Imperial Government under the altered conditions the interests of New Zealand should not be overlooked. I consider it my duty to point this out, and to have the direct connection between New Zealand and the Royal Navy maintained in some concrete form.

New Zealand will supply a "Dreadnought" for the British navy, as already offered; the ship to be under the control of and stationed wherever the Admiralty considers advisable.

I fully realise that the creation of Pacific units—one in the East, one in Australia, and, if possible, one in Canada—would be a great improvement upon the existing condition of affairs, and the fact that the New Zealand "Dreadnought" was to be the flag-ship of the China-Pacific unit is, in my opinion, satisfactory. I, however, consider it is desirable that a portion of the China-Pacific unit should remain in New Zealand waters; and I would suggest that two of the new "Bristol" cruisers, together with three destroyers and two submarines, should be detached from the China Station in time of peace and stationed in New Zealand waters; that these vessels should come under the flag of the Admiral of the China unit; that the flagship should make periodical visits to New Zealand waters; and that there should be an interchange in the service of the cruisers between New Zealand and China, under conditions to be laid down.

The ships should be manned, as far as possible, by New Zealand officers and men, and, in order that New-Zealanders might be attracted to serve in the fleet, local rates should be paid to those New-Zealanders who enter, in the same manner as under the present Australian and New Zealand agreement, such local rates being treated as deferred pay.

The determination of the agreement with Australia has of necessity brought up the position of New Zealand under that joint agreement. I therefore suggest that, on completion of the China unit, the present arrangement with New Zealand should cease; that its contribution of £100,000 per annum should continue and be used to pay the difference in the rates of pay to New-Zealanders above what would be paid under the ordinary British rate. If the contribution for the advanced rate of pay did not amount to £100,000 per annum, any balance to be at the disposal of the Admiralty.

The whole of this fleet unit to be taken in hand and completed before the end of 1912, and I should be glad if the squadron as a whole would then visit New Zealand on the way to China, leaving the New Zealand detachment there under its senior officer.

I remain, yours sincerely,

(Sd.) J. G. WARD.

DEAR SIR JOSEPH,—

Admiralty, Whitehall, 18th August, 1909.

The suggestions made by you at the meeting on the 11th, and recited by you in your letter to me of the same date, have been carefully considered and concurred in by the Admiralty.

The present naval agreement with Australia and New Zealand will not be renewed, and, in view of this fact and the other special circumstances referred to by you, the part of the China fleet unit as set out by you will be maintained in New Zealand waters as their headquarters. Your wish that the ships of the fleet as a whole, or at any rate the armoured ship and the cruisers, when completed, should pay a visit to New Zealand on the way to China shall also be carried out.

I take this opportunity, on behalf of the Admiralty, of repeating their sincere thanks to the New Zealand Government for taking so important a part in the inception of the present Conference. The Admiralty feel that every effort should be made to work out a scheme acceptable to the people of New Zealand, having regard to the patriotic action taken by yourself and your Ministers in March last.

I remain, yours sincerely,

(Sd.) REGINALD McKENNA.

In making these proposals I acted on what, after very full consideration, I believed to be best for New Zealand and most in accord with the sentiments of her people.

It would be quite out of place for me to attempt to question, or even to criticize, the decision of Canada and Australia to establish local navies. It is for these great dependencies themselves to determine the lines on which they are to proceed, and I fully recognise that they are the best judges of their own best interests. It will be clearly understood, then, that the reasons which moved me in the course I took had no relation to them.

Omitting all such controversial points as the difficulty of maintaining a common standard and arranging for interchanges, the risk of defeat in detail if the British fleets were crushed, and so on, there remains one consideration which is purely personal to New Zealand, and, in my own opinion, determines the whole matter. This is the question of cost.

To show what pecuniary liability is involved in a local-fleet unit, I quote an extract from an Admiralty memorandum that Mr. McKenna, the First Lord, submitted to the Conference:—

7. The fleet unit to be aimed at should, in the opinion of the Admiralty, consist of the following:—

- 1 armoured cruiser (new "Indomitable" class, which is of the "Dreadnought" type),
- 3 unarmoured cruisers ("Bristol" class),
- 6 destroyers,
- 3 submarines,

with the necessary auxiliaries, such as depot and store ships, &c.

Such a fleet unit would be capable of action not only in the defence of coasts, but also of the trade routes, and would be sufficiently powerful to deal with small hostile squadrons should such ever attempt to act in those waters.

8. Simply to man such a squadron, omitting auxiliary requirements and any margin for reliefs, sickness, &c., the minimum numbers required would be about 2,000 officers and men, according to the Admiralty scheme of complements, including—

- 1 Rear-Admiral, or Commodore, and staff,
- 1 captain,
- 4 commanders,
- 43 lieutenants and sub-lieutenants,
- 16 engineer officers,

besides medical and accountant officers and warrant and petty officers of the various classes.

9. The estimated first cost of building and arming the class of ships indicated would be—

	£
"Indomitable" (new)...	2,000,000
"Bristol" ...	350,000*
Destroyer (river class) ...	80,000*
Submarine (C class) ...	55,000*

* May have to be increased.

It is difficult to estimate the annual cost of maintenance—i.e., upkeep of hull and machinery, sea stores, fuel, &c.—under the new conditions contemplated, but it may be taken that it would amount approximately to,—

	£
"Indomitable" ...	52,000
"Bristol" ...	16,500
Destroyer (river class) ...	10,700
Submarine (C class) ...	2,300

It is also difficult to estimate the amount which should represent interest and depreciation on first cost. The life of the "Indomitable" and "Bristol" classes may be estimated at twenty

years, and that of the destroyers and submarines at fifteen years ; but the amount to be calculated on this basis would vary according to the rate of interest prevailing in each country. It has not, therefore, been included.

The total first cost, accordingly, of building and arming a fleet unit apart from auxiliaries would be—

1 "Indomitable" (new)	...	...	...	...	...	£ 2,000,000
3 "Bristols"	...	...	...	...	...	1,050,000
6 destroyers (river class)	...	...	...	...	...	480,000
3 submarines (C class)	...	...	...	...	...	165,000

£3,695,000

and the total annual cost of maintenance would be—

1 "Indomitable"	...	...	...	...	...	52,000
3 "Bristols"	...	...	...	...	...	49,500
6 destroyers (river class)	...	...	...	...	...	64,200
3 Submarines (C class)	...	...	...	...	...	6,900

£172,600

10. The above figures do not include the cost of *personnel*, which should be added to the annual charge for maintenance. The active-service pay of 2,000 officers and men and their victualling and other like expenses, would amount approximately to £156,000 a year, calculated on the rates payable in the Royal Navy only.

It will be noticed that, as in the case of the *materiel* of the fleet unit, the estimated cost of the *personnel* required to man the ships does not comprise the whole cost. There would be other charges to be provided for, such as the pay of persons employed in subsidiary services, those undergoing training, sick, in reserve, &c.

In the course of the discussion Mr. McKenna said that, at Imperial rates, the total annual cost of such a fleet unit would be about £600,000. Sir F. W. Borden, speaking for Canada, said that in the case of that Dominion it could not be less than £800,000. After going into careful calculations, I stated that in the case of New Zealand it would be, at the very least, £700,000. Putting it at that—and I am quite satisfied the estimate is a very moderate one—it is manifest that such an annual expenditure is quite beyond our resources, and must be so for many years to come.

The proposals made by me involve a total yearly expenditure of £250,000, made up thus:—

"Dreadnought" (interest and sinking fund for each of 18 years)	....	....	....	....	£ 150,000
Contribution to Admiralty to cover difference between Imperial and local rates of pay, &c.	....	....	....	....	100,000
					<u>£250,000</u>

Deducting from this the £100,000 which we are at present paying as our contribution to the cost of the Australasian Squadron, and which is to be dropped when the new scheme is adopted, the net result will be a yearly increase of £150,000 on the amount we at present pay.

Recognising, as we all do, our duty to take upon us a reasonable share in the general burden of Imperial defence, I feel satisfied that neither Parliament nor the country will consider such an expenditure to be excessive. Proposals on the subject will be submitted at an early date for your consideration.

INTERNAL DEFENCE.

The time has now arrived when a definite course must be taken with a view of placing the home defence of the Dominion upon a more satisfactory footing. To carry this out the defence systems must undergo a complete reorganization, and I propose to submit legislation this session to substantially increase the efficiency for defence purposes of the scheme now in operation. This reorganization will, as far as the local conditions permit, be on the lines approved at the Imperial Defence Conference. These are designed to provide an active trained force for any emergency, consisting of coast and garrison defence. Mobile forces of all arms will be so arranged that should the Dominion

be required to supply an expeditionary force suitable for service oversea, it can be promptly sent without any dislocation of our own defences.

I propose that all boys between the ages of twelve and eighteen shall undergo elementary and progressive training either in a junior or senior cadet division; boys under the former age will undergo physical training only. All young men, except those physically unfit, between the years of eighteen and twenty-one will undergo two years' compulsory training. This training will be on stated evenings and on half and whole days during the year. In addition, there will be training for fourteen days in each year in training-camp.

As a further part of the proposed scheme, an active force will be organized consisting of 20,000 of all ranks, composed of men between the ages of eighteen and thirty years who choose to join voluntarily. This force will be organized on Imperial lines as to arms, equipment, establishment, and training. After these men have completed their services, they will pass to a reserve. In the event of such a force not being equipped in point of numbers by voluntarily enlisting, a selection will be made from those undergoing the compulsory training above outlined to make up the total.

This active force will be established on 1st March next in the larger centres of population only. The mounted rifles in the country will, however, be included. As the staff instructors gain experience, and as material and equipment are available, the scheme will be extended beyond the larger centres to the outlying districts of the Dominion.

The compulsory training for the junior and senior cadets and for young men between eighteen and twenty-one will commence as soon as the requisite registration can be completed.

I feel that the useful services of rifle clubs should not be lost to the Dominion, and the continuance and formation of these will be encouraged in every way. All those exempt from service in these forces and those who shall have completed their services may join the rifle clubs.

I do not propose that those undergoing compulsory military training shall be provided with uniform. Their training will take place in ordinary civilian dress.

As it is most desirable that there should be uniformity between the scheme followed by the Imperial General Staff and our own General Staff, steps will be taken to insure the necessary similarity of training and methods of defence. As a permanent central training-ground will be absolutely necessary in each Island, the House will be asked to authorise the setting-apart of a considerable area of land—say, 12,000 acres—in each Island, where continuous training may take place, where a permanent instructional staff can be located, and on which all necessary buildings, ranges, and other equipments can be erected.

As regards the expense of the proposed scheme, I may say that this is estimated at not more than £100,000 per annum, and this sum you will be asked to add to the present defence vote. I propose also to ask for a further sum of £150,000 for additional armament and field equipment, but the expenditure of this amount will be spread over a period of three years.

After it has been introduced I propose to set up a Select Committee to consider the proposals contained in the Bill. I feel sure that the House will assist to place this important legislation on the statute-book this session.

RETRENCHMENT.

The revenue for several years had, as you are aware, continuously increased to such an extent that from time to time heavy reductions by way of remissions, both in taxation and in the receipts of the various departments, have been effected. I would remind you of the fact that during the last fifteen years the total amount of remissions amounted to nearly seven millions, and of that amount during the session of 1907 the last remissions in taxation and reduction of revenue were made to the extent of £600,000 per annum.

The extraordinary drop in the value of some of our principal products brought about an alteration in the commercial condition of the country

that told its tale upon the revenue, and more particularly with respect to that derived from the Customs branch. For the six months of the present year the Customs revenue is not satisfactory. It is, however, the worst half of the year, and I should expect that during the remaining portion very much better results will be obtained. But it is my duty in dealing with the financial position of the country to provide against the possible continuance of the shrinkage, even though not to the same extent, that has taken place. This fall in the Customs revenue is due to the reduction in the imports. In view of the heavy fall in the revenue brought about from the causes I have indicated, on the top of the large reductions made, it adversely affected our general financial results and reduction of public expenditure. This the Government at once faced, though naturally with reluctance, as the removal of men from their positions, with the trouble it entails upon themselves and families, is a most painful duty for any Government to perform became a necessity. It is not, of course, possible for the effect of the retrenchment to come within the period of one year, and it is obviously necessary before the total result of the retrenchment can be seen.

I notice the fact of reductions having been made has led some people to suppose that because of this being done now that the Departments must have been overstaffed before. It is impossible in any country where you have a largely expanding revenue from year to year to carry on the work of Departments without a considerable increase from time to time in the staffs, and when, as I say, as the result of a heavy fall in the revenue, the converse must of necessity arise. Advantage was taken of the position of affairs to amalgamate a number of the Departments; and, where we formerly had thirty Departments, we now have but nineteen—that is, fifteen of the Civil Service and four of the outside Departments, namely, Government Life Insurance, Public Trust, State Fire, and Advances to Settlers.

Some months ago I set up a Committee, consisting of five of the high officers of the Public Service of wide financial experience—namely, the Controller and Auditor-General, the Secretary to the Treasury, the Commissioner of Taxes, the Assistant-Secretary to the Post Office, and the Accountant of the Railways—for the purpose of examining into the whole system of accounts as carried on in the various Departments, with the view to the establishment of a uniform system; and I hope before long to receive a report from the officers named. The outcome of this will certainly lead to further economies being effected. Necessarily, it will take some time under the amalgamated Departments before it can be expected that the full results will be achieved; but I look forward within a reasonable period to find, as the outcome of the important changes effected, that as valuable a service as we have possessed in the past will be maintained, though on somewhat different lines, and one making for more economical administration.

I may say, for the information of the House, that the total number of employees who were effected by the reductions put into operation was of all classes 940. Unfortunately, simultaneously with the heavy drop in the revenue, a temporary depression existed in portions of the country, and on that account every effort was made to enable the employees of the service to continue as long as possible. This was done in order to minimise as much as possible the effect upon them of losing their positions at a time when other employment was more difficult than usual to obtain. But for this reason the reductions that had been authorised would have come into operation at an earlier date.

To give those members of the Service whom it was found necessary to retrench an opportunity of obtaining homes for themselves, special blocks of land were set apart for selection by them, and by other landless persons, under the improved-farm conditions. These sections were made available in September and October, and were balloted for amongst the applicants.

The intention of the Government was to set aside 400 sections, aggregating 60,000 acres. It was, however, found that land of sufficiently good quality and reasonably near the Main Trunk Railway line could not be obtained to carry out in full the original proposals.

In the Auckland Land District there were three settlements, containing 86 sections, with an area of 12,941 acres, for which 358 persons applied.

In Taranaki there were two settlements, containing 122 sections, with an area of 20,085 acres, and for which 247 persons applied.

In the Wellington Land District, 102 sections, containing an area of 14,418 acres, for which there were 550 applicants.

The total number of sections was 310, containing an area of 47,444 acres, for which there were 1,155 applicants.

LICENSING LEGISLATION.

I propose to introduce important amendments of the Licensing Act. I have for some time past been impressed by the fact that the existing legislation is not sufficiently in accord with the basic principles of democracy, and material alterations in the law will be made both to further these principles and to provide a fair measure of consideration for those whose material interests will be greatly affected by these proposed alterations. I have recognised that such important changes as those contemplated would have difficulty in becoming law, especially this session, in connection with such a contentious subject-matter as licensing legislation; and, appreciating this difficulty, I have taken steps, through the good offices of one of my colleagues, to induce the two great parties to this question, independently through their recognised representatives, to modify their full demands for, or opposition to, certain proposed amendments. In this aim, I am glad to say, the results have been entirely successful, owing to a spirit of reasonable and honourable concession on both sides. The proposals therefore in the legislation I intend very shortly to introduce have already obtained the express approval of both the parties referred to, and I have been requested by each, independently, to pass this proposed legislation into law this session. Should the legislation contemplated be passed no further amendments of the law will, it is believed, be required for several years to come.

RACING LEGISLATION.

The attention of the Government has been called to the conditions under which Galloway and pony races are conducted, and is of the opinion that they should be stopped; and the House will be asked to do so. The number of race-meetings held throughout the Dominion are too numerous, and proposals will be submitted to limit them; at the same time the House will be given an opportunity of deciding what form of betting is to be allowed on racecourses. Sport, racing or otherwise, carried out legitimately is deserving of support, so that those who enjoy it as a pastime or recreation may do so. The best way to do this is to remedy any flagrant abuses that may exist.

NEW LAND PROPOSALS.

As I intimated earlier in the session, legislation will be introduced with a view to a more satisfactory settlement of the land question. In New Zealand the land question differs essentially from the same question in the Motherland. There, where the soil is almost entirely in private hands and the State holds practically no lands available for disposition, the question is mainly one of taxation, as illustrated by the Budget now before the Imperial Parliament. Here, where the Crown is the owner of immense areas and still holds great tracts of country yet unalienated, the question is not one of taxation, but of settlement tenure and limitation of area, and affects Crown lands only. It is desirable to keep this distinction in view in considering the land proposals I am about to outline. These will impose no tax or other obligation upon existing rights of private landed property. They will take from no man any interests he now possesses or burden any land now leased or acquired from the Crown. Every man who now owns a freehold is entitled to it, and under no conditions would the State be justified in taking any step to weaken his freehold tenure. In dealing with the disposal of its lands the State should observe two great principles—first, suitably close

settlement must be promoted and encouraged by every reasonable means; second, the State must, in justice to its present and future people as a whole, reserve to them some part of that value which public expenditure will create, in the lands it is now parting with to private hands.

There is room for wide difference of opinion as to the extent to which State operations and private effort respectively create values in land, but while there may be this difference as to the degree there surely can be no such difference as to the fact that in a young and sparsely peopled country like this, where such enormous national developmental work is being done mainly at the expense of the people as a whole, some increased value will be steadily added by State operations to the lands it is parting with, and of that increased value the people are entitled to at least a share.

The State's rights as to the increasing unimproved value roughly vary with the degree to which that increase is due to the activities and agencies I have indicated, and this principle I have endeavoured to maintain throughout my land proposals. These will deal chiefly with,—

- (a.) National endowment and its income;
- (b.) Lands which have already been leased for 999 years, whether originally Crown land or land acquired under the Land for Settlements Act;
- (c.) Lands which have already been leased upon the renewable leasehold system, whether originally Crown lands or lands acquired under the Land for Settlements Act;
- (d.) Remaining Crown lands lying outside of the national-endowment area;
- (e.) European lands acquired in future under the Land for Settlements Act;
- (f.) Native lands now or hereafter acquired by the Crown for European settlement;
- (g.) Limitation of area as regards both ownership and occupation;
- (h.) Rebates of rent;
- (i.) Small grazing-runs;
- (j.) The proceeds of the sale of ordinary Crown lands.

NATIONAL ENDOWMENT AND THE DISPOSITION OF ITS INCOME.

I desire to say that no part of the nine million acres constituting the national endowment will be disposed of on any tenure except that of leasehold. The proceeds from these lands will be devoted as at present, save that one-fifth of the annual income will be set apart for higher education, and this sum will be used for the purposes of the University Colleges of Auckland, Wellington, Christchurch, and Dunedin, and proposals will be submitted to Parliament showing the method in which this is to be done.

I may say, for instance, with regard to the Auckland University, that it is intended to utilise the present Government House grounds as a site for a new university building, and the Auckland University's share of the moneys coming from the endowment lands will be devoted to provide suitable buildings. I will ask the House to make the necessary provision to enable this to be put in hand next year.

LANDS ALREADY LEASED FOR 999 YEARS.

It is widely asserted that these lessees earnestly desire to convert this tenure into a freehold, and I deem it the duty of the State to permit this if it can be done without any material sacrifice of its permanent interests. The chief advantages to the State of the present tenure are that it secures the existing condition as to limitation of area and occupation. The value of a reversion postponed for 999 years is not very appreciable even where the State is the reversioner.

In my opinion the conditions as to limitation of area and occupation can be effectively safeguarded even under a grant of the freehold, as I shall later show; and, this being so, the only question left is, what should the holder of one of these leases for 999 years pay for a title in fee-simple? I therefore propose to offer lease-in-perpetuity tenants, whether of lands originally Crown lands or of

lands acquired under the Land for Settlements Act, one of the three following options :—

- (a.) To retain the tenure as it stands.
- (b.) To purchase the freehold (within a period of two years) at a price equal to the original valuation plus one half of the difference between that value and the unimproved value at the date of exercising the option.
- (c.) To purchase the freehold at the original valuation subject to five recurring charges in favour of the Crown, the first equivalent to one-tenth of the increase in the unimproved value between the date of the lease and the expiration of the first period of thirty-three years, and each thereafter equivalent to one-tenth of the increase in unimproved value between the expiration of each succeeding and each immediately preceding period of thirty-three years. The land to become an absolutely uncharged freehold at the end of 165 years from the date of the lease.

The purchase-money for the freehold may be either in one cash-payment or by an instalment of 25 per cent., and by the payment of the balance, with interest at 4 per cent., on the instalment system prevailing under the Advances to Settlers Acts, over a period of thirty-three years, with the right to pay off in whole or in part at any time.

These charges will create no personal liability on the part of the owner, but will be a charge upon the land only, and be payable either in cash or at the owner's option by instalments over each succeeding period of thirty-three years, with interest added at £4 per cent.

RENEWABLE LEASES OF ORDINARY CROWN LANDS.

Next, with regard to the tenants under the renewable-lease system of ordinary Crown lands. Under this system the lessee obtains a right of perpetual lease subject to recurring valuations every sixty-six years, upon which valuation the new rental is based. Here there is secured to the State practically the whole of the increase of the unimproved value in the form of rent at each renewal.

The problem before me has been to contrive a system under which the freehold might be given to these existing leaseholders, while securing not only the conditions as to area and occupation, but also securing to the State some reasonable portion of that unimproved value which is already secured by the means I have indicated under the present system. In my opinion the following scheme presents a fair equivalent from the point of view both of the tenant and the State. The freehold is to be given to these lessees at the original value subject to recurring charge every thirty-three years, equivalent to one-fifth of the increase in the unimproved value found to have taken place between these periods. Such a system, while it secures to the State some portion of the unimproved value rightly belonging to the State, leaves the greater portion of that unimproved value to the tenant in fee-simple, affording an ample margin in his favour to give him the fullest encouragement. The purchase-money payable for the freehold in these cases may be paid as in the case above outlined of the purchase of lands now held under lease in perpetuity.

RENEWABLE LEASES OF LAND-FOR-SETTLEMENT LANDS.

