I am able to place before you the usual table of the Public Debt. The gross total has increased by £1,315,838, and the net debt by £1,280,682. Of this sum, however, one million is absolutely represented by equivalent assets, and the interest thereon is paid back to the Treasury by those who have obtained the benefit of the expenditure. Of the million authorised by "The Aid to Public Works and Land Settlement Act, 1896," £750,000 has been raised; deposits amounting to £136,015 under "The New Zealand Consols Act, 1864," have been received; £93,800 of debentures under "The Government Loans to Local Bodies Act, 1886," have been issued; purchases under "The Land for Settlements Act, 1894," have required the issue of £297,300 of debentures; and for the purpose of opening roads and giving access to lands £52,000 of debentures under "The Lands Improvement and Native Lands Acquisition Act, 1894," have been sold; £70,300 was issued as Sinking Fund Debentures under "The Consolidated Stock Act, 1884," but of this amount only £20,000 was issued against the accretion of Sinking Fund of the Loans to Local Bodies; and £56,891 of stock was inscribed at 3 and 3½ per cent. for purposes of conversion and redemption of other Government securities. On the other hand, we have paid off or redeemed various parcels of debenture stock amounting to £87,068, and have converted £53,400 of debentures into lower interest-bearing inscribed stock.

EXPECTATIONS FOR THE RECESS.

Of course you will expect me to say something about the financial expectations during the time between the 31st March last past and the time when further supplies will be granted. In the first place I shall ask you to extend the appropriations from three months (as provided for by the Public Revenues Act of last session) to twenty-eight weeks, or, say, to the 14th October next. The Public Revenues Act provides that no payments shall be made for any services 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. You therefore tie me down in a narrower compass than would be the case if I were to ask you merely for supply under Imprest Supply Bills. Some effect of this restrictive appropriation is to drain the £100,000 provided for unauthorised expenditure; and it happens frequently, so the Treasury officials inform me, that the limit of £100,000 is practically exhausted by the time that Parliament usually meets and Imprest Supply Bills are obtained. Under these circumstances I am going to ask you for a temporary increase for "unauthorised" expenditure, so that the limit of £100,000 may be raised to £150,000 for services not provided for between this and the 14th October next. You understand that all "unauthorised" expenditure incurred before the estimates are passed, has to be included in the estimates and appropriations of the year, and, of course, the whole of the expenditure made under the extended appropriations.

Last year's appropriations for Consolidated Fund services amounted to £2,438,000, one-half of which, for services required to the 30th September next, will amount to £1,219,000

Add to this a moiety of permanent charges	1,047,000
Additional estimated expenditure for two weeks	175,000

Making a total for the twenty-eight weeks of £2,441,000 required for expenditure.

Our receipts during last year produced, as I have stated, approximately, £4,796,000, but of this amount £377,500, for Land- and Income-tax, was received, and will again be received during the second half of the year, so that this amount will not be available until after October. The lull in mining business in the Auckland Provincial District may affect the receipts from Customs and Stamps; and, unhappily, the accounts of the grain crops from the Canterbury and North Otago Districts justify me in thinking that our railway revenue may also suffer. But let it be understood that I am by no means depreciating the probabilities of our income; but, as I thoroughly believe in