course, includes the primage duty, amounting to £55,826. It will be in the recollection of honourable members that I expressed a hope when the primage duty was imposed, notwithstanding the fact that it was only estimated to produce about £116,000 in two years, that I should be able within that period to pay off the whole balance of the deficit of £128,605 which stood at the end of the year 1887–88 unprovided for. At the end of last financial year, the results of which we are now considering, the primage duty had only been in force twenty-two months, and the amount it had reached was only £101,958; yet I have found myself in a position to pay off the whole of the £128,605, to which I have alluded, some months within the period originally anticipated. This fact will, I am sure, be a cause of much satisfaction to the Committee. The primage duty, as honourable members will recollect, was only imposed for two years, and expires on the 30th instant; whether or not it will be desirable to continue this duty for some time longer is a question upon which I shall have something to say presently.

Enabled to pay off, earlier than anticipated, whole of the deficit of £128,605, at 31st March, 1888, unprovided for.

The final result for the year, after paying what was left unpaid of the deficit of £128,605—namely, £78,605—is a balance of £36,569 with which to begin the current year. This result I feel sure the Committee will not think unsatisfactory; but honourable members will naturally ask, What about the liabilities? A table which will be attached to this Statement when published gives full particulars of the liabilities outstanding at the end of each year since 1881. The Committee will be glad to learn that the outstanding liabilities at the end of 1889–90 were less than those of the previous year by £15,186; they were also less than the average liabilities of the last nine years by £36,783, and less than in 1881, when the present system was begun, by £38,362. These facts are a complete answer to those persons who, professing to be well-informed, are either so ignorant or so disingenuous as to talk of the surplus of last year as being manufactured by holding over liabilities at the end of the financial year. There seems to be an impression in some quarters that our book-keeping is faulty, in that it is possible for a Treasurer, with the view of obtaining a nominal surplus, to delay paying accounts at the end of the year, and so appearing to possess a surplus, when in reality, if the accounts which were due had been paid, there would have been none. This fear, however, is clearly groundless; in the first place, as shown by our ten years of actual experience; and, secondly, because detection and exposure for such a proceeding would follow upon the publication of the estimates of liabilities certified by the several heads of departments, which by law must be placed upon the table of the House within ten days of the meeting of Parliament. The present system of keeping our accounts was introduced by me in 1881. The principle is this: All moneys that come into the Treasury between the 1st April in one year and the 31st March in the next (including, of course, the proceeds of any deficiency bills) constitute the receipts of that financial year, and the expenditure for the year is the total amount of all the payments actually made during the same period, whether or not such receipts became due or expenditure was incurred within the year in which the cash came into, or was paid out of, the Public Account. This system enables the Treasury to close its books immediately after the termination of the financial year; and the simplicity of it will commend itself to any one who may find himself puzzled over the intricacies of the old method of Assets and Liabilities at the end of the year which prevailed prior to 1881.

Balance thereafter of £36,569, with which to begin 1890–91.

Outstanding liabilities less than previous year by £15,186.

Table No. 3.

Land Fund.

I have said that there is a deficiency in the Land Fund this year of £34,227, which, added to the deficiency on this account at the begining of the year, amounts to a total of £45,716. With this debit balance I do not propose to deal this year. It will be in the recollection of the Committee that my honourable colleague the Minister of Lands estimated he would be able to sell sufficient land to make this account self-supporting; but he found that, unless he made it compulsory on the part of the purchasers to take particular blocks for cash—that is, practically restricting them to a particular class of tenure—it would be impossible to obtain the amount of cash which he had estimated to receive. Such restriction would not have been in accordance with the policy of the

Debit balance of Land Fund Account explained.

Do not propose to deal this year with balance at 31st March, 1890.