Next as regards the renewable leases of land-for-settlement lands. These tenants have now the right to a perpetual lease, with recurring valuations every thirty-three years, the term being half only of the term of the renewable lease of ordinary Crown lands. It will be remembered, further, that these lands acquired under the Land for Settlements Act were in most cases more or less highly improved and ready for settlement, and much more fully furnished than the ordinary Crown lands with the means of communication and all the other facilities of civilisation. In connection with

these lands, therefore, the State has now, by the means of a recurring valuation upon which each new rent is to be based every thirty-three years, secured to it practically the whole of the increase in unimproved value. My purpose, therefore, in this case was to find some equivalent in the form of freehold tenure which would fairly secure to the State a reasonable share of the unimproved value in these lands. I propose to grant the freehold at the original value, just as in the case of ordinary Crown lands, but with double the recurring charge—that is to say, two-fifths instead of one-fifth of the increase in the unimproved value.

EUROPEAN LANDS ACQUIRED IN FUTURE UNDER THE LAND FOR SETTLEMENTS ACTS.

These will be open for lease as at present, but the fee-simple of the land leased may be acquired upon the recurring-charge system already explained.

REMAINING CROWN LANDS OUTSIDE OF THE ENDOWMENT AREA.

As regards the ordinary Crown lands not falling within the endowment, the present optional system will continue.

FUTURE ACQUISITION AND EUROPEAN SETTLEMENT OF NATIVE LANDS.

The legislation I propose to introduce will empower the State to acquire, compulsorily if necessary, from the Native owners areas of Native land equivalent in value to £500,000 per annum; and, in order that the most convincing earnest should be given to Parliament and to the people of New Zealand that this forward movement will be taken, I propose to ask Parliament to amend the Land for Settlements Act by increasing the present amount authorised for the purchase of lands to £1,000,000 per annum, £500,000 of which is to acquire Native lands each year to the value of the half-million.

The lands when so acquired will be paid for out of the Land for Settlements Account. They will be classified into two classes according to the degree of their improvement and their remoteness from settlement, and of the extent of labour in clearing, draining, or otherwise bringing them into cultivation.

The class "improved lands" will be held and dealt with in the same way as European lands—i.e., renewable lease—with power to purchase the fee-simple upon the recurring charge system.

The class "unimproved lands" will be disposed of by the State under the optional system now applicable to ordinary Crown lands, but the proceeds from either lease or sale will be paid into the Land for Settlements Account.

The present law as to Native townships under existing conditions require amending, and the new land Bill will provide for the purchase by the Government of Native townships, preserving allotments set aside in such townships for the Maoris, and now occupied by them; and these will be disposed of under a freehold tenure on conditions which I will submit in the land Bill.

LIMITATION OF AREAS.

The evil of aggregation still prevails, and drastic measures must be employed to check it. Moreover the law still allows too large an area of Crown land to be taken up by one person, and the proposed legislation will therefore provide a limit of 400 acres in respect of first-class land, and a correspondingly reduced area in respect of second- and third-class land. An effective provision will also be made against evasion by providing that these limitations shall apply to the area to be occupied and not merely to the area owned.

REBATES OF RENT.

The system of rebating 10 per cent. of the rent payable by Crown tenants on prompt payment will be used for the purpose of helping and encouraging settlers who undertake the burden and responsibilities of rearing a family of children. It is recognised that it is one of the first duties of the State to encourage in every possible way this principal duty of citizenship, and I therefore propose that the rebate on prompt payment shall only be made in cases where the settler has four or more children under the age of sixteen years.

AGE OF SELECTORS.

While the demand for land on the part of our adult people is so great, many of whom are carrying the responsibilities of wife and family, the age at which applicants may become selectors of or acquire land under our land laws should be raised. At present the age must be not less than seventeen, and I propose to provide that no selector hereafter shall be under the age of twenty-one years.

SMALL GRAZING-RUNS.

Provision will be made for abolishing the present right to perpetual renewal of small grazing-runs, and in future cases it is proposed that the right will be limited to one renewal only upon revaluation at the end of the first term.

PROCEEDS OF SALE OF ORDINARY CROWN LANDS.

In all cases where a freehold is granted of existing unalienated Crown lands under any of these land proposals the title will be impressed with a reference to the limitations as to area allowed to be owned or occupied. I am convinced that the proceeds of the sale of such portion of the national estate as remains outside our national endowment should be devoted exclusively to the development of this country by means of public works, and therefore I propose to provide that all surplus money received in respect of the sale of the fee-simple of Crown lands, whether now under lease or not, other than settlement lands, shall be paid into the Public Account to the credit of a separate account called the National Development Account, and that these moneys shall be applied only in the development of this country by roads, bridges, telegraphs, telephones, and railways, subject, in each case to appropriation by Parliament. The proceeds of leases and sales of settlement lands will, of course, as hitherto, be paid into the Land for Settlements Account.

NATIVE LANDS.

The proposals of the Government with regard to the settlement of Native lands will be put before you in a measure dealing specially with that important subject. The Bill is in part a consolidation and an amendment of the existing law, so as to conform to existing conditions, to the present needs of the Native race, and to the demands of the Dominion as a whole. The consolidation affects seventy-one statutes (public, private, and local), dating back to the year 1871. These do not contain the whole of the law relating to Native lands. It has not been found possible to prepare for submission to Parliament this session a consolidation of the special enactments dealing with Native reserves administered by the Public Trustee, or with lands administered by a Commissioner under the East Coast Trust Lands Act, or with lands in the Thermal Springs District, or with lands vested in trustees for special purposes. I desire to assure the House that a consolidation of these measures, with necessary modifications, will be introduced early next session, so that the whole of our statute law relating to Native lands will then be completely revised and brought up to date.

The process of ascertaining Native titles and partitioning the same into convenient areas will be greatly improved. It is found that the process has been greatly delayed in the past, because surveys have not kept pace with the operations of the Native Land Court. It is intended that the Government will undertake all future surveys, charging the cost to the Native lands affected. The duty will be cast on the Chief Surveyor of completing all surveys required by the Native Land Court or Maori Land Board. Proper road-lines will be laid off wherever necessary before partition. Exchanges of interests in Native lands for other Native lands, or for European or Crown lands, will be greatly facilitated and unhampered except by a condition that the power be not abused and sales effected under the guise of exchanges. An important feature of the Bill is the proposal to consolidate the scattered interests of individual owners or groups of owners. The Court will be empowered to formulate schemes for the purpose which, after approval by the Governor in

Council, will operate by way of exchange or otherwise as may be necessary. The question of the marriage of Natives, adoptions by them, and the power of testamentary disposition will also receive careful consideration.

Dealing with the alienation and settlement of Native lands, the Government realise the importance of this question to the Dominion, and more particularly to the North Island. Having made the provisions relating to the ascertainment of title effective, the provisions dealing with settlement have been extended to meet present requirements, while safeguarding the interests of the Maori owners. It is proposed to purchase from the Natives as large an area as possible. To avoid the difficulties of the past, the purchases will, as a rule, be negotiated with the owners assembled in meeting duly convened, and the consent of a majority will conclude the purchase, subject in certain cases to the partition of the interests of dissentients. The system to be established it is confidently hoped will enable the Government to protect a proportion of the proceeds of such sales from the extravagance of the Native vendors.

Lands now vested in Maori Land Boards, and those about to be vested in accordance with the recommendations of the Native Land Commission, will be administered practically under the existing system. Ample provision will be made to enable these Boards to open the lands vested in them for settlement, such advances as may be made being secured on the lands and revenue therefrom. The system of incorporating owners of Native lands for the purpose of alienating or farming their lands will be continued and somewhat extended.

For the purposes of alienation all existing restrictions and prohibitions against alienation will be removed. A Native who is sole owner of a defined piece of land may, by application to the Native Appellate Court, convert his land into freehold European land. A Maori is defined as a pure Maori, and includes a half-caste and persons intermediate in blood between pure Maoris and half-castes. Persons intermediate in blood between half-castes and Europeans are regarded for all purposes as Europeans. Where land is owned by not more than ten owners they may sell, lease, or mortgage, but in the last-named case only to a State lending Department or to a person authorised by the Governor-in-Council. Where there are more than ten owners direct alienation will be permitted by a Board if satisfied that the signatures can be obtained with little expense. In other cases alienation is to be effected by resolution of the owners assembled in meeting, an adaptation of the old-time runanga system of the Maoris. All alienations will be subject to confirmation by the Boards in the North Island and by the Court in the South Island.

As it is not proposed that the Native Land Bill, if it passed, should come into operation until the end of March next, you will be asked to make provision for the carrying on of purchases and the development of lands vested in the Maori Land Boards up to the end of the financial year.

STATE-GUARANTEE ADVANCES.

The extension of the Advances Department to provide for loans to local bodies and other useful reproductive objects is expected to still further promote the progress and prove of valuable service in the development of the country. The restricted amount of capital available for this purpose under the present legislation has retarded the giving access to new country and improving the positions of those in the country, but under the new scheme funds will be much more plentiful, although the terms may not be quite so advantageous to local bodies. There are enormous undeveloped resources in the Dominion only awaiting sufficient capital to bring into immediate use, and in return producing public and private wealth and income vastly in excess of the outlay of public expenditure. I am therefore sanguine enough to view the future with the highest hopes for the prosperity and success of this country, notwithstanding the numerous pessimistic critics.

The new departure is also extended to the development of mining, which it is anticipated will be carried into effect by the increased assistance and facilities

afforded by this new legislation which I have referred to, so that there can be no doubt whatever that greatly increased activity in this direction must result—that is, the development of the mineral resources of the country which is of so much importance.

LAND FINANCE, ETC.

In addition to the State-guaranteed Advances Bill which I have briefly alluded to, I hope that the House this session will put on the statute-book the Land Settlement Finance Bill. The passing of this measure will enable large areas of privately owned land to be disposed of to those desirous of obtaining land in small areas, by enabling them by an easy process to obtain the necessary capital for the purpose. So also with the National Annuities Bill, providing as it does for the protection of those least able to bear the stress of unemployment due to accident or sickness. This Bill also insures the making of suitable provision for the widowed and fatherless, and I trust that the House will see the wisdom of putting this important piece of legislation into operation so that those whom it is intended to benefit may have the advantage of the protection which the scheme provides as early as possible.

DEATH DUTIES.

The existing law with regard to the imposition and collection of death duties calls for amendment, not only for the purpose of taxation, but for the purpose of securing a fairer adjustment of these duties in accordance with both the amount of the estate and the shares taken by the beneficiaries or next-of-kin.

The existing scale is illogically graduated; moreover, many of the largest estates in New Zealand to-day escape taxation altogether. No matter how great the fortune left to a widow or a widower no duty is payable, whereas duty is payable on small estates even if left to children. Under our present law, as a further example, if £20,000 is divided among ten children all under age, the estate has to pay the same duty as if the whole amount went to one son. I propose to introduce a new Death Duties Bill which will impose two descriptions of duty—viz., death duty in respect of estates of deceased persons, and gift duty in respect of gifts made by a person in his lifetime. The former is substituted for the duty imposed by the existing consolidated “Death Duties Act, 1908,” while the latter will take the place of the deed and gift duty imposed by “The Stamp Duties Act, 1908.” Death duties under the proposed Bill will consist of two kinds—viz., estate duty and succession duty. This is not the time or the place for details, but, speaking generally, the new measure will deal with the subject on modern lines and equitable principles. It will provide for a graduated rate rising from 2 per cent. in estates of £1,000, increasing to 8 per cent. in cases of estates of £100,000; and other important alterations will be proposed. I hope to circulate the Bill at an early date.

Alterations will also be made in our law to bring it into conformity with the English law as regards the tests of domicile with respect to the situation of property. Estate duty will be imposed not only upon the property of the deceased which vests in his executor or administrator under his will or intestacy, but also upon certain other property which for this purpose is deemed to form part of his estate—for example, entailed estates, property over which the deceased possessed a general power of appointment. Gifts made by the deceased within three years of his death and settlements of property to take effect on the death of deceased. Similar provisions to these are contained in English law, and are distinctly necessary in order to safeguard this duty against existing and future evasions.

So far I have dealt with estate duty. Unlike estate duty, succession duty will be imposed, as in England, not upon the aggregate property of a deceased, but upon each separate interest taken in that property by the several persons who succeed,

whether as legatees, devisees, or otherwise. The rate of duty will depend upon the relationship between the successor and the deceased. Up to a very large amount, a widow, child or grandchild, pays no succession duty. Up to a large amount a man who succeeds to his wife's property pays 2 per cent., and after that amount is reached the rate is increased. Other relatives not more remote than a cousin pay 5 per cent., more remote relatives and strangers in blood pay 10 per cent. No succession duty is payable on any property left in trust for any charitable, educational, religious, or other public purpose in New Zealand. Although estates under £1,000 are exempt from estate duty, they pay succession duty in the same manner as larger estates. Thus, if a deceased leaves his whole estate worth £500 to a stranger in blood, this succession duty will be 10 per cent., but if he leaves it to his widow or children it will pay neither an estate nor succession duty. If, however, a man leaves an estate worth £100,000 to his widow and children, it will pay an estate duty at 8 per cent., but no succession duty, except in respect to that portion of the estate which exceeds £40,000. If, however, he leaves his estate to a remote relative or to a stranger in blood, it will pay an estate duty at 8 per cent. and succession duty graduated upon the total amount left to him.

As regards gifts, duty will be imposed upon all gifts made by any person in his lifetime with the exception of gifts less than £500 in value and of gifts to any charitable use. The rate of duty will be 5 per cent. of the value of the gift. It is necessary that I should explain the difference between the proposed gift duty and the existing gift duty in New Zealand to-day. The new duty will differ from the existing duty in two chief respects. First, the new duty will be imposed on all gifts, whether made by an instrument in writing or not. Under the existing law gift duty is merely a stamp duty imposed upon the instrument of gift, if there be such an instrument. Consequently, gifts of money and other gifts, however great in value, now escape duty altogether. Recent illustrations have shown how the existing law may be employed to effect successful evasions of death duties in some of the largest estates. Second, the existing gift duty is levied at the same rate as the existing death duty, and therefore depends partly on the aggregate value of the donor's estate and partly on the relationship between him and the beneficiaries, instead of depending solely on the amount of the gift. The existing law, if rigorously enforced, would in many cases require the donor to show the Commissioner what property he possessed, and might involve inquisitorial investigations into a man's business and property. The proposed scheme will obviate all this. The general aim of this new law will be to relieve the burden now imposed by our death duty upon the smaller estates, especially where they go to the children and grandchildren, and to increase the burden upon the very large estates which in many cases now escape taxation either wholly or in part. Another principle which has been followed is that of inducing testators to distribute their wealth rather than concentrate it upon one or a few persons, by imposing increased rate of duty where the amount left to any one person exceeds a stated sum. As I have said, the new legislation is aimed at introducing a more logical and fairer system into our law, while increasing upon shoulders fully able to bear it an increased contribution (in the shape of death duties) to the exchequer. It is estimated that the amount of death duty collected on the total deceased estates, taken over a period of the last fifteen years, has been only a little over $3\frac{1}{2}$ per cent., while on estates of £100,000 and upwards the average, if you include estates given to widows, is barely 5 per cent. These figures illustrate how inadequate the present death duties imposed in New Zealand are. They are much lower than in England at present, and substantially less than the rate prevailing in several other English-speaking and European countries. It is universally acknowledged that taxation in the form of death duties, so long as it imposes no hardship whatever upon the deceased's dependants, is the most justifiable of all forms of taxation. In effect it but takes from a man or woman inheriting wealth some portion of that wealth which the beneficiary has not earned, and which in many cases of intestacy the deceased never contemplated his obtaining.

BANK TAXATION.

The banks have not been contributing to the revenue a fair proportion of the income-tax by comparison with other public companies or private firms. An arbitrary method was adopted on the inception of the land and income tax assessment which has not proved sufficiently elastic to provide for the expansion of trade, so that whilst the revenue derived from trades, manufacturers, &c., has developed rapidly, the proportion contributed by the banks has not increased at the same ratio as it should have done. An increase was made in 1900, but even this has not recovered any of the lost ground. The ratio of the average assets and liabilities to be taken as forming the basis for taxation was increased to 10s. per centum in 1900. Since then the increased prosperity of the Dominion, in which the banks has shared, has further accentuated the position, and there can be no doubt that the banks are not paying a fair share of taxation, and this, as a matter of equity, they should do.

I therefore propose to further increase the rate in order to produce £14,000 per annum additional; but even this increase does not reasonably do so, and I will ask for authority, in order to bring it more into a fair proportion of the total revenue obtained from this source, to increase the charge made under "The Stamp Act, 1908," on the bank note issue from 10s. per cent. to 15s. per cent. This will give £16,000 additional revenue.

GRADUATED INCOME-TAX.

The graduated income-tax needs readjusting on a more equal graduation; it is anticipated that the scale which is appended will produce an increased revenue of about £80,000, and equalise the difference in rates as between firms and persons and companies.

I propose to ask the House to make provision for a system of graduated income-tax upon the following scale, allowing an exemption of £300:—

	£	£		s.	d.	
Under	400	....	....	at	0	6 in the pound.
From	401	to	600	....	"	0 7 "
"	601	"	800	....	"	0 8 "
"	801	"	1,000	....	"	0 9 "
"	1,001	"	1,250	....	"	0 10 "
"	1,251	"	1,500	....	"	0 11 "
"	1,501	"	1,750	....	"	1 0 "
"	1,751	"	2,000	....	"	1 1 "
Over	2,000	....	....	....	"	1 2 "

BETTERMENT SYSTEM FOR RAILWAYS.

In order to prevent the possibility of unpayable railways being established in the country, and that upon careful examination it is found are likely to render a return of less than 3 per cent., I propose to submit legislation to protect the inroad that such losses make upon the general railway revenue of the country by the construction of railways that are not likely to return as low a rate of interest as that I have named. Fortunately, there are but few railways throughout the Dominion that are a drag upon the general railway revenue, and where this is found to be the case an increase in the rates and a lessening of the service over such lines will be necessary. Legislation upon this important matter will be submitted during the session.

RAILWAY SUPERANNUATION FUND AND POLICE SUPERANNUATION FUND.

In order to build up a strong reserve for the Railway Superannuation Fund I propose to provide £25,000 per annum in support of that fund. All the funds, as you are aware, have to have the guarantee of the country behind them. The Railway Superannuation Fund does not, however, receive any contribution from the consolidated revenue, and I am of opinion that it should in this respect be placed in a similar position to that of the other branches of the Service.

I am not satisfied with the position of the Police Superannuation Fund. The option was given the members of that service of joining the Public Service Fund, but so far they have not exercised that privilege, and I am of opinion that this should be enforced by legislation, as I do not consider that a separate fund should be allowed to continue. I therefore propose that this fund should be merged, and that a contribution of a sum of £5,000 should be paid into the Public Service Fund upon the members of the Police service joining it.

PUBLIC SERVICE SUPERANNUATION.

I propose to introduce legislation in connection with the superannuation of the public employees of the Dominion. The system has now been upon trial for some time, and as the result of careful investigation I feel that there should be some restriction placed upon the amount of superannuation to be paid in the future. The existing rights of the present beneficiaries must, of course, be upheld, and to enable this to be done I propose that on all salaries of £400 a year and over no alteration shall be made, but those receiving below that salary at present, as well as those who may join the superannuation fund, shall not exceed £250 per annum. If any of those now contributors are not satisfied, all payments made by them, with interest added, will be returned to them; and in such cases they will be called upon to deduct 5 per cent. from their salaries and lodge the same, as was formerly the case, with the Public Trustee. Under this alteration the superannuation system will be a most generous one; but I am strongly of the opinion, to protect the absolute stability of the fund, that a maximum amount of pension must be fixed.

In order to enable the Government to retire officers under conditions that may arise, the House will be asked to amend the Act to allow of this being done in the case of officers who have been thirty years in the service and who are not less than fifty-five years of age. I wish to make it clear that this provision will not give the right to any officer to retire under the conditions named, as there are many cases where good service can be obtained up to the period now provided by Act, but cases have arisen where a great injustice would have been done if men were forced out whose services are no longer required before they had reached the period at which the law as it stands at present entitles them to receive superannuation.

RESULTS OF PROPOSED CHANGES.

It cannot be denied that in the all-important matter of defence, both internal and external, the country cannot be allowed to remain in its present position, and to bring about the necessary improvement must entail additional expenditure, the amount of which I have already indicated. The same remarks will generally apply to the other proposed items of expenditure.

As there must of necessity be a certain amount of doubt as to what the position of the Customs revenue will be at the end of the year, which depends upon the general condition of trade, I feel that it is incumbent, in the best interests of the country, that our financial position should be put upon such a

basis as will provide both for any possible shrinkage of Customs revenue and also for the fresh expenditure incurred by the new undertakings that circumstances render it necessary to establish. To enable this to be done it will be necessary to provide additional revenue, and I now submit a proposal of which I consider the result desired can be arrived at.

The increased expenditure under all headings is as follows :—

	£	
Interest upon the cost of " Dreadnought "....	70,000	£
4 per cent. per annum for extinction of loan	80,000	
	<hr/>	150,000
Contribution to Railway Superannuation Fund	25,000	
Contribution to Public Service Superannuation Fund on account of merging Police Fund	5,000	
	<hr/>	30,000
Additional cost of internal defence	100,000	
Additional armament and equipment — £150,000 extended over three years ...	50,000	
	<hr/>	150,000
	<hr/>	
Which gives a grand total of		<u>£330,000</u>

To meet this I propose to obtain from the altered system of death duties an additional £150,000 ; by abolishing the break in the long-distance mileage rates upon the railways, making the rates uniform to 1d. per mile second class and 1½d. per mile first class, £100,000 per annum ; by the adjustment of the income-tax, by making it a graduated one, £80,000 ; by imposing 1 per cent. additional upon the true value of all dutiable goods, £50,000 ; by charging 2½ per cent. on the total receipts of race clubs, £38,000 ; from the banks, £30,000. This gives a total increase of revenue of £448,000, leaving a balance of £118,000—not, in my opinion, too large a sum in order to provide for unforeseen expenditure. I do not think that any reasonable exception can be taken to the various sources from which this increase is to be obtained. It is only fair that all classes of the community should give a slight contribution towards the strengthening of our position in matters of defence, and in respect of the item of 1 per cent. upon Customs, I propose to ask the House for authority to fix it until the 31st March, 1911, only. It is but reasonable to expect that by that time the improved and increasing condition of our trade will give a much larger return than we are at present obtaining from Customs and other sources of revenue.

I cannot impress too strongly upon honourable members and upon the country generally the fact that in the face of concessions, amounting to in round figures £600,000, that came into operation during last year, and of which during that period £400,000 in Customs took place, our revenue, which amounted to £9,000,000, was only £55,000 short of that of the previous year. Considering the difficult period through which this country passed, and the fact that, so far as I am aware, every country in the world during the same period experienced an enormous shrinkage in its revenue, the results achieved by New Zealand cannot be considered otherwise than most gratifying ; and, in view of the large reductions and remissions that have hitherto been made, I do not think, recognising the necessity for present requirements for defence and other purposes, that reasonable exception can be taken to what I now propose. I trust, with increasing trade and general development, that in the course of a few years this increase of taxation may not be required, and no one will be happier than myself when it can be taken off.

I now sum up the position in connection with the additional taxation that I have alluded to under the several headings, as follows :—

	£
Graduated income-tax	80,000
Death duties	150,000
Long-distance passenger rates	100,000
1 per cent. temporary increase upon Customs	50,000
Banks additional taxation	30,000
Racing clubs 2½ per cent. on total receipts	38,000
Total	448,000
Expenditure additional to provide for	330,000
Balance for unforeseen expenditure	£118,000

FINANCE, 1909-10.

I now come to the question of the ways and means of the Ordinary Revenue Account for the current financial year. In the first place you will require to know how much our expenditure is likely to be, and then the amount of revenue I anticipate to receive to meet such expenditure.

EXPENDITURE.

The expenditure for the present year is estimated at £9,015,878, as against an actual expenditure last year of £8,785,513. The permanent charges show an increase of £292,767, while the ordinary departmental expenditure shows a decrease of £48,275. Dealing first with the permanent charges, a large additional expenditure arises principally from the charges for interest, which has to be provided for the new loans recently raised. Under the permanent Acts an additional expenditure of £150,820 is anticipated, of which £67,000 is to meet charges against the residue set aside in respect of national-endowment land for education and old-age pensions, £60,000 for naval defence, and £25,000 for subsidy and endowments to local authorities provided for by Acts of Parliament. The amount required for departmental votes is stated at £5,513,081, or £48,275 less than the actual of last year. In respect of the increases, the Post and Telegraph Department is responsible for £61,351, of which £58,000 is for salaries consequent on increases of salaries provided for by the Post and Telegraph Classification Act and the absorbment of the Old-age Pensions Office by that Department. The Railway estimate exceeds the actual expenditure of last year by £23,192, but, having regard to the increased mileage of line that will have to be worked during the whole of the current year, the estimated expenditure is equal to a saving of £80,315. The Education Department asks for an increase of £25,296, the necessity for which must be expected so long as settlement keeps increasing, and education has to be provided for. The Defence Department shows an increase of £6,933 for additional capitation and ammunition, and the Native Department £2,735, making the total increases £119,507, against which the decreases in the other classes of expenditure amount to £167,782, brought about by amalgamation, retrenchment, and non-recurrent charges.

REVENUE.

The estimated revenue for the current year is set down to produce £9,020,000, or £18,815 more than the actual of last year.

Dealing first with the revenue derived from Customs, I anticipate that the importations during the current year may be somewhat restricted, owing to the tightness of the money-market and the tendency on the part of the merchants to carry only sufficient stock to meet current requirements. This tightness

is passing away, and the increased prices now obtainable for our chief product (wool) should materially brighten our prospects. The population of New Zealand has increased by 31,158 persons, of whom 14,261 represent excess of immigration over emigration, and this increase should to some extent increase the revenue. Traders who have been holding back from importing are now confronted with depleted stocks, and large quantities of merchandise are on the way out or are under order, and under these circumstances I think it is safe to estimate our Customs revenue for the current year at £2,630,000, or £171,248 less than the previous year.

As to railway revenue, my colleague the Minister of Railways, after giving the matter due consideration, estimates the railway revenue at £3,050,000, and the expenditure at £2,143,500. This will leave a net revenue of £906,500. The extension of the suburban area, and the computation of through-fares on the combined, ordinary, and suburban rates in the same manner as adopted in computing the charges for the conveyance of goods, has decreased the gross receipts from passengers to an appreciable extent. Similarly, the reduction made in the rate for road-metal, which under the old rate was carried at an unremunerative rate, has detrimentally affected the revenue derived from that source, and therefore it is not advisable to estimate more than the amount set down above.

Beer duty is stated at £113,000, a slight decrease on the actual of last year, which may be looked for consequent on the increase of no-license areas arising from the results of the last local-option poll.

The land-tax estimate of £625,000 is based on the understanding that the 25 per cent. additional graduated tax will be collected under section 53 of "The Land and Income Tax Assessment Act, 1908." Owing to the numerous subdivisions of property liable to graduated tax a loss will be sustained, but this loss should be made up by the increase of valuations in the districts revised on 31st March last.

As regards the decrease in the estimate for income-tax, I have to explain that, as the assessments for this year will be made on the returns and income of the year ended 31st March, 1909, I have deemed it prudent to take into consideration the comparative depression that existed during that period, and do not think it wise to count on a revenue from that source of more than £300,000, as compared with the actual collection of £321,044 for last year. It is true that trade already shows a revival, but the income-tax revenue will not benefit by this until next financial year.

Registration and other fees show a decrease of £24,000, as last year's revenue included a receipt of £23,500 poll-tax from Chinese emigration, which cannot be expected this year in view of the educational test now insisted upon.

Other heads of revenue call for no special comment.

RESULTS.

I have now placed before you the estimates of the expenditure and revenue for the current financial year, and will proceed to set down the estimated results at the close of the year.

		£
Balance brought forward from last year	....	184,321
Add estimated revenue	....	9,020,000
		<hr/>
		9,204,321
Deduct estimated expenditure	....	9,015,878
		<hr/>
Leaving a surplus of	....	£188,443

at the close of the year, subject, of course, to provision being made for items on the supplementary estimates.

PUBLIC WORKS.

The balance at credit of the Public Works Fund on 31st March last was £383,709, to be augmented by the balance of the 1908 loan not raised, amounting to £50,000, making a total ways and means available at that date of £433,709. During the short session I found it necessary to ask Parliament for authority to raise a loan of £1,250,000 for public-works purposes. This amount will only be sufficient at the existing rate of expenditure to carry us on till the end of December. Our requirements cannot stop on reaching 31st March, so that we must provide to carry on for six months beyond that date, and for that reason I obtained authority for another million, which will enable the construction of the public works so necessary for the development of the country to proceed up to the end of September, when further funds can be provided for by Parliament if required. The position of the fund may therefore be set forth as follows:—

			£
Balance, 31st March, 1909	....	....	383,709
Balance loan, 1908	....	....	50,000
Loan authorised by "Finance Act, 1909"	....	....	1,250,000
Loan authorised this session...	....	....	1,000,000
			<hr/>
For eighteen months' expenditure	....	....	£2,683,709
			<hr/>

REVIVAL OF TRADE.

The financial stringency which has prevailed throughout the world during the year may happily be regarded as a thing of the past. The great revival of business throughout the world, to which the price of our staple products has promptly responded, and the general tone of confidence in commercial circles give abundant reason for predicting that the tide of renewed prosperity is flowing, and that before long the wealth of the Dominion will be materially augmented. Wool has risen to a satisfactory figure; the price of frozen meat has advanced, and will I hope soon reach its normal level; flax shows an upward tendency, which competent critics are satisfied will be maintained; wheat is high; and butter and cheese are finding a ready market. Equally satisfactory, that well-known barometer of trade, the Post and Telegraph revenue, has a rapidly rising tendency, the results for the first six months of the year showing a large excess over the corresponding period of 1908-9.

What then, it may be asked, is needed to justify our faith in the future of our country? Even the professed prophets of evil, who wail their jeremaids when the smallest clouds show in the financial horizon, are already changing their note now that the sky is clearing.

The enormous resources of the Dominion, with a judicious expenditure of capital in their development, will in time make her a much greater member of the Imperial sisterhood. That faith in her resources is shown by her sturdy settlers is clearly evidenced by the land-hunger which has been so conspicuously demonstrated recently. The men who are most competent to form an estimate of the potential possibilities of the land of their birth and adoption are willing to face all the hardships inseparable from a life spent at the frontiers of civilisation in the sure hope of ultimate reward, which they are confident will crown their efforts.

The prosperity of our Dominion will not be brought about by gloomy forebodings, begotten by want of faith in the future, but by a determination to meet and overcome the difficulties which may beset the way. The people, animated by a desire to advance the interests of their country, should march shoulder to shoulder irrespective of political creed, and relegate carping criticism to the unknown.

CONCLUSION.

I have placed before you matters of great moment, the importance of which I am sure will be recognised by you all.

By giving effect to the proposals that it has been my duty to set before you our financial position will be enormously strengthened. I do not think it is wise for this country to continue borrowing annually for public works to the extent that it has been doing, and if the proposals I have outlined are given effect to we should, with, I hope, an early increase in the revenue from the Customs, together with a general improvement in the business of the Dominion, be able to set aside at least £500,000 per annum after the altered taxation has been in full operation for a year. To that extent the future borrowings for the purpose of carrying on the necessary works for the development of the country can be reduced.

The prospects before us are brighter than they have been for some time, and with care and economy exercised, both privately and publicly, the efforts of our people to improve their own position, thus at the same time improving the position of the Dominion as a whole, must insure success. I have the greatest confidence in our future; and the fact of our having passed through a somewhat difficult period will, I feel sure, stimulate our people to greater exertions, and will certainly enable them to show that a temporary set-back is not going to deter them from continuing the excellent traditions that up to now have been the bright characteristic of the people of this Dominion.

MEMORANDUM BY THE RIGHT HON. MINISTER OF FINANCE, SHOWING THE POSITION OF THE PUBLIC ACCOUNTS ON THE 31ST MARCH, 1909, AND THE REQUIREMENTS TO THE 14TH OCTOBER, 1909.

As Parliament will shortly prorogue, and the usual Financial Statement will not be delivered until it reassembles, honourable members are no doubt desirous that I should place before them an outline of the position of the finances of the Dominion.

Dealing first with the past year, the results of which have already been made public by the publication of the Public Accounts in the *Gazette* as required by law, it may not be out of place to make a few comments on them for the information of honourable members.

The revenue for the financial year was estimated at £8,985,000, and the expenditure at £8,878,346, the anticipated surplus, after bringing forward balance of £767,849 from the previous year and transferring £800,000 to public works, being £74,503.

An analysis of the figures shows the actual surplus for the year to be £184,321, or £109,818 more than was anticipated. The surplus of the previous year was £767,849; but for purposes of comparison there must be taken into consideration the increased expenditure and the relinquished revenue which were foreseen and allowed for in the Budget of last year. The recurring large surplus year after year caused the Government to make concessions in Customs, Railways, &c., amounting to about £600,000, and in view of those reductions it could not be expected that such large credit balances would continue.

REVENUE.

The revenue for the past year amounted to £9,001,185, an increase of £16,185 over my estimate, the respective amounts being :—

Estimate.	Actual.	Excess.
£8,985,000	£9,001,185	£16,185

Comparing the revenue with that of the previous year, there is only a difference of £54,761 on the total receipts, the figures being :—

1908-9.	1907-8.	Decrease.
£9,001,185	£9,055,946	£54,761

The revenue for the year exceeded the expenditure by the sum of £215,672, made up as follows :—

Revenue ....	....	....	....	£9,001,185
Expenditure ....	....	....	....	8,785,513
Excess revenue ....	....	....	....	£215,672

Dealing with the various heads of revenue :—

The Railways contributed £2,918,507, as against an estimate of £2,835,000 and an actual receipt of £2,765,395 in 1907-8, the receipts being better than the estimate by £83,507, and an increase on the previous year of £153,112. The

railway returns keep up remarkably well, as it must be borne in mind that the reduction in fares and freights has been set down at £160,500 per annum.

Stamps last year brought in £1,591,328, or £18,328 better than the estimate, and an increase of £40,394 on the previous year's receipts of £1,550,934.

The returns from land and income tax reached nearly £926,000, the exact figures being:—

Land-tax	....	....	....	£	604,901
Income-tax	....	....	....		321,044
					<hr/>
					£925,945

or £45,945 in excess of the estimate, and £83,194 better than that of 1907–8.

Miscellaneous revenue is responsible for bettering the estimate by £25,210, the amount received being £264,210, as against an estimate of £239,000, and £45,868 in excess of the previous year's receipts.

Registration and other fees show an increase on the estimate of £2,061, and Marine brought in £3,815 more than anticipated.

The Customs revenue, which I may say has occasioned me more anxiety than any other class of revenue, did not come up to the estimate by £148,752, the total amount collected for the year being £2,801,248, as against an estimate of £2,950,000.

This is due to the large falling-off in import values for the year 1909 as compared with the steady increase for some years previously, the figures for the last three years being:—

1907.	1908.	1909.
£15,323,127	£18,193,808	£16,750,065

This falling-off is no doubt in sympathy with the decrease in the value of exports (now, I am glad to say, showing an improving tendency), which for the same three years were:—

1907.	1908.	1909.
£19,531,614	£17,868,030	£17,029,531

Another contributing factor is that owing to financial disturbances in the commercial world, New Zealand merchants reduced their imports and traded on their existing stocks. Moreover, the abnormal increase in importations during 1908, in anticipation of the coming into operation of the extended preferential tariff which took effect from 31st March of that year, led to the accumulation of large stocks which had to be cleared off.

These special causes for the reduction in Customs revenue are, however, temporary. Traders are already reporting considerably improved business, and I am of opinion that importations will assume a much larger volume, without anything in the nature of over-importing, which from every point of view is not desirable. I feel justified in saying this from the fact that we have had one of the best seasons known in the history of New Zealand. The result of this is demonstrated by a reference to the exports, which for the five months ended 31st May, 1908, amounted to only £8,713,591, as compared with £10,530,163 for the corresponding period of 1909, an increase of £1,816,572. This shows a largely increased purchasing-power, which must favourably affect our imports.

The decrease in duty is mainly apparent on articles of general merchandise liable to *ad valorem* duties. Those articles which may be regarded as luxuries, such as spirits, cigars, cigarettes, tobacco, wine, ale and beer, show little difference.

There is also another indication of a decided improvement in the financial outlook, the excess of deposits in the Post-Office Savings-Bank over the withdrawals for the month of May being £64,115.

There was a slight falling-off in beer duty, and there was also a drop under territorial revenue of £13,143.

The revenue receipts for the past five years have been as follows:—

	£
1904-5	7,282,870
1905-6	7,584,359
1906-7	8,399,075
1907-8	9,055,946
1908-9	9,001,185

It must be remembered in comparing the figures of the financial year just ended with the previous year that the revenue has been cut down a good deal within the past two years by the remission of Customs duties, railway concessions, abolition of sheep-tax, and the transfer of Crown lands as a national endowment. But, notwithstanding all these abatements, the revenue for the year just closed is £600,000 better than for the year 1906-7. The total increase during the last three years is £1,416,826.

EXPENDITURE.

Having completed the review of the revenue, the expenditure of the Consolidated Fund must be next considered.

The amount estimated for the year was £8,878,346, to which should be added the railway surplus revenue of £83,507, which by the Public Revenues Act is treated as an additional appropriation.

The actual expenditure was £8,785,513, or a saving on the votes of £176,340, the utmost economy having been exercised during the year in order to keep the expenditure within the votes. Had it not been for the surplus railway revenue the unexpended appropriations would have been £92,833.

The expenditure was as follows:—

Amount estimated,—

Permanent charges	£3,210,343
Annual appropriations	5,668,003
Additional appropriations for railways	83,507
	<hr/>
	£8,961,853

Amount expended,—

Permanent charges	£3,210,030
Annual appropriations	5,575,483
	<hr/>
	8,785,513

Saving on appropriations	£176,340
--------------------------	----------

On the expenditure side of the year there is an excess over the preceding year of £571,548. Of this amount our interest charges are responsible for £71,000, and Old-age Pensions £11,500. The issue of debentures for construction of railways, for roading and improving our Crown lands, for grants to local authorities, necessitates an increase of interest-payments.

Post and Telegraph services have absorbed nearly £100,000 more than the previous year; Working Railways, £157,000; Lands and Survey, £60,000; Education required £26,000; cost of general election, including the printing and preparation of rolls, £44,000; licensing polls, £12,800; Defence, £19,000; Public Buildings, £20,000; Agriculture, £20,000; Police Services, £12,000; and Industries and Commerce, £10,000.

A satisfactory feature of the year's transactions is that £800,000 was transferred from revenue in aid of public works.

The floating debt of the Dominion was reduced during the year by the redemption of Treasury bills to the extent of £150,000, the amount left outstanding at the 31st March being £250,000, and no less than £450,000 having been paid off during the last three years. They had practically become a permanent debt, but the Government determined to gradually reduce the amount.

The general results of the year's finance may be summarised as follows:—

Balance brought forward, 1st April, 1908	....	....	....	£767,849
<i>Receipts during year,—</i>				
Revenue	....	....	£9,001,185	
Other receipts	....	....	800	
			<hr/>	£9,001,985
<i>Expenditure during year,—</i>				
Appropriations	....	....	....	8,785,513
			<hr/>	
Excess of receipts over expenditure	....	....	....	216,472
				<hr/>
				£984,321
Transfer to Public Works Fund	....	....	....	800,000
				<hr/>
Balance, 31st March, 1909	....	....	....	<u>£184,321</u>

PUBLIC WORKS.

During the year the sum of £2,169,278 has been expended on public works, as against £1,881,564 spent in the previous year. The principal items of expenditure were as follows:—

			£
Railway-construction	....	....	713,000
Addition to open lines	....	....	390,000
Roads	....	....	469,000
Public buildings	....	....	285,000
Telegraph-extension	....	....	163,000

The position of the Public Works Fund on the 31st March was as follows:—

Balance from last year	£152,563
------------------------	------	------	------	----------

Receipts,—

Loan-money (including premium)	....	£1,604,094	
Transfer from revenue	....	800,000	
Other receipts	....	1,610	
		<hr/>	2,405,704

2,558,267

Expenditure,—

Under appropriations, &c.	....	£2,169,278	
Other charges	....	5,280	
		<hr/>	2,174,558

Balance at 31st March, 1909....	383,709
---------------------------------	------	------	------	---------

Balance loan-money to receive	50,000
-------------------------------	------	------	------	--------

Available public-works moneys to start the current year				
with	....	....	....	<u>£433,709</u>

The Statement of Receipts and Expenditure for the financial year, attached, gives full particulars of the various accounts.

RENEWALS.

The amount which fell due during the past year was £3,133,238. The greater portion was renewed for a longer term, and the result of the renewals is that the interest charges are reduced.

LOANS.

In addition to authorities already in force, Parliament last year authorised the raising of £1,250,000 for public works, and £1,000,000 for the acquisition of

the Wellington and Manawatu Railway. Nearly the whole of this money was raised in London on favourable terms, our brokers having made the necessary arrangements for the placing of these loans with a minimum of cost to the Dominion.

Other moneys were obtained for advances to settlers, land for settlements, for loans to local authorities, and other services.

GOVERNMENT LOANS TO LOCAL BODIES.

Applications from local authorities for loans have been much larger than usual, consequent, no doubt, on the difficulty of obtaining money at a reasonable rate of interest elsewhere. Debentures for the amount authorised by law—£250,000 per annum—were created and issued during the year, of which £192,136 was paid over in loans to local bodies, and £54,713 for roads to open up Crown lands.

WELLINGTON AND MANAWATU RAILWAY.

The purchase of the Wellington-Manawatu Railway, for which £1,000,000 was raised, was effected in manner authorised by the Act. The final payment of the purchase-money was made on the due date, and the whole transaction was completed to the mutual satisfaction of both parties.

LAND FOR SETTLEMENT.

During the year £372,245 has been spent in the acquirement of estates. There was outstanding on 31st March last available borrowing-power of £416,650, which, with the £500,000 authorised for this year, gives us power to raise £916,650 for the acquirement of land for settlement if necessary.

ADVANCES TO SETTLERS AND WORKERS.

£1,493,835 12s. has been expended in advances to settlers, and £298,184 6s. in advances to workers—a gross total of £1,792,019 18s. actually paid out during the year. This is a record for the Department, the increase on the previous year being £390,625. The figures show that there has been a continuous increase in the number of applicants for advances. The office will do its utmost to meet the requirements of borrowers with the funds at its disposal.

The amount of advances actually paid over during each month of the year shows that a full average has been maintained throughout.

Over £5,000,000 has been raised by the Government for investment on mortgage to 31st March, 1909, for advances to settlers, and nearly £500,000 for advances to workers.

There is still authority to raise, on behalf of the advances to settlers, £841,200, being the balance of the six millions authorised by the Act, which, with the annual repayments from mortgagors, will enable the Department to make further advances during the present year to the extent of £1,500,000.

There is also authority under the Act to borrow £500,000 for advances to workers during the current financial year, and this I propose to do. I am sure it will both help workers to get homes for themselves, and give a considerable amount of employment in the building trade throughout the Dominion.

PROVISION FOR THE RECESS.

The Public Revenues Act provides for carrying on to 30th June. After that date no payments can be made for any service until further provision is made. It is therefore necessary to provide for the carrying-on of the public services till Parliament meets again, and I propose to ask the House to extend the provisions of the Public Revenues Act to the 14th October next. The Act contains the safeguard that no payment shall be made for any service other than those for which provision was made in the respective Appropriation Acts and estimates of the preceding year, or in excess of the scale therein set forth.

Authority to increase the amount to be spent under the head of "Unauthorised Expenditure" will also be asked for, as it has been found that with the restrictive provisions of the Act the amount allowed is insufficient. All such expenditure, as well as that under the extended appropriations, is required by law to be included in the estimates laid before Parliament in the next session.

I estimate the cash issues out of the Ordinary Revenue Account for the period 1st April to 14th October at £4,600,000. To meet this, I anticipate revenue receipts to the amount of £3,900,000; in so estimating, I feel it desirable to keep on the safe side, which, with the cash balance at credit on the 1st April, 1909, £387,163, will give a total available ways and means of £4,284,000, or £312,837 less than I estimate the expenditure for that period. This will be met by the temporary issue of Treasury bills, which I hope to pay off before the end of the financial year as the incoming revenue will permit, the largest portion of which comes in during the last six months of the year. The reductions in the public expenditure to the amount of about £250,000 per annum should assist to insure an equilibrium between the expenditure and revenue, and I hope that the present reduction of revenue will be fully provided for.

As to the Public Works Fund, the balance on 31st March, 1909, including advances in hands of Government officers and loan-money to receive, was £433,709, an amount insufficient to carry on our public works beyond the present month. I therefore propose to ask Parliament for authority to raise £1,250,000, to be expended in reproductive works. This will enable the Government to provide for the employment over the winter of those men at present out of work who are willing to accept same.

To enable the equipment of our lines of railways to be more efficient £250,000 is included in the £1,250,000 proposed loan, as the increasing calls for further rolling-stock and equipping of lines requires this amount.

I am also including in the amount of loan asked for a sum of £100,000 to be expended in the purchase of Native lands, as it is desirable in the interests of the people to secure these lands.

The funds for duplication of lines are practically exhausted; and, as it is desirable to push on with the necessary works already authorised, additional borrowing-power of £75,000 will be asked for.

So far as the other separate accounts are concerned, there are sufficient ways and means to carry on with.

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Table

STATEMENT of the RECEIPTS and EXPENDITURE of the **CONSOLIDATED**
REVENUE

1907-1908.	RECEIPTS.	1908-1909.
£ s. d.		£ s. d.
1,215,517 2 2	Balance at beginning of Year,—	1,080,094 0 1
16,993 8 3	Cash in the Public Account	18,080 16 6
29,993 13 0	Advances in the hands of Officers of the Government,—	69,609 18 0
563 15 7	In the Dominion	619 5 7
4,757 10 9	In London	4,445 6 3
	On account of Imperial Pensions	
	On account of other Governments	
1,267,825 9 9		1,167,849 6 5
550,000 0 0	Less Treasury Bills outstanding	400,000 0 0
717,825 9 9		767,849 6 5
	Ordinary Revenue,—	
3,103,564 15 7	Customs	2,801,248 7 3
1,550,938 10 10	Stamps, including Postal and Telegraph Cash Receipts	1,591,327 9 11
537,846 5 9	Land-tax	604,900 13 1
304,904 14 5	Income-tax	321,044 0 11
113,972 19 9	Beer Duty	116,214 1 3
2,765,395 4 4	Railways	2,918,507 6 0
129,165 9 3	Registration and other Fees	117,061 6 7
42,217 2 8	Marine	43,815 3 10
218,342 7 0	Miscellaneous	264,209 16 7
8,766,342 9 7		8,778,328 5 5
	Territorial Revenue,—	
45,233 3 0	Cash Land Sales £55,379 15 11	
2,255 1 0	Deferred-payment Land Sales 1,782 4 2	
242,115 2 5	Pastoral Runs, Rents, and Miscellaneous 165,694 19 7	
289,603 6 5		222,856 19 8
9,055,945 16 0		9,001,185 5 1
	Debentures issued,—	
385,500 0 0	“New Zealand Loans Act, 1908” (“The Consolidated Stock Act, 1884”),—	
	In renewal of debentures matured 4th January, 1909	165,000 0 0
	In renewal of debentures matured 31st December, 1907	
		165,000 0 0
	Recoveries in respect of Expenditure of previous Years,—	
801 11 3	In respect of payments made on account of Cook Islands	443 1 6
3,000 0 0	In respect of payments made on account of Niue Island	356 15 5
4,241 9 2	Refund of purchase-money of schooner “Countess of Ranfurly”	
	Recoupment by Land for Settlements Account of interest paid on borrowed money	
8,043 0 5		799 16 11
	Debentures renewed,—	
	“The Dairy Industry Act, 1908,”—	
	Debentures matured 1st August, 1908	438 0 0
	Sinking Funds set free,—	
800,000 0 0	Applicable to the redemption of debentures issued under—	
124,000 0 0	“The Immigration and Public Works Loan Act, 1870”	
	“The Consolidated Stock Act, 1884”	
924,000 0 0		
£11,091,314 6 2	Totals	£9,935,272 8 5

No. 1.

FUND for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

ACCOUNT.

1907-1908.		EXPENDITURE.	1908-1909.			
£	s. d.		£	s. d.	£	s. d.
Permanent Appropriations,—						
35,690	17 8	Civil List..	33,953	6 11		
2,187,419	0 0	Interest and Sinking Fund..	2,258,364	15 9		
357,221	8 10	Under Special Acts of the Legislature	369,837	14 8		
90,135	17 2	Subsidies paid to Local Bodies	95,060	17 4		
		Amounts paid over to Local Bodies and to Deposit Accounts—				
32,512	14 9	Payments under the Land Acts	29,315	14 5		
22,706	18 7	Payments under the Timber and Flax Royalties Act	9,307	10 11		
		Endowments—				
3,718	5 10	New Plymouth Harbour Board	3,262	19 4		
19,788	19 10	Greymouth Harbour Board	18,204	9 1		
54,391	3 5	Westport Harbour Board	56,190	13 11		
325,036	2 6	Old-age Pensions	336,532	1 7		
3,128,621	8 7				3,210,030	3 11
Annual Appropriations,—						
29,788	13 11	Class I.—Legislative Departments	29,230	19 8		
56,832	5 3	II.—Department of Minister of Finance	49,672	6 8		
707,136	1 10	III.—Post and Telegraph Department	805,537	13 5		
		IV.—Industries and Commerce and Tourist and Health Resorts Departments	64,292	2 4		
54,536	8 10	V.—Old-age Pensions Department	9,098	2 2		
5,765	15 3	VI.—Working Railways Department	2,120,308	4 10		
1,963,227	15 2	VII.—Public Buildings and Domains	65,229	12 8		
47,475	19 6	VIII.—Maintenance of Roads	20,366	1 4		
19,207	14 4	IX.—Printing and Stationery Department	46,963	11 9		
46,261	4 7	X.—Stamp and Deeds Department	37,396	8 0		
37,963	6 0	XI.—Native Department	30,839	19 11		
24,656	5 11	XII.—Justice Department	150,081	2 3		
149,241	9 5	XIII.—Police Department	170,323	13 1		
157,856	19 1	XIV.—Mines Department	33,679	12 9		
34,470	0 5	XV.—Department of Internal Affairs	150,704	12 10		
114,799	16 5	XVI.—Crown Law Department	4,372	11 7		
4,340	3 7	XVII.—Defence Department	195,685	3 0		
176,426	2 4	XVIII.—Customs Department	52,308	14 2		
49,511	19 5	XIX.—Marine and Harbours and Inspection of Machinery Departments	79,012	10 11		
76,629	19 5	XX.—Department of Labour	30,277	1 6		
29,047	10 7	XXI.—Department of Lands and Survey	232,167	4 11		
172,825	16 11	XXII.—Department of Agriculture	156,649	12 4		
136,041	8 3	XXIII.—Valuation Department	35,450	17 1		
33,096	5 11	XXIV.—Education Department	848,234	4 2		
821,423	2 0	XXV.—Public Health Department	37,975	15 4		
33,252	18 11	XXVI.—Mental Hospitals and Hospitals and Charitable Departments	105,447	18 4		
99,395	4 8	Services not provided for	14,127	8 1	5,575,483	5 1
4,133	3 3					
5,085,343	11 2					
800,000	0 0	Revenue transferred to the Public Works Fund			800,000	0 0
Debentures renewed,—						
“New Zealand Loans Act, 1908” (“The Consolidated Stock Act, 1884”),—						
385,500	0 0	Debentures due 4th January, 1909, renewed as per contra	165,000	0 0		
		Debentures due 31st December, 1907, renewed as per contra			165,000	0 0
“The Dairy Industry Act, 1908,”—						
		Debentures matured 1st August, 1908, renewed as per contra			438	0 0
Debentures redeemed,—						
800,000	0 0	“The Immigration and Public Works Loan Act, 1870” matured 1st June, 1907				
124,000	0 0	“The Consolidated Stock Act, 1884” due 31st December, 1907				
924,000	0 0					
Balance at end of Year,—						
1,080,094	0 1	Cash in the Public Account	387,163	1 6		
		Advances in the hands of Officers of the Government—				
13,080	16 6	In the Dominion	42,287	4 0		
69,609	18 0	In London	17	11 9		
619	5 7	On account of Imperial Pensions	4,852	2 2		
4,445	6 3	On account of other Governments				
1,167,849	6 5		434,320	19 5		
400,000	0 0	Less Treasury Bills outstanding	250,000	0 0	184,320	19 5
767,849	6 5					
£11,091,314	6 2	Totals			£9,935,272	8 5

STATEMENT of the RECEIPTS and EXPENDITURE of the **CONSOLIDATED**
TREASURY BILLS

1907-1908.-	RECEIPTS.	1908-1909.
£ s. d. 550,000 0 0	Treasury Bills outstanding at beginning of Year	£ s. d. 400,000 0 0
550,000 0 0	Treasury Bills issued during Year	200,000 0 0
	Treasury Bills renewed	400,000 0 0
		600,000 0 0
£1,100,000 0 0	Totals	£1,000,000 0 0

STATE FORESTS

£ s. d. 16,379 6 5	Balance at beginning of Year,— Cash in the Public Account	£ s. d. 8,487 9 4	£ s. d.
73 7 6	Advances in hands of Officers of the Government— In the Dominion	391 18 6	8,879 7 10
16,452 13 11			
3,083 1 5	Rents from Lands set apart	3,891 0 6	
15,174 18 10	Miscellaneous	28,728 5 3	32,619 5 9
18,258 0 3			
£34,710 14 2	Totals .. .. .	..	£41,498 13 7

STATE COAL-

£ s. d. 91,213 16 9	Balance at beginning of Year,— Cash in the Public Account	£ s. d. 44,060 14 6	£ s. d.
4,613 7 5	Advances in the hands of Officers of the Government— In the Dominion	7 1 4	44,067 15 10
95,827 4 2			
222,583 0 4	Proceeds of sale of coal .. .. .	..	253,528 5 2
100,000 0 0	"The State Coal Mines Act, 1901,"— Debentures matured 1st April, 1907, renewed under "The New Zealand Loans Act, 1904" .. .. .	..	..
£418,410 4 6	Totals .. .. .	..	£297,596 1 0

SCENERY PRESERVATION

£ s. d. 3,678 2 0	Balance at beginning of Year,— Cash in the Public Account	£ s. d. 8,182 18 11	£ s. d.
..	Advances in the hands of Officers of the Government— In the Dominion	10 16 0	8,193 14 11
3,678 2 0			
10,000 0 0	"The Scenery Preservation Act, 1903,"— Proceeds of Debentures issued .. .. .	..	..
£13,678 2 0	Totals .. .. .	..	£8,193 14 11

No. 1—continued.

FUND for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

ACCOUNT.

1907-1908.	EXPENDITURE.	1908-1909.
£ s. d. 550,000 0 0 150,000 0 0	Treasury Bills renewed during Year Treasury Bills paid off during Year	£ s. d. 400,000 0 0 350,000 0 0
700,000 0 0		750,000 0 0
400,000 0 0	Treasury Bills outstanding at end of Year	250,000 0 0
£1,100,000 0 0	Totals	£1,000,000 0 0

ACCOUNT.

£ s. d. 25,831 6 4	Annual Appropriation,— Vote 123—State Forests Branch	£ s. d. ..	£ s. d. 26,962 0 0
8,487 9 4	Balance at end of Year,— Cash in the Public Account	14,346 16 7	
391 18 6	Advances in the hands of Officers of the Government— In the Dominion	189 17 0	
8,879 7 10			14,536 13 7
£34,710 14 2	Totals .. .. .	..	£41,498 13 7

MINES ACCOUNT.

£ s. d. 190,425 0 0	Annual Appropriation,— Vote 124—State Coal-mines	£ s. d. ..	£ s. d. 267,074 13 0
4,200 0 0	Interest on Debentures .. .. .	..	3,500 0 0
39,717 8 8	Expenditure under section 120 of "The Coal-mines Act, 1908" .. .. .	..	..
40,000 0 0	"The State Coal Mines Act, 1901,"— Debentures matured, 1st April, 1907, paid off .. .. .	..	..
100,000 0 0	Debentures matured, 1st April, 1907, renewed as per contra .. .. .	..	..
140,000 0 0			
44,060 14 6	Balance at end of Year,— Cash in the Public Account	17,950 8 11	
7 1 4	Advances in the hands of Officers of the Government— In the Dominion	9,070 19 1	
44,067 15 10			27,021 8 0
£418,410 4 6	Totals .. .. .	..	£297,596 1 0

ACCOUNT.

£ s. d. 5,484 7 1	Annual Appropriation,— Vote 125—Scenery Preservation	£ s. d. ..	£ s. d. 5,765 5 2
8,182 18 11	Balance at end of Year,— Cash in the Public Account	2,370 13 10	
10 16 0	Advances in the hands of Officers of the Government— In the Dominion	57 15 11	
8,193 14 11			2,428 9 9
£13,678 2 0	Totals .. .. .	..	£8,193 14 11

STATEMENT of the RECEIPTS and EXPENDITURE of the **CONSOLIDATED**
ACCOUNTS OF

1907-1908.	RECEIPTS.	1908-1909.
£ s. d. 15,814 11 0	Balance at beginning of Year,— Cash in the Public Account	£ s. d. 15,194 2 3
88 5 9	Advances in the hands of Officers of the Government— In the Dominion .. .. .	..
15,902 16 9		15,194 2 3
8,940 12 10	Revenue received for Local Bodies,— Fees, Fines, &c.	9,473 0 8
22,070 19 2	Endowments of Land, &c.	20,777 7 7
18,247 13 6	Goldfields Revenue	17,399 14 0
30,684 17 10	Gold Duty	27,722 1 5
79,944 3 4		75,372 3 8
146 13 5	Counties Separate Accounts,— Revenue of Counties in which "The Counties Act, 1908," is not in full operation ..	..
46,665 15 5	Advance Account,— Amount repaid by Local Bodies	48,804 4 5
62 12 8	Ditto on account of Unauthorised Expenditure of previous years	51 18 1
46,728 8 1		48,856 2 6
£142,722 1 7	Totals	£139,586 11 11

DEPOSIT

£ s. d. 138,680 0 10	Balance at beginning of Year,— Cash in the Public Account	£ s. d. 244,909 13 2
131 3 2	Advances in the hands of Officers of the Government— In the Dominion	40 11 11
61,129 16 0	In London	2,898 6 4
199,941 0 0		247,848 11 5
35,220 3 9	Lodgments,— Emigrants' Deposits	48,235 17 8
7 15 3	Fisheries Act, 1908	14 19 10
75 0 0	General Assembly Library Fund	50 0 0
895 6 1	Greymouth Harbour Board Act, 1884, Special Coal Rate Account .. .. .	..
7 17 6	Hospitals and Charitable Institutions Acts, 1908	3 13 7
1,359 12 0	Imperial Government (South Africa Contingents)	2,192 3 0
990 13 7	Land Act, 1908— Mining Districts Land Occupation Account	1,487 6 0
..	National Endowments	76,222 11 9
7,019 13 5	Maori Land Settlement Act, 1905 .. .. .	..
149,500 10 4	Miscellaneous	177,979 13 4
146,174 2 6	Money-order Settlement	42,081 19 9
1,311 18 10	Moiety of Rotorua Bath Fees	1,348 12 3
12 11 0	Native Township of Hokio	4 4 0
7 0 0	" Karewa	5 10 0
86 0 8	" Parata	54 5 0
48 7 0	" Parawai	12 5 6
176 15 8	" Pipiriki	98 12 6
163 17 6	" Potaka	133 12 3
27 8 9	" Rotoiti	15 3 9
70 0 6	" Te Araroa	41 16 3
55 15 0	" Te Puia	142 1 0
17 10 6	" Te Puru	9 6 11
174 18 3	" Tokaanu	88 8 6
89 18 6	" Tuatine	63 7 3
128 14 0	" Waipiro	126 1 9
26 15 0	Nelson Rifle Prize Fund	43 19 0
458 18 0	New Zealand International Exhibition .. .. .	..
195 0 0	New Zealand University Endowment, Canterbury .. .. .	..
..	New Zealand University Endowment, Taranaki	0 15 6
47 0 0	North Island Experimental Dairy School	197 0 0
24,249 8 4	North Island Main Trunk Railway Loan Application Act 1886 Amendment Act, 1889	17,934 0 5
22,377 5 11	Public Trust Office Remittance Account	11,616 4 0
10,880 0 0	Railways	3,695 12 6
33 4 5	Tauranga Educational Endowment Reserves Act, 1896	70 3 9
258 7 6	Thermal-springs Districts Act, 1908	249 4 9
521 12 2	Trustees Act, 1903	333 13 10
200 0 0	Unclaimed New Zealand Bonds .. .. .	..
1,712 15 1	Westport Harbour Board Act, 1884, Special Coal Rate Account	1,782 1 10
404,581 17 0		886,934 7 5
£604,522 17 0	Totals	£634,182 18 10

No. 1—continued.

FUND for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

LOCAL BODIES.

1907-1908.	EXPENDITURE.	1908-1909.
£ s. d.		£ s. d.
9,232 3 0	Revenue paid over to Local Bodies,—	£ s. d.
21,550 19 8	—Fees, Fines, &c.	9,357 3 1
17,966 19 0	Endowments of Land, &c.	22,095 17 6
31,902 7 0	Goldfields Revenue	16,710 5 11
	Gold Duty	28,554 6 5
80,652 8 8		76,717 12 11
	Counties Separate Account,—	
131 12 1	Amount distributed amongst Local Bodies where "The Counties Act, 1908," is not in full operation .. .. .	.. 171 14 1
	Advance Accounts,—	
46,743 18 7	Payments on behalf of Local Bodies	53,674 16 10
..	Payments on behalf of Local Bodies, unauthorised	10,000 0 0
		63,674 16 10
	Balance at end of Year,—	
15,194 2 3	Cash in the Public Account	Dr. 979 0 1
..	Less Advances in hands of Officers of the Government—	
..	In the Dominion	1 8 2
		Dr. 977 11 11
£142,722 1 7	Totals	£139,586 11 11

ACCOUNTS.

£ s. d.	Withdrawals,—	£ s. d.	£ s. d.
35,840 17 7	Emigrants' Deposits	45,546 7 8	
..	Fisheries Act, 1908	7 15 3	
75 0 0	General Assembly Library Fund .. .. .	..
279 8 8	Hospitals and Charitable Institutions Acts, 1908 .. .. .	..
230 6 3	Imperial Government (South Africa Contingents)	431 5 6	
206 16 9	Land Transfer Act, 1908	45 0 0	
	Land Act, 1908—		
535 12 10	Mining Districts Land Occupation Account	504 10 7	
..	National Endowments	9,080 9 10	
760 7 3	Maori Land Settlement Act, 1905	3,355 4 1	
174,048 14 2	Miscellaneous	170,529 17 5	
..	Moiety, Rotorua Bath Fees	9,443 10 1	
99,424 2 6	Money-order Settlement	117,462 1 3	
..	Native Township, Hokio	47 9 0	
..	" Karewa	66 18 3	
..	" Parata	291 6 8	
..	" Parawai	196 3 0	
126 4 10	" Pipiriki	423 15 10	
200 4 3	" Potaka	224 17 0	
..	" Rotoiti	188 13 3	
..	" Te Araroa	559 8 9	
..	" Te Puia	469 0 9	
11 6 7	" Te Puru	87 6 3	
84 9 0	" Tokaanu	358 3 0	
..	" Tuatine	585 17 5	
312 14 8	" Waipiro	376 15 1	
63 6 6	Nelson Rifle Prize Fund .. .. .	..
458 18 0	New Zealand International Exhibition .. .. .	..
3,142 13 10	New Zealand University Endowment, Canterbury .. .. .	..
1 5 9	Ngatirahiri Compensation .. .. .	..
6,247 0 7	North Island Main Trunk Railway Loan Application Act 1886 Amendment Act, 1889	37,617 5 8	
26 5 7	North Island Experimental Dairy School	8 10 0	
..	Permanent-way Material Account	24,286 12 4	
20,696 9 8	Public Trust Office Remittance Account	13,556 6 7	
13,859 2 10	Railways	5,483 19 10	
42 17 6	Thermal-springs Districts Act, 1908	134 4 11	
356,674 5 7			441,368 15 3
	Balance at end of Year,—		
244,909 13 2	Cash in the Public Account	191,601 12 5	
40 11 11	Advances in the hands of Officers of the Government—		
2,898 6 4	In the Dominion	1,212 11 2	
	In London .. .. .	..
247,848 11 5			192,814 3 7
£604,522 17 0	Totals .. .. .	..	£634,182 18 10

STATEMENT of the RECEIPTS and EXPENDITURE of the PUBLIC WORKS

1907-1908.		RECEIPTS.	1908-1909.	
£	s. d.		£	s. d.
323,071	0 0	Balance at beginning of Year,—		
15,265	0 9	Cash in Public Account	124,769	0 0
21,063	18 2	Advances in the hands of Officers of the Government—	13,654	4 8
		In the Dominion	14,139	14 2
		In London		
359,399	18 11			152,562 18 10
		New Zealand Loans Act, 1908,—		
		The Aid to Public Works and Land Settlement Act, 1900,—		
		Provision for debentures matured—		
500	0 0	Debentures sold	380,000	0 0
3,000	0 0	Debentures renewed under "The New Zealand Loans Act, 1904"		
3,500	0 0			380,000 0 0
		The Aid to Public Works and Land Settlement Act, 1901,—		
		Provision for debentures falling due 1st December, 1908—		
		Debentures sold	142,700	0 0
		Debentures renewed	10,000	0 0
		Provision for Debentures falling due 1st January, 1909—		
		Debentures renewed	32,900	0 0
		Premiums received	272	12 6
				185,872 12 6
200	0 0	The Aid to Public Works and Land Settlement Act, 1902,—		
		Debentures issued for redemption of debentures matured 1st December, 1906		
		Debentures matured 1st December, 1906, renewed under "New Zealand Loans Act, 1904"	3,000	0 0
				3,000 0 0
		The Aid to Public Works and Land Settlement Act, 1903,—		
		Provision for Debentures matured 1st January, 1909—		
		Debentures renewed under "The New Zealand Loans Act, 1908"	222,475	0 0
		Debentures sold	119,665	0 0
		Premium received on sale and renewal of debentures	95	15 0
		Provision for Debentures matured 1st February, 1909—		
		Debentures renewed under "The New Zealand Loans Act, 1908"	200,000	0 0
				542,235 15 0
808,200	0 0	The Aid to Public Works and Land Settlement Act, 1907,—		
11,594	0 0	Debentures issued in respect of £1,000,000 loan authorised	191,800	0 0
		Premiums received	3,836	0 0
819,794	0 0			195,636 0 0
		The Aid to Public Works and Land Settlement Act, 1908,—		
		Debentures issued in respect of £1,250,000 loan authorised	1,200,000	0 0
		Premiums	500	0 0
				1,200,500 0 0
		The Lands Improvement and Native Lands Acquisition Act, 1894,—		
		Debentures matured 30th September, 1908, renewed		400,000 0 0
		The Post and Telegraph Act, 1908,—		
		Debentures issued		200,000 0 0
800,000	0 0	Revenue transferred from the Consolidated Fund in aid of Public Works		800,000 0 0
1,640	6 1	Special Receipts in connection with the Ellesmere and Forsyth Reclamation and Akaroa Railway Trust		1,610 4 9
56,400	0 0	The Aid to Public Works and Land Settlement Act, 1906,—		
1,920	0 0	Proceeds of scrip and debentures issued (balance £1,000,000 loan)		
58,320	0 0	Premium received		
£2,042,854	5 0	Totals		£4,061,417 11 1

No. 1—continued.

FUND for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

1907-1908.	EXPENDITURE.	1908-1909.
£ s. d.		£ s. d.
18,027 1 3	Annual Appropriations,—	
1,056,925 17 4	Class XXVII.—Public Works, Departmental	24,511 19 10
219,148 1 11	" XXVIII.—Railways	1,102,792 18 8
6,862 19 10	" XXIX.—Public Buildings	285,385 7 11
45,026 11 1	" XXX.—Lighthouses, Harbour-works, and Harbour Defences ..	19,217 6 1
9,130 17 7	" XXXI.—Tourist and Health Resorts.. .. .	23,910 10 2
323,716 19 4	" XXXII.—Immigration	15,076 10 5
8,631 12 2	" XXXIII.—Roads	469,547 16 5
2,190 9 2	" XXXIV.—Development of Goldfields	32,859 3 7
155,491 8 6	" XXXV.—Purchase of Native Lands	2,098 14 5
836 17 6	" XXXVI.—Telegraph Extension	163,032 14 2
18,574 9 0	" XXXVII.—Rates on Native Lands	27 1 0
9,560 13 1	" XXXVIII.—Contingent Defence	10,765 11 4
314 13 6	" XXXIX.—Lands Improvement	19,541 18 7
	Utilisation of Water-power.. .. .	..
1,874,438 11 3		2,168,767 12 7
7,125 7 5	Unauthorised,—	
	Services not provided for	510 14 5
	The New Zealand Loans Act, 1908,—	
500 0 0	The Aid to Public Works and Land Settlement Act, 1900—	
3,000 0 0	Debentures matured 1st April, 1908, redeemed	372,400 0 0
	Debentures matured 1st May, 1907, renewed as per contra .. .. .	..
3,500 0 0		372,400 0 0
	The Aid to Public Works and Land Settlement Act, 1901—	
..	Debentures matured 1st December, 1908, renewed as per contra	10,000 0 0
..	Debentures matured 1st December, 1908, redeemed	142,400 0 0
..	Debentures matured 1st January, 1909, renewed as per contra	32,900 0 0
		185,300 0 0
	The Aid to Public Works and Land Settlement Act, 1902—	
200 0 0	Debentures matured 1st December, 1906, redeemed	3,000 0 0
..	Debentures matured 1st December, 1906, renewed as per contra .. .. .	..
200 0 0		3,000 0 0
	The Aid to Public Works and Land Settlement Act, 1903—	
..	Debentures matured 1st January, 1909, redeemed	119,975 0 0
..	Debentures matured 1st January, 1909, renewed as per contra	222,475 0 0
..	Debentures matured 1st February, 1909, renewed as per contra	200,000 0 0
		542,450 0 0
	Lands Improvement and Native Lands Acquisition Act, 1894,—	
..	Debentures matured 30th September, 1908, renewed as per contra .. .. .	..
		400,000 0 0
	Charges and Expenses, authorised by "The New Zealand Loans Act, 1908," in respect of loans raised under—	
..	Aid to Public Works and Land Settlement Act, 1900	801 0 0
..	Aid to Public Works and Land Settlement Act, 1901	255 17 0
..	Aid to Public Works and Land Settlement Act, 1903	315 0 3
641 18 10	Aid to Public Works and Land Settlement Act, 1906 .. .. .	..
4,385 8 8	Aid to Public Works and Land Settlement Act, 1907	1,389 10 8
5,027 7 6		2,761 7 11
..	The Aid to Public Works and Land Settlement Act, 1908 .. .. .	..
		2,518 6 6
	Balance at end of Year,—	
124,769 0 0	Cash in the Public Account	223,211 13 8
13,654 4 8	Advances in the hands of Officers of the Government—	
14,139 14 2	In the Dominion	30,497 16 0
..	In London .. .. .	..
	Investment Account	130,000 0 0
152,562 18 10		383,709 9 8
£2,042,854 5 0	Totals	£4,061,417 11 1

STATEMENT of the RECEIPTS and EXPENDITURE of the **PUBLIC WORKS**
HUTT RAILWAY AND ROAD IMPROVEMENT ACCOUNT for the

1907-1908.	RECEIPTS.	1908-1909.
£ s. d. 12,074 8 2	Balance at beginning of Year,— Cash in the Public Account	£ s. d. 15,853 8 6
12,074 8 2	.. .. .	15,853 8 6
50,000 0 0	The Hutt Railway and Road Improvement Act, 1907,— Proceeds of Debentures issued	69,300 0 0
..	Premium	266 0 0
£62,074 8 2	Totals	£85,419 8 6

THE RAILWAYS IMPROVEMENTS AUTHORISATION ACT ACCOUNT

£ s. d. 93,526 10 10	Balance at beginning of Year,— Cash in the Public Account	£ s. d. 19,365 4 0	£ s. d. 19,365 4 0
65,000 0 0	The Government Railways Act, 1908,— Proceeds of Scrip and Debentures issued	145,100 0 0	145,130 0 0
1,300 0 0	Premiums received	30 0 0	
66,300 0 0	.. .. .	
£159,826 10 10	Totals		£164,495 4 0

THE WAIKAKA BRANCH RAILWAY

£ s. d. ..	Balance at beginning of Year,— Cash in the Public Account	£ s. d. 11,415 18 6	£ s. d. 13,391 7 2
..	Advances in the hands of Officers of the Government— In London	1,975 8 8	
50,000 0 0	The Waikaka Branch Railway Act, 1905,— Proceeds of £53,476 3-per-cent. Debentures issued .. .. .	..	..
£50,000 0 0	Totals .. .. .	..	£13,391 7 2

STATEMENT of the RECEIPTS and EXPENDITURE of the **WELLINGTON-MANA-**

£ s. d. ..	The Wellington and Manawatu Railway Purchase Act, 1908,— Debentures issued for Acquisition of the Wellington and Manawatu Railway	£ s. d. 1,000,000 0 0	£ s. d. 1,002,500 0 0
..	Premium received thereon	2,500 0 0	
..	Interest recovered from Company under section 6 of "The Wellington-Manawatu Railway Purchase Act, 1908" .. .. .	..	5,369 17 3
..	Total .. .. .	..	£1,007,869 17 3

STATEMENT of the RECEIPTS and EXPENDITURE of the **CHEVIOT ESTATE ACCOUNT**

£ s. d. 42,895 10 3	Balance at beginning of Year,— Cash in Public Account	£ s. d. 48,314 5 7	£ s. d. 48,314 5 7
14,291 5 10	Receipts under "The Land Act, 1908,"— Rents from Lands .. .. .	..	13,492 17 7
..	Other Receipts,— Interest on Securities held by Investment Account .. .. .	..	487 2 5
£57,186 16 1	Totals .. .. .	..	£62,294 5 7

FUND for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

1907-1908.	EXPENDITURE.	1908-1909.
£ s. d. 46,220 19 8	Annual Appropriation,— Vote 129—Hutt Railway and Road Improvement	£ s. d. 66,407 16 11
..	The Hutt Railway and Road Improvement Act, 1907,— Charges and expenses authorised by "The New Zealand Loans Act, 1908" ..	109 10 0
15,853 8 6	Balance at end of Year,— Cash in the Public Account	18,902 1 7
£62,074 8 2	Totals	£85,419 8 6

for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

£ s. d. 140,052 16 4	Vote 130—Railways Improvements	£ s. d. 141,534 1 6
408 10 6	The Government Railways Act, 1908,— Charges and Expenses authorised by "The New Zealand Loans Act, 1908" ..	14 19 4
19,365 4 0	Balance at end of Year,— Cash in the Public Account	22,946 3 2
£159,826 10 10	Totals	£164,495 4 0

ACCOUNT for the Year ended 31st March, 1909, compared with the Financial Year ended 31st MARCH, 1908.

£ s. d. 36,608 12 10	Expenditure under the Act	£ s. d. 13,391 7 2
11,415 18 6	Balance at end of Year,— Cash in the Public Account .. .. .	..
1,975 8 8	Advances in the hands of Officers of the Government— In London .. .. .	..
13,391 7 2	.. .. .	..
£50,000 0 0	Totals	£13,391 7 2

WATU RAILWAY PURCHASE ACCOUNT for the Year ended 31st MARCH, 1909.

£ s. d. ..	The Wellington and Manawatu Railway Purchase Act, 1908,— Payment to Company for Purchase of Railway	£ s. d. 915,000 0 0	£ s. d. ..
..	Interest, 7th December, 1908, to 27th February, 1909	8,594 10 5	..
..	Railway stores taken over from Company	15,164 10 0	..
..	Charges and Expenses of raising £1,000,000 loan	1,250 0 0	..
..	Improvements, additions, and alterations after acquisition .. .. .	..	935,009 0 5
..	Balance at end of Year,— Cash in the Public Account .. .. .	..	32,862 15 6
..	.. .. .	..	39,991 1 4
..	Total .. .. .	..	£1,007,869 17 3

for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

£ s. d. 8,866 2 6	Interest	£ s. d. 8,866 2 6	£ s. d. ..
6 8 0	Surveys, Roading, &c.	15 0 2	..
8,872 10 6	.. .. .	..	8,881 2 8
48,314 5 7	Balance at end of Year,— Cash in the Public Account	6,413 2 11	..
..	Investment Account	47,000 0 0	..
£57,186 16 1	Totals .. .. .	..	53,413 2 11
..	.. .. .	..	£62,294 5 7

No. 1—continued.

ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

1907-1908.		EXPENDITURE.				1908-1909.			
£	s. d.					£	s. d.	£	s. d.
3,879	15 6	Annual Appropriations.—						2,399	9 2
2,487	1 8	Vote 126—Land for Settlements Expenses ..						6,851	18 4
		Vote 127—Workers' Dwellings Expenses ..							
6,366	17 2							9,251	7 6
Total.		Acquirement of Estates,—				Total.			
		Name of Estate.							
		Purchase-money.							
		Incidental Expenses.							
27,815	7 7	Airedale				0	18 0	0	18 0
2	11 0	Albury				12	4 0	12	4 0
271	10 9	Annan				55	9 3	55	9 3
0	10 6	Ardgowan				3	18 0	3	18 0
51	12 0	Argyll				58	5 6	58	5 6
		Ashley Gorge				2	19 6	2	19 6
2	13 0	Barnego				6	16 5	6	16 5
0	10 6	Beaumont				6	18 4	6	18 4
160	7 7	Bickerstaffe				21	2 8	21	2 8
5	18 0	Blind River				32	12 2	32	12 2
		Braco				0	2 0	0	2 0
37	9 2	Braeburn (Wilkie and Page)				13,727	11 10	14,676	15 10
13	12 0	Cadman				6	15 0	6	15 0
503	5 8	Carrington (Booth, W. H., Public Trustee)				1,053	11 1	40,208	11 1
7	16 8	Carroll				6	15 0	6	15 0
0	15 0	Chamberlain				2	19 6	2	19 6
1	11 3	Craddock				4	3 1	4	3 1
95	11 4	Culverden (Trustee late J. Cracroft-Wilson)				1,763	14 3	123,015	10 5
11	9 0	Duncan				8	10 0	8	10 0
2,595	15 0	Dyer				2,940	16 4	2,940	16 4
		Earnscoleugh				1	4 0	1	4 0
		Eccleston				0	11 8	0	11 8
96	13 3	Eccleston No. 2				4	8 0	4	8 0
866	3 11	Edendale				601	3 9	601	3 9
		Elderslie				1	11 0	1	11 0
2	15 0	Elsthorpe				0	0 3	0	0 3
0	8 8	Epuni				2	4 10	2	4 10
		Fencourt				21	4 11	21	4 11
1,382	15 7	Flaxbourne				239	19 1	239	19 1
		Forestgate				3	5 4	3	5 4
149	11 0	Glenham				8	15 3	8	15 3
96	18 6	Greenfield				705	2 0	705	2 0
		Hall-Jones				44	17 8	44	17 8
19	14 11	Hatuma				37	1 6	37	1 6
1,497	12 10	Hawtrey				837	12 11	837	12 11
		Hekeao				4	2 6	4	2 6
43	2 3	Heretaunga							
137	12 4	Hetana				114	3 8	114	3 8
2	14 6	Highbank				17	2 11	17	2 11
2	18 0	Hikawera				1	14 0	1	14 0
2	17 0	Horsley Downs				5	1 6	5	1 6
1,391	19 3	Huinga				3	12 9	3	12 9
2	8 4	Kaimahi				0	2 0	0	2 0
44,999	15 3	Kanakanaia				82	14 9	82	14 9
		Kapua				1	10 6	1	10 6
85	1 5	Kaputohe				41	12 9	41	12 9
		Karapiro				64	1 1	64	1 1
		Kauroo Hill (Teschmaker, E. J., T., C. de S., H. J., and C. M.)				133,804	16 6	134,435	13 4
		Kereta				0	5 0	0	5 0
2,620	13 5	Kinloch				6	17 10	6	17 10
30	0 0	Kitchener				2	0 8	2	0 8
		Kohika				1	19 6	1	19 6
2	18 6	Kumeroa				82	0 0	82	0 0
89	10 5	Kurow				123	3 8	123	3 8
41	12 10	Langdale				2	18 10	2	18 10
2,518	14 11	Lawry				230	4 0	230	4 0
841	10 5	Lindsay				238	6 6	238	6 6
0	4 6	Longbush				2	18 10	2	18 10
13	4 3	Loughnan							
3	13 10	Lynch's							
1	10 0	Lyndon No. 1				4	4 0	4	4 0
2	13 6	Lyndon No. 2				1	3 0	1	3 0
1	0 0	Maerewhenua				5	5 8	5	5 8
1	7 0	Mahora				0	11 0	0	11 0
1,139	6 3	Mahupuku				411	12 9	411	12 9
126	2 8	Makareao				108	5 7	108	5 7
3	18 0	Manga-a-toro				247	0 0	247	0 0
9,687	2 8	Mangapouri				2	5 3	2	5 3
82,581	7 10	Mangatahi				30	19 6	30	19 6
507	0 0	Mangawhata				213	15 6	213	15 6
18,457	15 1	Mangawhero				7	8 1	7	8 1
		Marawiti				2	6 6	2	6 6
105	7 10	Matamata				78	13 10	78	13 10
14	12 5	Maytown				0	12 6	0	12 6
5	17 0	Mead				5	9 6	5	9 6
201,096	11 4	Carried forward				307,939	4 6	320,163	3 6
						12,223	19 0	9,251	7 6

STATEMENT of the RECEIPTS and EXPENDITURE of the LAND FOR SETTLEMENTS

[illegible]

No. 1—continued.

ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908—continued.

1907-1908.			EXPENDITURE.			1908-1909.		
£	s.	d.	£	s.	d.	£	s.	d.
201,096	11	4	Brought forward	307,939	4 6	12,223	19	0
						320,163	3	6
								9,251 7 6
Total.			Acquirement of Estates—continued.			Total.		
			Name of Estate.	Purchase-money.	Incidental Expenses.			
72	14	7	Meadowbank (J. Wither)	15,544	18 3	170	15	4
113	12	9	Melling			58	9	10
279	9	3	Merrivale			11	9	8
146	4	1	Methuen			188	5	8
3	9	5	Mills			15	8	1
97	11	2	Morice (H. White)	196	9 10	6	3	6
12	0	6	Normandale			12	14	6
			Northbank			19	10	0
2	14	6	Ohakea					
2	18	3	Okauia			8	18	2
			Omaka			27	12	3
7	15	0	Opouriao			8	6	11
0	7	6	Orakipaoa			5	8	6
			Otaio			0	10	9
0	1	0	Otarakaro					
98,141	12	11	Otekaike (Receiver of Land Revenue, Dunedin, purchase of Crown land)	15,940	0 0	1,557	15	11
			Papaka			0	13	6
			Pareora			1	11	0
			Pareora No. 2			4	0	9
2	12	6	Patoa			2	16	6
0	5	0	Pawaho			50	16	6
			Pitt			8	10	0
1	10	0	Poerua			105	14	4
9	3	4	Plumer			34	11	5
40,379	4	11	Plunket			672	4	10
85	11	7	Prescot			0	7	7
			Pomahaka			2	13	11
			Pouparae			4	8	2
143	1	7	Pourerere			11	13	0
0	10	0	Punaroa			4	7	0
			Puhipuhi			4	1	3
			Puhuka			0	7	0
			Puketapu			0	15	0
			Rainford			17	15	7
			Rakatairi			4	10	6
6	18	0	Rangiatea			5	18	4
38,995	19	10	Raumati			5,397	1	5
			Rapuwai			2	1	6
			Raureka			0	5	6
			Rautawiri			0	15	0
			Rawiri			61	10	11
14,133	1	11	Rewi			48	18	1
42	19	8	Richmond Brook			22	3	1
25	9	0	Ringway			8	5	7
			Roimata			10	2	6
			Rosebrook			1	3	0
383	1	6	Rosewill			692	11	11
1,692	18	7	Selwyn			361	18	2
3	4	0	Spotswood			84	4	6
3	17	6	Starborough			321	17	10
5,446	9	8	Steward			845	7	10
0	4	6	Tablelands			1	14	0
0	8	0	Takitu			1	5	0
50	1	6	Tamai			20	5	3
16	2	0	Tarawahi			5	13	0
16,791	3	8	Taumata			74	4	9
29,146	18	0	Tautari			2,940	8	5
348	0	7	Tawaha			9	13	11
			Teanaraki			6	0	0
114,196	0	9	Te Arai			3,769	16	0
80	6	5	Teasdale			678	17	8
1,750	13	5	Te Mata (B. Chambers)	9	6 8	31	9	0
2	6	6	Tokarahi			2	17	0
0	13	6	Tomoana					
196	1	1	Totara			282	3	6
98	13	5	Waari			34	12	2
4	6	2	Waddington			21	1	10
			Waipapi			2	0	0
7	5	0	Waikakahi			41	19	7
20,399	19	2	Waimana			1,251	10	4
			Waimarie			4	13	2
			Waipapa			13	14	9
1,293	3	0	Walker			6	15	7
16,775	10	7	Wangapeka			281	16	9
4	15	3	Wharenui			10	1	0
			Whitehall			7	7	6
95	6	8	Wigan			5	4	0
92	12	6	Wilford			0	6	0
			Willows			4	8	5
1	12	6	Windsor Park			3	11	6
1	12	6	Windsor Park No. 2					
2,803	9	8	Windle					
605,490	7	2		339,629	19 3	32,615	1	2
611,857	4	4	Carried forward					
								372,245 0 5
								381,496 7 11

STATEMENT of the RECEIPTS and EXPENDITURE of the LAND FOR SETTLEMENTS

1907-1908.	RECEIPTS.	1908-1909.
<p>£ s. d. 1,784,883 11 1</p>	<p>Brought forward</p> <p>Totals</p>	<p>£ s. d. £ s. d. .. 1,582,437 17 9</p> <p>£1,582,437 17 9</p>

No. 1—continued.

ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908—continued.

1907-1908.	EXPENDITURE.	1908-1909.
£ s. d. 611,857 4 4	Brought forward	£ s. d. 381,496 7 11
	The Land for Settlements Act, 1908,—	
	Debentures redeemed—	
266,800 0 0	Matured 1st August, 1908	58,050 0 0
..	Matured 1st February, 1908	5,500 0 0
..	Matured 1st April, 1908	250,000 0 0
..	Matured 1st January, 1909	40,975 0 0
	Debentures renewed—	
148,800 0 0	Matured 1st January, 1909, as per contra	75,075 0 0
..	Matured 1st February, 1908, as per contra	200 0 0
..	Matured 1st August, 1908, as per contra	172,600 0 0
415,600 0 0		602,400 0 0
	The Land for Settlements Act, 1908,—	
	Charges and Expenses,—	
956 6 11	On issue of Debentures	208 4 8
15 18 4	On renewal of Debentures	488 16 10
865 14 6	On redemption of Debentures	232 6 1
1,837 19 9		929 7 7
	The Land for Settlements Act, 1908,—	
209,060 14 8	Interest on advances	292 16 6
	Interest recouped to Consolidated Fund in respect of Debentures issued	215,535 4 3
54,465 0 0	Sinking Fund £1 per cent. on amount issued	57,963 1 7
	Balance at end of Year,—	
89,645 17 11	Cash in the Public Account	20,504 2 0
	Advances in the hands of Officers of the Government—	
1,001 6 4	In the Dominion	1,816 2 4
1,415 8 1	In London .. .. .	..
400,000 0 0	Investment Account	301,500 15 7
492,062 12 4		323,820 19 11
£1,784,883 11 1	Totals	£1,582,437 17 9

STATEMENT of the RECEIPTS and EXPENDITURE of the MAORI LAND SETTLEMENT

1907-1908.	RECEIPTS.	1908-1909.
£ s. d. 95,687 7 0	Balance at beginning of Year,— Cash in the Public Account	£ s. d. 4,299 5 3
886 17 7	Advances in the hands of Officers of the Government— In the Dominion	28 17 2
96,574 4 7		4,328 2 5
..	Amount received in respect of Survey Liens	67 7 9
..	Amount received on account of Shares of Purchase-money of Rangitoto-Tuhua No. 58 Block	1,789 14 5
50,000 0 0	The Maori Land Settlement Act Amendment Act, 1907,— Proceeds of Debentures issued .. .. .	..
£146,574 4 7	Totals	£6,185 4 7

STATEMENT of the RECEIPTS and EXPENDITURE of the CONVERSION

£ s. d. 266 8 8	Balance at beginning of Year,— In the hands of Stock Agents— Cash	£ s. d. 188 9 11	£ s. d.
102,000 0 0	In the hands of the High Commissioner— 3½-per-cent. Stock for sale	50,000 0 0	50,188 9 11
102,266 8 8			30,074 4 8
97,179 13 7	Less cash overdrawn		20,114 5 3
5,086 15 1			
288,000 0 0	3½-per-cent. Inscribed Stock,— Issued for redemption of Debentures		
340,676 10 0	Issued for conversion of Debentures	1,226,828 0 0	
5,000 0 0	Issued for expenses of conversion	12,900 0 0	1,239,728 0 0
633,676 10 0			
106 5 0	Premium received on sale of 3½-per-cent. Stock .. .. .	..	..
£638,869 10 1	Totals .. .. .	..	£1,259,842 5 3

No. 1—continued.

ACT ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

1907-1908.	EXPENDITURE.	1908-1909.
£ s. d. 2,574 9 0	Vote 128—Maori Land Settlement Expenses	£ s. d. 832 6 2
139,671 13 2	Acquirement of Land	615 7 1
4,299 5 3	Balance at end of Year,— Cash in the Public Account	4,645 0 3
28 17 2	Advances in the hands of officers of the Government— In the Dominion	92 11 1
4,328 2 5		4,737 11 4
£146,574 4 7	Totals	£6,185 4 7

ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

£ s. d.	Debitures converted into 3½-per-cent. In-	Amount converted.	Rate.	Premium.	£ s. d.	£ s. d.
201,412 10 0	scribed Stock,—	£	£	£		
32,415 0 0	Immigration and Public Works Loan Act, 1870	..	..	..
..	Aid to Public Works and Land Settlement Act, 1900	300,000	102	6,000		
18,889 0 0	Aid to Public Works and Land Settlement Act, 1901	25,000	102	500		
7,210 0 0	Aid to Public Works and Land Settlement Act, 1904	2,800	101	28		
..	Aid to Public Works and Land Settlement Act, 1905 .. .. .	..	..	..
80,750 0 0	Aid to Public Works and Land Settlement Act, 1908	420,000	102	8,400		
..	Land for Settlements Consolidation Act, 1900..	250,000	102	5,000		
	Wellington-Manawatu Railway Purchase Act, 1908	205,000	102	4,100		
340,676 10 0		1,202,800	..	24,028	1,226,828 0 0	1,226,828 0 0
266,100 0 0	Debitures redeemed .. .. .	..	..	..	..	..
2,062 10 0	Expenses Account,—					
3,512 10 0	Brokerage and Commission .. .. .	..	..	..	12,500 0 0	
3,945 10 11	Discount .. .. .	..	..	..	70 15 0	
376 12 10	Stamp Duty .. .. .	..	..	..	8,454 15 0	
2,073 3 1	Rent and Office Expenses .. .. .	..	..	..	394 14 10	
8 8 0	Interest .. .. .	..	..	..	1,206 5 11	
	Law Costs .. .. .	..	..	..	..
11,978 14 10						22,626 10 9
Dr. 30,074 4 8	Balance at end of Year,—					
188 9 11	Cash in the Public Account .. .. .	..	..	..	9,943 12 11	
50,000 0 0	Advances in the hands of Stock Agents— Cash .. .. .	..	..	..	444 1 7	
20,114 5 3	In the hands of High Commissioner— 3½-per-cent. Stock for sale .. .. .	..	..	..	..
£638,869 10 1	Totals .. .. .	..	..	..	..	10,387 14 6
						£1,259,842 5 3

No. 1—continued.

ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

1907-1908.			EXPENDITURE.			1908-1909.		
£	s.	d.				£	s.	d.
			Grants under "The Local Bodies' Loans Act, 1908,"—					
			Counties—					
2,400	0	0	Akitio	..	..	3,100	0	0
..	..	..	Amuri	..	..	5,000	0	0
1,600	0	0	Bruce	..	..	850	0	0
..	..	..	Castlepoint	..	..	800	0	0
..	..	..	Clifton	..	..	1,330	0	0
1,950	0	0	Collingwood	..	..	1,959	0	0
6,000	0	0	Cook	..	..	6,000	0	0
..	..	..	Dannevirke	..	..	2,910	0	0
3,500	0	0	Egmont	..	..	400	0	0
..	..	..	Eketahuna	..	..	585	0	0
..	..	..	Eltham	..	..	4,500	0	0
1,000	0	0	Featherston	..	..	200	0	0
2,000	0	0	Geraldine	..	..	4,000	0	0
399	0	0	Grey	..	..	..	..	..
..	..	..	Hawke's Bay	..	..	1,850	0	0
2,750	0	0	Hobson	..	..	2,500	0	0
4,500	0	0	Horowhenua	..	..	4,950	0	0
1,650	0	0	Hutt	..	..	..	..	..
..	..	..	Inangahua	..	..	1,500	0	0
..	..	..	Kaikoura	..	..	5,000	0	0
..	..	..	Kairanga	..	..	225	0	0
1,000	0	0	Kawhia	..	..	300	0	0
800	0	0	Kiwitea	..	..	2,319	0	0
2,000	0	0	Mackenzie	..	..	..	..	..
1,150	0	0	Manawatu	..	..	1,400	0	0
6,000	0	0	Masterton	..	..	2,225	0	0
350	0	0	Ohinemuri	..	..	..	..	..
..	..	..	Opotiki	..	..	2,000	0	0
2,000	0	0	Oroua	..	..	3,624	0	0
211	0	0	Pahiatua	..	..	1,570	0	0
..	..	..	Patangata	..	..	5,500	0	0
400	0	0	Patea	..	..	..	..	..
1,600	0	0	Piako	..	..	3,000	0	0
1,650	0	0	Pohangina	..	..	1,115	0	0
6,000	0	0	Raglan	..	..	3,650	0	0
6,000	0	0	Rangitikei	..	..	4,670	0	0
..	..	..	Southland	..	..	400	0	0
3,100	0	0	Stratford	..	..	4,100	0	0
3,250	0	0	Taranaki	..	..	2,500	0	0
1,000	0	0	Tauranga	..	..	3,000	0	0
500	0	0	Waipatu	..	..	500	0	0
..	..	..	Waikato	..	..	837	0	0
400	0	0	Waimarino	..	..	..	..	..
3,100	0	0	Waipa	..	..	2,000	0	0
2,500	0	0	Waipawa	..	..	..	..	..
100	0	0	Wairarapa South	..	..	..	..	..
2,425	0	0	Wairoa	..	..	3,375	0	0
..	..	..	Waitomo	..	..	2,000	0	0
..	..	..	Weber	..	..	553	0	0
512	0	0	Westland	..	..	..	..	..
2,500	0	0	Whangarei	..	..	1,500	0	0
250	0	0	Woodville	..	..	1,900	0	0
76,547	0	0						101,697 0 0
			City Council—					
3,000	0	0	Christchurch	..	..	..	..	5,500 0 0
			Boroughs—					
380	0	0	Akaroa	..	..	1,200	0	0
..	..	..	Alexandra	..	..	700	0	0
2,800	0	0	Birkenhead	..	..	3,000	0	0
..	..	..	Campbelltown	..	..	..	..	..
700	0	0	Carterton	..	..	2,000	0	0
1,000	0	0	Cromwell	..	..	1,000	0	0
1,000	0	0	Dannevirke	..	..	1,500	0	0
600	0	0	Eketahuna	..	..	2,500	0	0
..	..	..	Eltham	..	..	6,800	0	0
2,800	0	0	Feilding	..	..	..	..	..
600	0	0	Foxton	..	..	..	..	..
2,449	0	0	Greymouth	..	..	2,000	0	0
..	..	..	Hamilton	..	..	..	..	..
5,000	0	0	Hokitika	..	..	1,000	0	0
..	..	..	Kaipoi	..	..	..	..	..
1,300	0	0	Kumara	..	..	4,400	0	0
..	..	..	Levin	..	..	10,000	0	0
..	..	..	Lytelton	..	..	360	0	0
500	0	0	Maori Hill	..	..	..	..	..
1,750	0	0	New Plymouth	..	..	700	0	0
..	..	..	Onslow	..	..	..	..	..
350	0	0	Petone	..	..	4,000	0	0
..	..	..	Picton	..	..	2,000	0	0
..	..	..	Stratford	..	..	1,025	0	0
..	..	..	Taihape	..	..	3,000	0	0
..	..	..	Te Aroha	..	..	..	..	..
2,000	0	0	Waiki	..	..	..	..	..
1,500	0	0	Westport	..	..	..	..	..
2,000	0	0	Woodville	..	..	1,500	0	0
26,729	0	0						48,685 0 0
106,276	0	0	Carried forward	..	..			155,882 0 0

STATEMENT of the RECEIPTS and EXPENDITURE of the LOANS TO LOCAL BODIES

1907-1908.		RECEIPTS.		1908-1909.	
£	s. d.			£	s. d.
436,515	2 11	Brought forward	.. .. .		1,051,800 0 11

No. 1—continued.

ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908—continued.

1907-1908.		EXPENDITURE.						1908-1909.	
£	s. d.							£	s. d.
106,276	0 0	Brought forward	155,882 0 0
		Grants under "The Local Bodies' Loans Act, 1908"— <i>continued.</i>							
		Road Boards—							
1,000	0 0	Awatere	..	..	..	..	1,000	0 0
150	0 0	Barrett	..	..	..	..	..	..
2,000	0 0	Carrington	..	..	..	..	500	0 0
..	..	Heathcote	..	..	..	..	825	0 0
825	0 0	Hunua	..	..	..	..	500	0 0
264	0 0	Howick Township	..	..	..	..	..	..
..	..	Huntly	..	..	..	..	1,000	0 0
..	..	Kirikiri-roa	..	..	..	..	3,000	0 0
920	0 0	Manganui	..	..	..	..	300	0 0
80	0 0	Mataongaonga	..	..	..	..	..	..
2,980	0 0	Moa	..	..	..	..	1,960	0 0
..	..	Omaka	..	..	..	..	3,000	0 0
..	..	Papakura	..	..	..	..	100	0 0
..	..	Parihaka	..	..	..	..	1,350	0 0
..	..	Pukekohe East	..	..	..	..	2,000	0 0
800	0 0	Pukekohe West	..	..	..	..	..	..
..	..	Port Chevalier	..	..	..	..	770	0 0
..	..	Riccarton	..	..	..	..	251	0 0
..	..	Turanga	..	..	..	..	250	0 0
2,000	0 0	Upper Wangaehu	..	..	..	..	..	..
2,000	0 0	Waikohu	..	..	..	..	1,100	0 0
175	0 0	Waimate	..	..	..	..	..	..
1,500	0 0	Waipipi	..	..	..	..	2,426	0 0
..	..	Waitotara Momahaki	..	..	..	..	500	0 0
50	0 0	Waitara West	..	..	..	..	100	0 0
..	..	Waiwakaiho	..	..	..	..	97	0 0
14,744	0 0							21,029 0 0	
		Town Boards—							
300	0 0	Bull's	..	..	..	..	300	0 0
1,300	0 0	Featherston	..	..	..	..	800	0 0
200	0 0	Martinborough	..	..	..	..	..	..
..	..	Ohakune	..	..	..	..	300	0 0
..	..	Opotiki	..	..	..	..	300	0 0
200	0 0	Otautau	..	..	..	..	..	..
2,000	0 0							1,700 0 0	
		River Board—							
5,000	0 0	Hutt	..	..	..	..	..	5,000 0 0
		Drainage Boards—							
400	0 0	Eltham	..	..	..	..	800	0 0
..	..	Hautapu	..	..	..	..	2,500	0 0
..	..	Hopelands	..	..	..	..	250	0 0
3,000	0 0	Hunga Hunga	..	..	..	..	..	..
3,000	0 0	Makerua	..	..	..	..	3,000	0 0
..	..	Moutoa	..	..	..	..	1,100	0 0
..	..	Pukekohe	..	..	..	..	225	0 0
2,000	0 0	Sefton-Ashley	..	..	..	..	..	..
..	..	South Hautapu	..	..	..	..	350	0 0
..	..	Sluggish River	..	..	..	..	300	0 0
8,400	0 0							8,525 0 0	
		Total Grants	192,136 0 0
		Annual Appropriation,—							
38,524	2 6	Vote 131—Roads to open up Crown lands	54,712 13 8
		The Local Bodies' Loans Act, 1908,—							
..	..	Debentures matured 1st January, 1909, renewed as per contra	790,000 0 0
		The Government Loans to Local Bodies Act, 1886,—							
250,300	0 0	Debentures matured 1st September, 1907, renewed
		Amount transferred to Hauraki Plains Settlement Account under section 4 of "The Hauraki Plains Act, 1908"	12,000 0 0
		Balance at end of Year,—							
11,271	0 5	Cash in the Public Account						2,406	9 10
		Advances in hands of officers of the Government—							
..	..	In the Dominion						544	17 5
								2,951 7 3	
£436,515	2 11	Totals	£1,051,800 0 11

STATEMENT of the RECEIPTS and EXPENDITURE of the **HAURAKI PLAINS**

1907-1908.	RECEIPTS.	1908-1909.
£ s. d.		£ s. d.
.. ..	Amount transferred from Loans to Local Bodies Account under clause 4 of "The Hauraki Plains Act, 1908"	12,000 0 0
.. ..	Total	£12,000 0 0

STATEMENT of the RECEIPTS and EXPENDITURE of the **GOVERNMENT ADVANCES TO SETTLERS**

£ s. d.		£ s. d.	£ s. d.
240,000 0 0	The Government Advances to Settlers Act, 1908,—	1,094,700 0 0	
.. ..	Debentures issued	3,013 15 0	
.. ..	Premium on same		1,097,713 15 0
.. ..	Debentures matured 5th June, 1908, renewed under "New Zealand Loans Act, 1904" .. .. .	.. ..	80,000 0 0
.. ..	Temporary advances obtained pending issue of Debentures .. .. .	.. ..	954,100 0 0
£240,000 0 0	Totals .. .. .	.. ..	£2,131,813 15 0

STATEMENT of the RECEIPTS and EXPENDITURE of the **GOVERNMENT ADVANCES TO WORKERS**

£ s. d.		£ s. d.	£ s. d.
95,000 0 0	The Government Advances to Settlers Act, 1908,—	.. ..	73,500 0 0
.. ..	Debentures issued .. .. .	.. ..	150,000 0 0
.. ..	Temporary advances obtained pending issue of Debentures .. .. .	.. ..
£95,000 0 0	Totals .. .. .	.. ..	£223,500 0 0

STATEMENT of the RECEIPTS and EXPENDITURE of the **BANK OF NEW ZEALAND ACT,**

£ s. d.		£ s. d.	£ s. d.
500,000 0 0	Balance at beginning of Year,—	.. ..	500,000 0 0
.. ..	Investment Account .. .. .	.. ..
£500,000 0 0	Totals .. .. .	.. ..	£500,000 0 0

STATEMENT of the RECEIPTS and EXPENDITURE of the **RESERVE**

£ s. d.		£ s. d.	£ s. d.
.. ..	Balance at beginning of Year,—	.. ..	800,000 0 0
.. ..	Investment Account .. .. .	.. ..
800,000 0 0	The Public Revenues Act, 1908,—	.. ..
.. ..	Proceeds of Debentures created .. .. .	.. ..
800,000 0 0	Securities purchased under authority of "The Public Revenues Act, 1908," as per contra .. .. .	.. ..
£1,600,000 0 0	Totals .. .. .	.. ..	£800,000 0 0

STATEMENT of the RECEIPTS and EXPENDITURE of the **NEW ZEALAND CONSOL**

£ s. d.		£ s. d.	£ s. d.
10 1 1	Balance at beginning of Year,—	74 1 1	
478,225 0 0	Cash in Deposit Account	478,375 0 0	
.. ..	Investment Account .. .. .	.. ..	478,449 1 1
478,235 1 1	Deposits inscribed .. .. .	.. ..	124 0 0
214 0 0	Totals .. .. .	.. ..	£478,573 1 1
£478,449 1 1			

No. 1—continued.

SETTLEMENT ACCOUNT for the Year ended 31st MARCH, 1909.

1907-1908.	EXPENDITURE.	1908-1909.
£ s. d.		£ s. d.
.. ..	Expenditure under the Act	11,672 5 6
.. ..	Balance at end of Year,— Cash in the Public Account	327 14 6
.. ..	Total	£12,000 0 0

OFFICE LOAN ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

£ s. d.		£ s. d.	£ s. d.
240,000 0 0	Amount paid over to Government Advances to Settlers Office Account .. ..	.. ..	1,051,813 15 0
.. ..	The Government Advances to Settlers Act, 1908,— Debentures matured 5th June, 1908, renewed as per contra .. ..	.. ..	80,000 0 0
.. ..	Temporary advances repaid .. .. .	.. ..	1,000,000 0 0
£240,000 0 0	Totals .. .. .	.. ..	£2,131,813 15 0

LOAN ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

£ s. d.		£ s. d.	£ s. d.
95,000 0 0	Amount paid over to Government Advances to Workers Office Account .. ..	.. ..	123,500 0 0
.. ..	Temporary advances repaid .. .. .	.. ..	100,000 0 0
£95,000 0 0	Totals .. .. .	.. ..	£223,500 0 0

1903, ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

£ s. d.		£ s. d.	£ s. d.
500,000 0 0	Balance at end of Year,— Investment Account— 75,000 preference shares issued by the Bank of New Zealand .. ..	.. ..	500,000 0 0
£500,000 0 0	Totals .. .. .	.. ..	£500,000 0 0

FUND ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

£ s. d.		£ s. d.	£ s. d.
800,000 0 0	The Public Revenues Act, 1908,— Purchase of Securities (face value, £863,876 17s. 11d.) .. ..	.. ..	.. ..
800,000 0 0	Balance at end of Year,— Investment Account .. .. .	.. ..	800,000 0 0
£1,600,000 0 0	Totals .. .. .	.. ..	£800,000 0 0

ACCOUNT for the Year ended 31st MARCH, 1909, compared with the Financial Year ended 31st MARCH, 1908.

£ s. d.		£ s. d.	£ s. d.
74 1 1	Balance at end of Year,— Cash in Deposit Account	8 1 1	.. ..
478,375 0 0	Investment Account	478,565 0 0	478,573 1 1
478,449 1 1			
£478,449 1 1	Totals .. .. .	.. ..	£478,573 1 1

Table No. 1—continued.
SUMMARY of BALANCES on 31st MARCH, 1909.

	BALANCES.	CASH.	ADVANCES.	INVESTMENTS.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
CONSOLIDATED FUND:—					
Ordinary Revenue Account*	434,320 19 5	387,163 1 6	47,157 17 11	..	434,320 19 5
State Forests Account	14,536 13 7	14,346 16 5	189 17 0	..	14,536 13 7
State Coal-mines Account	27,021 8 0	17,950 8 11	9,070 19 1	..	27,021 8 0
Scenery Preservation Account	2,428 9 9	2,376 13 10	57 15 11	..	2,428 9 9
Accounts of Local Bodies	Dr. 977 11 11	Cr. 979 0 1	1 8 2	..	Cr. 977 11 11
Deposit Accounts	192,814 3 7	191,601 12 5	1,212 11 2	..	192,814 3 7
	670,144 2 5	612,453 13 2	57,690 9 3	..	670,144 2 5
PUBLIC WORKS FUND	383,709 9 8	223,211 13 8	30,497 16 0	130,000 0 0	383,709 9 8
WELLINGTON—MANAWATU RAILWAY PURCHASE ACCOUNT	39,991 1 4	39,991 1 4	..	..	39,991 1 4
HUTT RAILWAY AND ROAD IMPROVEMENT ACCOUNT.	18,902 1 7	18,902 1 7	..	..	18,902 1 7
THE RAILWAYS IMPROVEMENTS AUTHORISATION ACT ACCOUNT	22,946 3 2	22,946 3 2	..	..	22,946 3 2
LAND FOR SETTLEMENTS ACCOUNT.	323,820 19 11	20,504 2 0	1,816 2 4	301,500 15 7	323,820 19 11
MAORI LAND SETTLEMENT ACT ACCOUNT	4,737 11 4	4,645 0 3	92 11 1	..	4,737 11 4
CHEVIOT ESTATE ACCOUNT	53,413 2 11	6,413 2 11	..	47,000 0 0	53,413 2 11
LOANS TO LOCAL BODIES ACCOUNT	2,951 7 3	2,406 9 10	544 17 2	..	2,951 7 3
HAURAKI PLAINS SETTLEMENT ACCOUNT	327 14 6	327 14 6	..	..	327 14 6
CONVERSION ACCOUNT	10,387 14 6	9,943 12 11	441 1 7	..	10,387 14 6
NEW ZEALAND CONSOLS ACCOUNT.	478,573 1 1	8 1 1	..	478,565 0 0	478,573 1 1
RESERVE FUND ACCOUNT.	800,000 0 0	..	..	800,000 0 0	800,000 0 0
BANK OF NEW ZEALAND ACT, 1903, ACCOUNT	500,000 0 0	..	..	500,000 0 0	500,000 0 0
GENERAL SERVICES ACCOUNT	..	Cr. 84,981 10 5	84,981 10 5	..	..
Totals	3,309,904 9 8	876,771 6 0	176,067 8 1	2,257,065 15 7	3,309,904 9 8

* Against this Treasury Bills amounting to £250,000 are outstanding.

Table No. 2.

COMPARATIVE STATEMENT of the Estimated and Actual RECEIPTS and EXPENDITURE of the CONSOLIDATED FUND (REVENUE ACCOUNT) for the Financial Year ended 31st March, 1909.

		ESTIMATED.		ACTUAL.		DIFFERENCES.			
						More than Estimate.		Less than Estimate.	
RECEIPTS.									
REVENUE ACCOUNT:—		£	s. d.	£	s. d.	£	s. d.	£	s. d.
Customs .. .. .	..	2,950,000	0 0	2,801,248	7 3	..	..	148,751	12 9
Railways .. .. .	..	2,835,000	0 0	2,918,507	6 0	83,507	6 0	..	..
Stamps* .. .. .	..	1,573,000	0 0	1,591,327	9 11	18,327	9 11	..	..
Land-tax .. .. .	..	570,000	0 0	604,900	13 1	34,900	13 1	..	..
Income-tax .. .. .	..	310,000	0 0	321,044	0 11	11,044	0 11	..	..
Beer Duty .. .. .	..	117,000	0 0	116,214	1 3	..	..	785	18 9
Registration and other Fees .. .. .	..	115,000	0 0	117,061	6 7	2,061	6 7	..	..
Marine .. .. .	..	40,000	0 0	43,815	3 10	3,815	3 10	..	..
Miscellaneous .. .. .	..	239,000	0 0	264,209	16 7	25,209	16 7	..	..
Territorial Revenue .. .. .	..	236,000	0 0	222,856	19 8	..	..	13,143	0 4
		8,985,000	0 0	9,001,185	5 1	178,865	16 11	162,680	11 10
						162,680	11 10		
						16,185	5 1		
Recoveries on account of Expenditure of previous years .. .. .		..		799	16 11	799	16 11		
Totals		8,985,000	0 0	9,001,985	2 0	16,985	2 0		

EXPENDITURE.									
REVENUE ACCOUNT:—		£	s. d.	£	s. d.	£	s. d.	£	s. d.
Permanent Appropriations,—									
Civil List .. .. .	..	34,900	0 0	33,953	6 11	..	..	946	13 1
Interest and Sinking Fund .. .. .	..	2,265,448	0 0	2,258,364	15 9	..	..	7,083	4 3
Under Special Acts .. .. .	..	353,595	0 0	369,837	14 8	16,242	14 8	..	..
Subsidies paid to Local Bodies .. .. .	..	90,000	0 0	95,060	17 4	5,060	17 4	..	..
Territorial Revenue .. .. .	..	51,700	0 0	38,623	5 4	..	..	13,076	14 8
Endowments .. .. .	..	89,700	0 0	77,658	2 4	..	..	12,041	17 8
Old-age Pensions .. .. .	..	325,000	0 0	336,532	1 7	11,532	1 7	..	..
		3,210,343	0 0	3,210,030	3 11	32,835	13 7	33,148	9 8
Annual Appropriations,—									
Legislative .. .. .	..	32,341	0 0	29,280	19 8	..	..	3,060	0 4
Department of Minister of Finance .. .. .	..	61,260	0 0	49,672	6 8	..	..	11,587	13 4
Postmaster-General .. .. .	..	810,668	0 0	805,537	13 5	..	..	5,130	6 7
Industries and Commerce and Tourists .. .. .	..	73,989	0 0	64,292	2 4	..	..	9,696	17 8
Old age Pensions .. .. .	..	9,543	0 0	9,098	2 2	..	..	444	17 10
Working Railways .. .. .	..	2,145,716	0 0	2,120,308	4 10	..	..	25,407	15 2
Minister for Public Works .. .. .	..	90,690	0 0	85,595	14 0	..	..	5,094	6 0
Printing and Stationery .. .. .	..	50,511	0 0	46,963	11 9	..	..	3,547	8 3
Commissioner of Stamps .. .. .	..	40,246	0 0	37,396	8 0	..	..	2,849	12 0
Native Department .. .. .	..	37,279	0 0	30,839	19 11	..	..	6,439	0 1
Minister of Justice.. .. .	..	155,705	0 0	150,081	2 3	..	..	5,623	17 9
Police Department .. .. .	..	175,242	0 0	170,323	13 1	..	..	4,918	6 11
Minister of Mines .. .. .	..	39,500	0 0	33,679	12 9	..	..	5,820	7 3
Department of Internal Affairs .. .. .	..	145,630	0 0	150,704	12 10	5,074	12 10	..	..
Crown Law Department .. .. .	..	4,623	0 0	4,372	11 7	..	..	250	8 5
Defence Department .. .. .	..	217,637	0 0	195,685	3 0	..	..	21,951	17 0
Commissioner of Trade and Customs .. .. .	..	57,468	0 0	52,308	14 2	..	..	5,159	5 10
Marine and Harbours, &c. .. .. .	..	90,342	0 0	79,012	10 11	..	..	11,329	9 1
Department of Labour .. .. .	..	30,888	0 0	30,277	1 6	..	..	610	18 6
Department of Lands and Survey .. .. .	..	261,930	0 0	232,167	4 11	..	..	29,762	15 1
Minister of Agriculture .. .. .	..	159,817	0 0	156,649	12 4	..	..	3,167	7 8
Valuation Department .. .. .	..	36,943	0 0	35,450	17 1	..	..	1,492	2 11
Education Department .. .. .	..	871,970	0 0	848,234	4 2	..	..	23,735	15 10
Public Health .. .. .	..	41,958	0 0	37,975	15 4	..	..	3,982	4 8
Mental Hospitals and Hospitals and Charitable Departments .. .. .	..	109,614	0 0	105,447	18 4	..	..	4,166	1 8
Services not provided for .. .. .	..	..		14,127	8 1	14,127	8 1	..	..
		5,751,510	0 0	5,575,483	5 1	19,202	0 11	195,228	15 10
						52,037	14 6	228,377	5 6
								52,037	14 6
Totals		8,961,853	0 0	8,785,513	9 0	..	..	176,339	11 0

* Includes £198,335 0s. 8d. Post and Telegraph cash receipts.
by "The Public Revenues Act, 1908," section 39.

† Includes £83,507 6s. additional appropriation authorised

		RESULTS OF YEAR.		£ s. d.	£ s. d.
Actual receipts, 1908-9	9,001,985 2 0	..
Actual expenditure, 1908-9	8,785,513 9 0	..
Excess of receipts over expenditure	216,471 13 0
Balance, 31st March, 1908	767,849 6 5
Total	984,320 19 5
Transferred to Public Works Fund	800,000 0 0
BALANCE, 31st March, 1909	£184,320 19 5

Table No. 3.

The PUBLIC DEBT of NEW ZEALAND on 31st March, 1909.

	AMOUNT OUTSTANDING.	DUE DATE.	SINKING FUNDS.	NET INDEBTEDNESS.	ANNUAL CHARGE.			REMARKS.
					Rate.		When payable.	
					Int.	S.F.		
Canterbury Loan Ordinance, 1862 ..	£ 3,000	{ 2 Jan., 1915	£ 19,590	£ Cr. 4,890	% 6	1,064	30 June and 31 Dec.	
District Railways Purchasing Acts, 1885-86 ..	12,200	{ 2 July, 1916	..	40,000	1	2,400	1 April " 1 Oct.	
Native Land Purchases Act, 1892 ..	..	1 July, 1909	..	125,000	6	4,375	30 April " 31 Oct.	
Lands Improvement and Native Lands Acquisition Act, 1894 ..	398,000	31 Oct., 1912	..	398,000	3½	13,980	31 Mar. " 30 Sept.	
	2,000	{ 30 Sept., 1915	..	2,000	4	80	31 Mar. " 30 Sept.	
	100,000	{ 1 May, 1911	..	100,000	3½	3,500	1 May " 1 Nov.	
Hutt Railway and Road Improvement Acts, 1903, 1906, and 1907 ..	80,000	1 May, 1915	..	80,000	3½	2,800	1 May " 1 Nov.	
	22,000	{ 1 May, 1915	..	22,000	4	880	1 May " 1 Nov.	
	17,300	1 Jan., 1922	..	17,300	4	692	1 Jan. " 1 July.	
Maori Land Settlement Act, 1905 ..	50,000	{ 1 Jan., 1911	..	50,000	4	2,000	1 Jan. " 1 July.	
Maori Land Settlement Act Amendment Act, 1907 ..	150,000	1 Jan., 1921	..	150,000	4	6,000	1 Jan. " 1 July.	
Coal Mines Act, 1908 ..	..	{ 1 Jan., 1921	..	50,000	3½	1,750	1 Jan. " 1 July.	
	843	1 April, 1912	..	100,000	3½	3,500	1 April " 1 Oct.	
Dairy Industry Act, 1908 ..	438	{ 1 Jan., 1911	..	1,781	3½	62	1 Feb. " 1 Aug.	
	500	{ 1 Aug., 1915	..	..	..	..	..
	..	1 Jan., 1916	..	..	..	..	..
Government Advances to Settlers Act, 1908— Government Advances to Settlers Act 1894 Extension Act, 1901 ..	300,000	{ 23 Oct., 1912	..	300,000	3½	10,500	1 June " 1 Dec.	
	80,000	{ 5 June, 1915	..	80,000	3½	2,800	1 June " 1 Dec.	
	275,000	{ 1 Dec., 1911	..	275,000	4	11,000	1 June " 1 Dec.	
	117,300	29 Dec., 1911	..	117,300	4	4,692	29 June " 29 Dec.	
	450,000	{ 28 Oct., 1912	..	450,000	3½	15,750	1 June " 1 Dec.	
	85,000	{ 15 Jan., 1912	..	85,000	4	3,400	15 Jan. " 15 July.	
Government Advances to Settlers Act, 1906 ..	100,000	{ 13 Nov., 1913	..	100,000	4	4,000	13 May " 13 Nov.	
	12,900	{ 1 Jan., 1914	..	12,900	4	516	1 Jan. " 1 July.	
	17,500	{ 15 Jan., 1914	..	17,500	4	700	15 Jan. " 15 July.	
	105,000	{ 1 June, 1915	..	105,000	3½	3,675	1 June " 1 Dec.	
	237,000	{ 1 June, 1915	..	237,000	4	9,480	1 June " 1 Dec.	
	100,000	{ 1 Mar., 1916	..	100,000	4	4,000	1 Mar. " 1 Sept.	
	45,000	{ 1 July, 1922	..	45,000	4	1,800	1 Jan. " 1 July.	
	104,100	..	..	104,100	*	3,644	..	* Rate varying, calculated at 3½ per cent. Temporary advance.
Government Advances to Workers Act, 1906 ..	205,000	{ 1 Jan., 1912	..	205,000	3½	7,175	1 Jan. and 1 July.	
	50,000	{ 1 June, 1915	..	50,000	*	1,750	..	
	25,000	{ 1 June, 1915	..	25,000	3½	875	1 June and 1 Dec.	
	33,500	{ 1 June, 1915	..	33,500	4	1,340	1 June " 1 Dec.	
	15,000	{ 1 July, 1922	..	15,000	4	600	1 Jan. " 1 July.	
Carried forward ..	..	..	19,590	3,488,991	..	130,730	..	

Table No. 3—continued.

The PUBLIC DEBT of NEW ZEALAND on 31st March, 1909—continued.

	AMOUNT OUTSTANDING.	DUE DATE.	SINKING FUNDS.	NET INDENTEDNESS.	ANNUAL CHARGE.			REMARKS.
					Rate.		When payable.	
					Int.	S.F.		
Brought forward	£ 63,849,954	..	£ 223,994	£ 63,625,960	% ..	£ 2,425,614	1 Jan. and 1 July.	Debentures not presented at due date.
New Zealand Loans Act, 1908—continued.	61,525	1 Jan., 1916	..	61,525	3½	2,153	1 Jan. ..	
..	50	1 Jan., 1909	..	50	4	..	..
..	200	1 Jan., 1909	..	200	4	..	..
..	25,000	29 Dec., 1911	..	25,000	4	1,000	29 June and 29 Dec.	
..	5,000	1 Jan., 1912	..	5,000	4	200	1 Jan. " 1 July.	
..	1,000	1 Jan., 1914	..	1,000	4	40	1 Jan. " 1 July.	
Aid to Public Works and Land Settlement Act, 1908	25,000	30 June, 1914	..	25,000	4	1,000	30 June " 31 Dec.	
..	1,000	1 Jan., 1915	..	1,000	4	40	1 Jan. " 1 July.	
..	198,215	1 Jan., 1916	..	198,215	4	7,929	1 Jan. " 1 July.	
..	200,000	1 Feb., 1916	..	200,000	4	8,000	1 Feb. " 1 Aug.	
..	12,900	1 Jan., 1922	..	12,900	4	516	1 Jan. " 1 July.	
..	12,500	1 Jan., 1923	..	12,500	4	500	1 Jan. " 1 July.	
..	299,800*	1 Feb., 1924	..	299,800	4	11,992	1 Feb. " 1 Aug.	
Aid to Public Works and Land Settlement Act, 1904	566,700	1 Jan., 1912	..	566,700	4	22,668	1 Jan. " 1 July.	* Loan may be paid off at any time after 1st February, 1909, on six months' notice being given.
..	500,000	1 July, 1916	..	500,000	4	20,000	1 Jan. " 1 July.	
Aid to Public Works and Land Settlement Act, 1905	439,000	1 Jan., 1921	..	439,000	4	17,560	1 Jan. " 1 July.	
..	99,800	1 Jan., 1912	..	99,800	4	3,992	1 Jan. " 1 July.	
..	40,000	1 Dec., 1912	..	40,000	4	1,600	1 June " 1 Dec.	
Aid to Public Works and Land Settlement Act, 1906	5,000	1 Jan., 1917	..	5,000	4	200	1 Jan. " 1 July.	
..	500,000	1 Jan., 1922	..	500,000	3½	17,500	1 Jan. " 1 July.	
..	355,200	1 Jan., 1922	..	355,200	4	14,208	1 Jan. " 1 July.	
..	200,000	1 Jan., 1922	..	200,000	4	7,000	1 Jan. " 1 July.	
Aid to Public Works and Land Settlement Act, 1907	16,100	1 Jan., 1915	..	16,100	4	644	1 Jan. " 1 July.	
..	178,900	1 Jan., 1922	..	178,900	4	7,156	1 Jan. " 1 July.	
..	605,000	1 Jan., 1923	..	605,000	4	24,200	1 Jan. " 1 July.	
Aid to Public Works and Land Settlement Act, 1908	580,000	..	..	580,000	3½	20,300	..
..	100,000	13 Nov., 1913	..	100,000	4	4,000	13 May " 13 Nov.	
..	100,000	1 Aug., 1915	..	100,000	4	4,000	1 Feb. " 1 Aug.	
Public Revenues Act, 1908 (Reserve Fund Securities Act, 1907)	800,000	1 Aug., 1912	..	800,000	3½	28,000	1 Feb. " 1 Aug.	
..	200,000	1 July, 1915	..	200,000	3½	7,000	1 Jan. " 1 July.	
Post and Telegraph Act, 1908	..	..	..	..	..	2,659,012	..
Carried forward	69,977,844	..	223,994	69,753,850	..	..	..

Table No. 3—continued.
The PUBLIC DEBT of NEW ZEALAND on 31st March, 1909—continued.

	AMOUNT OUTSTANDING.	DUE DATE.	SINKING FUNDS.	NET INDEBTEDNESS.	ANNUAL CHARGE.				REMARKS.
					Rate.		Amount.	When payable.	
					Int.	S.F.			
Brought forward	£ ..	..	£ 223,994	£ 69,753,850	% ..	£ 2,659,012			
Public Works Act, 1908—									
Paeroa-Waihi Railway Act, 1908	53,476	{ 31 Mar., 1912	..	80,214	8	2,406	31 Mar. and 30 Sept.		
Waikaka Branch Railway Act, 1905	26,738	{ 30 Sept., 1912	..	53,476	8	1,604	1 May " 1 Nov.		
Scenery Preservation Act, 1908	..	1 May, 1911	..	30,000	3½	1,050	1 May " 1 Nov.		
State Fire Insurance Act, 1908	..	1 May, 1911	..	{ 1,500	3½	52	1 May " 1 Nov.		
Wellington - Manawatu Railway Purchase Act, 1908	295,000	..	..	500	4	20	1 May " 1 Nov.		
	500,000	{ 1 Mar., 1916	..	295,000	3½	10,325	1 Mar. " 1 Sept.		Pending conversion into 3½ per cent. stock.
			..	500,000	4	20,000			
Add Sinking Fund in respect of—									
The Government Loans to Local Bodies Acts	70,938,534		223,994	70,714,540					
The Government Advances to Settlers Office Account	..	..	673,407						
The War and Defence Loans	..	..	289,735						
The Land for Settlements Loans	..	..	123,538						
Investments in Securities included above on account New Zealand Consols Investment Account	..	..	168,550						
Investments in Securities held under the Public Revenues Act, 1908 (Reserve Fund Securities Act, 1907)	..	..	377,765						
Bank of New Zealand Preference Shares held by Government	..	..	800,000						
	..	..	500,000						
Totals	70,938,534	..	3,156,989	2,932,995	..	2,694,469			

Treasury bills amounting to £250,000 are not included.

Table No. 4.

STATEMENT of the ESTIMATED LIABILITIES chargeable on the CONSOLIDATED FUND (REVENUE ACCOUNT) outstanding on the 31st March, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, and 1909.

	31st March, 1899.	31st March, 1900.	31st March, 1901.	31st March, 1902.	31st March, 1903.	31st March, 1904.	31st March, 1905.	31st March, 1906.	31st March, 1907.	31st March, 1908.	31st March, 1909.
REVENUE ACCOUNT.											
Permanent Appropriations,—											
Civil List	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Interest and Sinking Fund	991 15 0	991 15 0	505 0 0	798 6 6	622 14 5	588 12 11	951 4 11	480 7 6	287 8 8	382 0 8	663 15 10
Under Special Acts of the Legislature	731 14 11	731 14 11	930 1 4	881 7 0	36 3 4	1,284 3 9	372 14 8	895 6 1	849 11 8	2,541 18 6	6,324 6 0
Subsidies payable to Local Authorities	160 17 11	867 12 6	136 18 0	313 1 0	126 0 0	174 0 0	..	..	760 0 0	1,045 0 0	..
Under the Land Acts, payable to Local Authorities	1,894 0 6	1,757 0 1	1,757 0 1	1,757 0 1	1,757 0 1	1,757 0 1	1,757 0 1	1,757 0 1	1,757 0 1	1,757 0 1	..
Annual Appropriations,—											
Legislative	45 5 10	38 19 4	51 1 2	85 11 8	91 10 2	85 16 2	76 1 5	7 12 6	184 3 9	64 1 9	33 19 6
Department of Minister of Finance*	785 18 4	908 7 9	2,933 0 4	365 9 5	440 9 9	491 12 3	553 1 0	1,142 3 11	1,280 11 1	62 14 2	119 15 11
Postmaster-General	17,880 0 0	21,247 0 0	28,276 0 0	34,029 0 0	32,902 0 0	28,750 0 0	28,481 0 0	34,910 0 0	36,725 0 0	43,550 0 0	41,703 0 0
Industries, Commerce, and Tourist Departments	66,169 16 11	74,911 6 6	90,777 9 3	95,972 4 10	109,375 4 0	11,170 17 8	1,206 11 11	1,614 17 2	5,342 12 5	2,976 16 6	4,858 13 4
Working Railways .. .. .	..	185 0 0	81 0 0	312 16 6	470 5 7	1,294 0 5	108,054 11 6	103,381 3 5	119,289 0 0	156,471 0 0	191,727 0 0
Public Buildings .. .. .	..	..	..	..	..	..	724 11 5	723 15 11	850 14 3	848 18 10	832 0 4
Maintenance and Improvement of Roads .. .. .	..	..	..	..	..	..	..	..	1,746 8 1	1,297 17 5	1,690 16 1
Printing and Stationery Office	745 3 11	529 16 8	506 14 2	1,054 9 7	473 15 7	925 4 11	1,274 6 4	2,417 15 10	3,438 0 4	3,818 7 0	3,034 7 4
Commissioner of Stamps	3,789 12 2	2,897 14 3	2,542 4 7	2,155 10 5	1,901 0 7	2,516 11 8	1,456 4 5	1,061 0 5	2,194 9 8	1,801 4 1	1,106 18 3
Minister of Justice	4,500 0 0	9,925 0 0	44,050 0 0	21,856 8 9	10,740 12 3	6,816 5 1	1,944 7 11	1,778 13 11	5,742 5 0	2,673 9 3	3,526 4 2
Minister of Defence	56 2 8	42 9 0	6 0 11	2,033 16 0	..	37 0 0	12,854 8 4	11,009 13 7	3,950 6 4	4,368 1 7	10,684 16 2
Minister of Mines	2,247 17 3	6,583 4 6	13,893 9 7	10,604 5 11	6,991 15 7	866 4 11	2,070 7 1	3,794 16 9	3,655 18 1	2,314 0 8	1,912 5 10
Department of Internal Affairs	4,564 12 3	4,646 10 9	5,750 17 1	3,662 1 1	2,990 19 6	533 16 0	198 2 2	203 15 0	370 17 8	170 9 3	1,815 16 10
Commissioner of Customs .. .. .	..	..	..	..	..	..	1,571 15 8	1,662 13 1	4,293 5 4	2,730 0 8	3,312 2 2
Minister of Marine .. .. .	..	..	..	..	..	..	292 10 2	351 3 9	485 2 0	1,185 7 10	1,002 8 5
Minister of Labour .. .. .	..	..	..	..	..	..	5,250 14 2	1,710 1 5	4,561 5 9	18,811 17 4	5,924 14 2
Minister of Lands	10,175 11 4	4,908 10 5	9,587 1 9	2,131 2 4	6,029 1 10	2,438 14 5	8,794 0 0	4,419 1 4	5,210 0 0	4,190 0 0	3,570 0 0
Minister of Agriculture	2,633 18 10	4,335 1 5	3,202 6 2	3,678 5 6	8,390 2 0	5,392 0 1	8,794 0 0	675 8 1	794 10 4	786 15 5	1,081 6 7
Valuation Department	460 0 0	600 0 0	980 0 0	836 17 11	811 19 2	1,117 18 2	856 14 11	3 0 11	2,638 3 0	327 4 10	56 2 6
Minister of Education	651 17 4	1,970 19 7	1,724 2 11	1,411 10 7	724 11 8	1 5 0	..	449 14 10	479 18 7	449 5 2	5 12 0
Public Health Department .. .. .	..	..	..	..	..	..	..	..	..	..	..
Mental Hospitals and Hospitals and Charitable Aid Departments .. .. .	..	..	..	..	..	..	..	..	..	..	..
Services not provided for	114,655 16 10	133,225 0 2	203,474 7 5	180,575 4 8	182,963 3 0	175,710 2 3	177,390 15 7	171,695 1 4	204,456 15 3	250,113 2 3	280,144 10 8
Totals	116,640 15 3	137,576 10 2	206,898 6 10	184,319 19 3	200,505 0 10	179,513 19 0	181,331 5 7	174,829 4 0	208,894 14 11	255,795 13 4	287,132 12 6

* Includes Rates on Crown Lands and Old-age Pensions.

† Includes Native and Crown Law.

‡ Includes Police.

Table No. 5.

STATEMENT of the ESTIMATED LIABILITIES chargeable on the PUBLIC WORKS FUND outstanding on the 31st March, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909.

	31st March, 1899.	31st March, 1900.	31st March, 1901.	31st March, 1902.	31st March, 1903.	31st March, 1904.	31st March, 1905.	31st March, 1906.	31st March, 1907.	31st March, 1908.	31st March, 1909.
Annual Appropriations—											
Public Works, Departmental ..	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Railways ..	77,870 15 4	108,698 4 6	591,995 19 0	113,597 8 2	217,089 10 5	113,057 16 6	210,656 18 10	196,099 10 8	210,242 19 1	797,179 13 4	97 18 4
Utilisation of Water-power ..	..	..	..	..	..	..	8 1 11	3 18 6	..	..	..
Public Buildings ..	28,030 0 0	44,346 9 4	73,375 2 4	27,812 6 11	84,596 9 0	86,338 8 3	38,887 18 5	51,967 11 8	34,813 6 4	60,328 4 8	52,457 9 5
Lighthouses and Harbour-works ..	3,826 0 0	3,988 19 10	10,313 16 7	902 9 1	1,760 7 11	4,506 6 5	316 5 5	158 10 8	637 0 0	83 10 1	7,793 6 3
Tourist and Health Resorts ..	..	..	..	2,579 5 6	1,136 8 0	4,911 14 5	2,285 6 3	39,046 16 7	21,805 19 8	12,446 16 2	7,369 12 9
Immigration ..	..	155 19 4	..	..	..	..	..	..	667 4 1	7 15 0	2,857 14 0
Roads ..	310,764 9	331,652 16 9	447,888 4 5	100,224 16 3	249,281 1 9	80,787 4 7	98,226 1 7	139,080 6 4	109,681 12 2	132,260 17 2	155,275 0 4
Development of Goldfields ..	6,625 15 8	5,375 9 5	2,010 15 0	8,116 5 7	300 0 0	2,038 14 7	1,794 16 3	2,886 10 5	2,616 18 3	4,101 12 1	4,400 10 8
Native Lands Purchases ..	..	..	..	..	4,566 0 0	7,298 0 0	4,590 11 8	51 5 4	..	..	..
Telegraph Extension ..	..	20,273 0 0	26,989 0 0	43,873 0 0	27,409 0 0	43,877 0 0	30,114 0 0	83,295 0 0	75,110 5 1	103,550 0 0	68,837 0 0
Rates on Native Lands ..	715 18 11	554 5 8	22 14 8	370 19 8	355 2 2	355 15 8	300 0 0	360 0 0	669 15 0	11 0 0	..
Contingent Defence ..	18,450 0 0	..	140,000 0 0	17,832 13 2	72 0 0	4,240 0 0	38,151 0 0	13,329 0 0	65 13 0	..	303 9 8
Lands Improvement ..	..	..	..	..	..	11 7 6	381 0 5	393 9 4	828 11 8	1,155 6 7	407 11 11
Miscellaneous ..	..	..	..	1,025 3 0	..	..	..	..	..	..	..
Totals ..	446,282 19	2494,895 4 10	1,292,095 12 0	316,274 7 4	586,565 19 3	293,422 7 11	425,802 0 9	526,671 19 6	457,139 4 4	1,111,124 15	1,054,427 13 9

STATEMENT of the ESTIMATED LIABILITIES chargeable on the undermentioned Separate Accounts outstanding on the 31st March, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, and 1909.

	31st March, 1899.	31st March, 1900.	31st March, 1901.	31st March, 1902.	31st March, 1903.	31st March, 1904.	31st March, 1905.	31st March, 1906.	31st March, 1907.	31st March, 1908.	31st March, 1909.
State Forests Account ..	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
State Coal-mines Account ..	723 17 7	302 8 6	1,067 16 0	251 16 4	780 1 8	217 0 2	527 4 8	225 19 0	1,730 15 10	1,326 3 4	581 17 1
Scenery Preservation Account ..	..	..	..	..	331 19 0	..	18 19 1	..	..	..	..
Land for Settlements Account ..	3,671 6 4	2,405 5 4	4,820 11 0	990 4 3	3,546 9 1	8,076 13 7	8,636 2 11	16 8 3	53 18 8	682 0 4	18 9 1
Maori Land Settlement Act Account ..	..	..	..	..	..	..	..	6,194 3 8	4,900 0 10	3,455 18 8	2,544 3 8
Loans to Local Bodies Account ..	34,717 16 6	32,084 4 10	33,259 0 4	1,125 5 5	3,189 0 0	3,038 5 6	3,505 9 2	6,087 13 6	747 4 7	6 12 9	150 7 0
Hauraki Plains Settlement Account ..	..	..	..	..	..	..	..	..	2,656 2 8	5,499 11 5	5,978 9 4
Paeroa-Waihi Railway Account ..	..	..	..	..	..	4,296 15 11	896 2 10	..	..	..	551 17 3
Wellington-Hutt Railway and Road Improvement Account ..	..	..	..	..	..	..	..	..	..	..	..
Waikato Branch Railway Account ..	..	..	..	..	..	..	7,851 17 8	19,707 1 6	8,422 0 0	8,671 0 0	19,638 0 0
Railways Improvements Account ..	..	..	..	..	..	..	..	7,856 11 8	38,809 0 0	520 17 10	23,494 0 0
Cheviot Estate Account ..	..	..	..	..	..	..	..	..	..	..	6 12 0
Government Advances to Settlers Office Management Account ..	..	..	..	..	..	28 18 0	48 12 9	28 7 2	103 19 4	132 4 10	127 7 1
Government Advances to Workers Account ..	..	..	..	..	..	..	..	..	..	..	2 5 6
Public Trustee's Account ..	..	..	..	..	..	..	..	..	..	24,871 10 0	7,756 8 7
Government Life Insurance Account ..	..	..	..	..	..	1,214 0 6	1,238 5 4	1,019 2 6	1,069 15 2	326 11 0	1,213 14 9
Government Accident Insurance Account ..	..	..	..	..	..	..	..	..	..	562 6 4	682 1 11
State Fire Insurance Account ..	..	..	..	..	..	..	450 0 0	..	88 6 8	..	632 9 10

Table No. 6.

STATEMENT showing the Total Ways and Means of the PUBLIC WORKS FUND and the Total Net EXPENDITURE to the 31st MARCH, 1909.

WAYS AND MEANS.			NET EXPENDITURE.			s. d.		
LOANS:—	£	s. d.	Expenditure on—	£	s. d.	£	s. d.	£
Immigration and Public Works Loan, 1870	4,000,000	0 0	Immigration .. .. .	..	..	2,201,788	7 7	..
Immigration and Public Works Loan, 1873	2,000,000	0 0	Public Works, Departmental .. .. .	..	..	592,897	7 4	..
Immigration and Public Works Loan, 1874	4,000,000	0 0	Railways, including Surveys of New Lines .. .. .	..	..	25,329,177	4 11	..
General Purposes Loan Act, 1873	750,000	0 0	Roads* .. .. .	..	..	8,831,015	18 10	..
New Zealand Loan Act, 1876	750,000	0 0	Land Purchases .. .. .	..	..	2,037,847	0 2	..
New Zealand Loan Act, 1877	2,200,000	0 0	Development of Goldfields .. .. .	..	..	819,515	12 10	..
New Zealand Loan Act, 1879	5,000,000	0 0	Telegraph Extension .. .. .	..	..	1,642,768	17 8	..
New Zealand Loan Act, 1882	3,000,000	0 0	Public Buildings .. .. .	..	..	4,030,118	5 4	..
New Zealand Colonial Inscribed Stock Loan Act, 1882	250,000	0 0	Lighthouses, Harbour Works and Defences .. .. .	..	..	1,043,736	16 10	..
North Island Main Trunk Railway Loan Act, 1882	1,000,000	0 0	Contingent Defence .. .. .	..	..	898,933	19 10	..
New Zealand Loan Act, 1884	1,500,000	0 0	Rates on Native Lands .. .. .	..	..	68,671	16 10	..
New Zealand Loan Act, 1886	1,325,000	0 0	Thermal Springs .. .. .	..	..	14,599	13 2	..
District Railways Purchasing Acts, 1885 and 1886	479,487	7 11	Tourist and Health Resorts .. .. .	..	..	182,858	0 11	..
New Zealand Loan Act, 1888	1,000,000	0 0	Lands Improvement .. .. .	..	..	44,116	18 8	..
Native Land Purchase Act, 1892	149,700	0 0	Charges and Expenses of raising Loans .. .. .	..	..	1,236,216	16 10	..
Lands Improvement and Native Lands Acquisition Act, 1894	500,000	0 0	Coal-mines .. .. .	..	..	10,835	8 0	..
Aid to Public Works and Land Settlement Act, 1896	1,000,000	0 0	Interest and Sinking Fund .. .. .	..	..	218,500	0 0	..
Aid to Public Works and Land Settlement Amendment Act, 1897	250,000	0 0	Payment to Midland Railway Bondholders .. .. .	..	..	150,000	0 0	..
Aid to Public Works and Land Settlement Amendment Act, 1898	500,000	0 0	Utilisation of Water-power .. .. .	..	..	8,947	18 11	..
Aid to Public Works and Land Settlement Act, 1899	1,000,000	0 0						48,921,940 19 8
Aid to Public Works and Land Settlement Act, 1900	1,013,100	0 0						
Aid to Public Works and Land Settlement Act, 1901	1,250,300	0 0						
Aid to Public Works and Land Settlement Act, 1902	1,750,000	0 0						
Aid to Public Works and Land Settlement Act, 1903	999,690	0 0						
Aid to Public Works and Land Settlement Act, 1904	750,000	0 0						
Aid to Public Works and Land Settlement Act, 1905	1,000,000	0 0						
Aid to Public Works and Land Settlement Act, 1906	1,000,000	0 0						
Aid to Public Works and Land Settlement Act, 1907	1,000,000	0 0						
Aid to Public Works and Land Settlement Act, 1908	1,200,000	0 0						
The Post and Telegraph Act, 1908	200,000	0 0						
Midland Railway Petitions Settlement Acts, 1902-3	150,000	0 0						
Paeroa-Waihi Railway Act, 1903	75,000	0 0						
Waikaka Branch Railway Act, 1905†	50,000	0 0						
RECEIPTS IN AID:—								
Amount transferred from Consolidated Fund	7,230,000	0 0						
Contributions of Canterbury Province for Railways	56,000	0 0						
Stamp Duties to 31st December, 1876	264,857	16 4						
Transfer from Confiscated Lands Liabilities Account	19,963	1 3						
Proceeds of Railway Material handed over to Cook County Council	4,963	7 4						
Special Receipts under section 9 of "The Railways Construction Act, 1878"	60,616	3 0						
Special Receipts under the Ellesmere Lake Lands Acts, 1888 and 1898	40,514	7 6						
Special Receipts under "The Railways Authorisation and Management Act, 1891"	2,257	1 9						
Special Receipts under "The North Island Main Trunk Railway Loan Application Act, 1886"	27,551	5 0						
Sinking Funds released	506,819	19 3						
			Balance on 31st March, 1909,—			223,211	13 8	
			Cash in the Public Account			30,497	16 0	
			Advances in the hands of Officers of the Government Investment Account			130,000	0 0	
								383,709 9 8
								£49,805,650 9 4

* Has been reduced by £29,800 received under section 31 of "The Government Loans to Local Bodies Act, 1886." † Receipts and expenditure under "The Waikaka Branch Railway Act, 1905," now included.

Table No. 7.

ESTIMATED EXPENDITURE of the CONSOLIDATED FUND (Revenue Account) for 1909-10, compared with Actual Expenditure of 1908-9.

	Estimate for 1909-10.	Actual for 1908-9.	Differences.	
			Increase.	Decrease.
REVENUE ACCOUNT.	£	£	£	£
Civil List	35,500	33,953	1,547	..
Interest and Sinking Fund	2,398,765	2,258,365	140,400	..
Under special Acts	1,068,532	917,712	150,820	..
	3,502,797	3,210,030	292,767	
Annual Appropriations,—				
Legislative Departments	26,168	29,281	..	3,113
Department of Finance	70,832	96,456	..	26,124
Post and Telegraph Department	875,987	814,636	61,351	..
Working Railways Department	2,143,500	2,120,308	23,192	..
Public Buildings, Domains, and Maintenance of Roads	85,145	85,596	..	451
Native Department	20,179	30,840	..	10,661
Justice Department	353,576	350,841	2,735	..
Mines Department	24,507	31,458	..	6,951
Department of Internal Affairs	266,271	344,565	..	78,294
Defence Department	202,618	195,685	6,933	..
Customs, Marine, and Inspection of Machinery Departments	128,790	131,321	..	2,531
Department of Labour	25,928	30,277	..	4,349
Department of Lands and Survey	231,969	232,167	..	198
Department of Agriculture, Commerce, and Tourists	184,581	219,691	..	35,110
Education Department	873,530	848,234	25,296	..
	5,513,081	5,561,356	119,507	167,782
Services not provided for .. .. .	..	14,127	..	14,127
			412,274	181,909
			181,909	
Total	9,015,878	8,785,513	230,365	..

Table No. 8.

ESTIMATED REVENUE of the CONSOLIDATED FUND (Revenue Account) for 1909-10, compared with the Actual Revenue of 1908-9.

	Estimate for 1909-10.	Actual for 1908-9.	Differences.	
			Increase.	Decrease.
REVENUE ACCOUNT.				
Ordinary Revenue,—	£	£	£	£
Customs	2,630,000	2,801,248	..	171,248
Railways	3,050,000	2,918,507	131,493	..
Stamps	1,606,000	1,591,328	14,672	..
Land-tax	625,000	604,901	20,099	..
Income-tax	300,000	321,044	..	21,044
Beer Duty	113,000	116,214	..	3,214
Registration and other Fees	93,000	117,061	..	24,061
Marine	42,000	43,815	..	1,815
Miscellaneous	270,000	264,210	5,790	..
Territorial Revenue	224,000	222,857	1,143	..
Endowment Revenue	67,000	..	67,000	..
			240,197	221,882
			221,382	
Total	9,020,000	9,001,185	18,815	..

Table No. 9.

STATEMENT showing the Amount charged to "UNAUTHORISED" in each Financial Year from 1st July, 1875, to 31st March, 1909.

FINANCIAL YEAR.	CONSOLIDATED FUND.—REVENUE ACCOUNT.			OTHER ACCOUNTS.	PUBLIC WORKS FUND.	TOTAL.
	Services not provided for.	Excess of Votes.	Total.			
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1875-76	13,167 4 8	19,195 17 1	32,363 1 9	3,155 9 2	63,875 11 8	99,394 2 7
1876-77	18,397 17 1	13,398 7 0	31,796 4 1	3,490 6 1	2,197 4 5	37,483 14 7
1877-78	19,079 12 6	58,709 17 2	77,789 9 8	653 6 5	22,009 14 0	100,452 10 1
1878-79	11,413 16 1	47,466 4 5	58,880 0 6	3,938 14 8	32,179 1 1	94,997 16 3
1879-80	5,818 9 9	18,466 2 1	24,284 11 10	1,005 3 10	17,096 9 9	42,386 5 5
1880-81	6,151 13 9	37,825 6 6	43,977 0 3	13,443 11 3	34,133 17 3	91,554 8 9
1881-82	3,899 16 3	38,474 18 9	42,374 15 0	13,590 6 10	2,217 9 8	58,182 11 6
1882-83	4,473 15 8	64,631 0 2	69,104 15 10	12,343 2 2	8,137 17 11	89,585 15 11
1883-84	7,293 9 9	45,284 2 6	52,577 12 3	9,003 18 7	31,741 17 10	93,323 8 8
1884-85	5,981 17 8	39,039 17 11	45,021 15 7	7,163 15 3	872 0 11	53,057 11 9
1885-86	9,337 11 2	47,106 10 3	56,444 1 5	13,965 10 1	6,465 17 5	76,875 8 11
1886-87	14,337 19 7	38,117 13 5	52,455 13 0	6,212 16 7	28,633 10 8	87,302 0 3
1887-88	7,303 17 10	42,104 15 10	49,408 13 8	27,821 16 11	30,407 2 3	107,637 12 10
1888-89	3,521 18 2	35,157 16 5	38,679 14 7	13,506 2 8	18,633 2 10	70,819 0 1
1889-90	4,412 5 3	43,257 1 0	47,669 6 3	23,631 7 1	12,287 18 10	83,588 12 2
1890-91	10,610 1 0	76,778 5 11	87,388 6 11	5,459 18 11	7,097 19 9	99,946 5 7
1891-92	2,288 3 2	21,026 16 4	23,314 19 6	9,133 10 6	7,594 1 2	40,092 11 2
1892-93	1,741 7 10	28,283 15 11	30,025 3 9	4,754 17 10	11,149 14 2	45,929 15 9
1893-94	2,350 7 0	7,376 7 4	9,726 14 4	522 12 2	1,335 12 11	11,584 19 5
1894-95	8,985 3 7	9,148 0 5	18,133 4 0	1,890 7 5	330 8 1	20,353 19 6
1895-96	22,422 16 10	16,229 5 9	38,652 2 7	16,995 9 9	33,245 2 4	88,892 14 8
1896-97	3,188 17 7	24,195 2 9	27,384 0 4	24,726 3 6	7,051 0 8	59,161 4 6
1897-98	2,258 19 7	39,314 13 4	41,573 12 11	4,743 17 10	53,648 14 0	99,966 4 9
1898-99	3,305 15 11	36,468 0 10	39,773 16 9	2,304 8 10	8,222 10 6	50,300 16 1
1899-1900	11,187 13 8	60,652 13 7	71,840 7 3	.. ..	7,990 18 7	79,831 5 10
1900-1901	26,367 18 6	62,788 3 2	89,156 1 8	662 7 7	17,518 3 7	107,336 12 10
1901-1902	3,836 7 0	68,866 10 9	72,702 17 9	253 8 10	6,955 4 10	79,911 11 5
1902-1903	9,027 5 4	101,076 10 4	110,103 15 8	200 0 0	12,837 3 6	123,140 19 2
1903-1904	3,344 11 0	47,775 11 4	51,120 2 4	2,248 6 6	9,584 9 11	62,952 18 9
1904-1905	6,215 4 8	22,109 12 2	28,324 16 10	13,547 11 7	31,862 8 3	73,734 16 8
1905-1906	8,576 16 7	52,385 3 7	60,962 0 2	23,956 9 10	19,965 16 2	104,884 6 2
1906-1907	4,989 9 1	28,559 6 2	33,548 15 3	12,867 10 8	55,556 14 10	101,973 0 9
1907-1908	4,133 3 3	37,713 8 11	41,846 12 2	429 9 0	80,170 3 3	122,446 4 5
1908-1909	14,127 8 1	50,890 5 1	65,017 13 2	15,257 11 1	16,641 15 7	96,916 19 10

TABLE No. 10.

STATEMENT SHOWING HOW INCREASE OF PUBLIC DEBT FOR FINANCIAL YEAR ENDED 31ST MARCH, 1909, IS MADE UP.

			£
Public Debt, 1908-9	....	....	70,938,534
„ 1907-8	....	....	66,453,897
			<hr/>
Increase for Year	....	....	£4,484,637
			<hr/>

Made up as follows:—

Public Works,—		£
“Aid to Public Works and Land Settlement Act, 1907”		191,800
“Aid to Public Works and Land Settlement Act, 1908”		1,200,000
Hutt Railway and Road Improvement Acts, 1905 and 1907	....	69,300
“Government Railways Act, 1908”	....	145,100
“Wellington and Manawatu Railway Purchase Act, 1908”	....	1,000,000
“Post and Telegraph Act, 1908”	....	200,000
Land for Settlements,—		
“Land for Settlements Act, 1908”	....	211,495
Local Bodies,—		
“Local Bodies’ Loans Act, 1908”	....	250,000
Advances to Settlers and Workers,—		
“Government Advances to Settlers Act, 1908”	....	1,048,800
„ „ for workers		123,500
Miscellaneous,—		
“New Zealand Consols Act, 1908”	....	124
Increase by conversion	....	36,928
For redemptions	....	7,590
		<hr/>
Total increase for 1908-9		£4,484,637
		<hr/>

Table No. 11.

ASSESSMENT FOR 1907-8.—INCOME-TAX.—CLASSIFICATION OF TAXPAYERS.

Net Income.	Salaried Persons.			Traders, Manufacturers, and Businesses.					Professional.			Various.		
	No.	Tax.	Net Assessed Income.	Persons and Firms.		No.	Companies Tax.	Net Assessed Income.	No.	Tax.	Net Assessed Income.	No.	Tax.	Net Assessed Income.
				No.	Tax.									
Under £100	..	£ ..	£ ..	50	81 2 0	174	£ s. d. 394 6 0	£ 7,886	..	£ s. d. ..	£ ..	..	£ s. d. ..	£ ..
Between—	..	£ ..	£ ..	24	131 17 0	83	599 14 0	11,994	..	£ s. d. ..	£ ..	..	£ s. d. ..	£ ..
£100 and £200	..	£ ..	£ ..	15	132 18 0	60	734 7 0	14,687	..	£ s. d. ..	£ ..	..	£ s. d. ..	£ ..
£200 and £300	..	£ ..	£ ..	1,204	1,860 19 6	48	828 4 0	16,564	234	246 10 6	84,263	156	147 6 6	55,627
£300 and £400	..	£ ..	£ ..	1,155	3,636 9 6	31	638 12 0	13,772	213	657 18 9	94,907	88	279 17 6	39,174
£400 and £500	..	£ ..	£ ..	660	3,857 13 6	26	712 14 0	14,254	169	931 15 6	91,217	45	264 9 0	24,516
£500 and £600	..	£ ..	£ ..	398	3,165 4 6	24	768 10 0	15,370	93	770 12 0	59,915	27	200 16 0	16,847
£600 and £700	..	£ ..	£ ..	265	2,919 16 6	23	859 6 0	17,186	76	870 1 6	56,823	17	188 11 6	12,783
£700 and £800	..	£ ..	£ ..	192	2,607 4 0	24	999 11 0	19,991	61	829 12 0	51,672	9	120 4 6	7,689
£800 and £900	..	£ ..	£ ..	149	2,378 13 6	26	1,220 12 0	24,412	67	700 12 6	42,898	10	173 15 6	9,591
£900 and £1,000	..	£ ..	£ ..	262	5,488 18 6	52	2,388 6 0	57,766	45	1,374 7 6	74,730	13	353 8 0	19,526
£1,000 and £1,250	..	£ ..	£ ..	159	4,477 16 0	33	2,706 5 0	54,125	32	933 7 0	44,447	6	159 13 0	8,056
£1,250 and £1,500	..	£ ..	£ ..	118	4,839 7 0	26	2,101 2 0	42,022	24	891 11 0	38,549	3	119 7 6	5,044
£1,500 and £2,000	..	£ ..	£ ..	60	2,979 11 6	16	1,430 6 0	29,606	14	653 3 6	26,488	2	97 8 0	3,588
£2,000 and £3,000	..	£ ..	£ ..	119	8,669 4 6	55	6,757 12 0	135,152	26	1,729 17 0	61,118	8	599 3 0	18,483
£3,000 and £4,000	..	£ ..	£ ..	70	8,073 14 0	49	8,591 19 0	171,839	8	819 9 0	26,048	2	298 7 0	7,407
£4,000 and £5,000	..	£ ..	£ ..	28	4,473 13 0	34	7,526 19 0	150,539	4	565 2 0	16,880	1	190 2 0	4,622
£5,000 and £10,000	..	£ ..	£ ..	48	12,506 6 0	66	23,967 0 0	479,340	3	752 7 0	20,732	2	507 13 0	12,619
Over £10,000	..	£ ..	£ ..	17	15,411 1 6	82	122,340 16 0	2,456,816	..	£ s. d. ..	£ ..	2	1,032 13 0	22,793
	2,604	12,408 19	1,280,643	4,988	87,176 10 0	932	186,666 1 0	3,733,321	1,069	12,726 6 9	739,587	396	4,717 15 0	268,365

By Authority : JOHN MACKAY, Government Printer, Wellington.—1909.

