

"The Government Loans to Local Bodies Act Amendment Act, 1896." These sums, amounting in all to £116,005, have enabled loans to be made during the year to the amount of £75,257 to local authorities, and £18,770 towards opening up for settlement blocks of land, leaving a balance of £21,978 to the credit of the account at the end of the year.

The total amount raised and carried into this account by the creation and issue of debentures up to the 31st March last was £1,165,500—(1) for granting loans to local authorities, £879,069; (2) for loans to open up blocks of land for settlement under section 2 of "The Government Loans to Local Bodies Act Amendment Act, 1891," £196,631; and (3) for payment of £89,800 to the Public Works Fund, on account of the debt of £89,878 8s. 9d. due to the said fund for debentures issued under "The Roads and Bridges Construction Act, 1882," and converted and inscribed as debts under Part II. of "The Government Loans to Local Bodies Act, 1886."

The total disbursements up to the 31st March last have been—(1) to local authorities, £857,091; (2) to Lands and Survey Department, towards opening up new blocks of land for settlement by construction of roads and bridges to give access to such blocks, £196,631, and by transfer to credit of Public Works Fund, £89,800: leaving a cash balance of £21,978, as above stated, at the end of the financial year.

I am glad to be able to state that the local authorities whose districts were overtaken by the severe flood disasters of last year have apparently been able to make good the damages without being compelled to increase their loan obligations by borrowing under the Government Emergency Loans to Local Bodies Act of last session. Members will, I am sure, join with me in expressing the hope that their self-reliance will be rewarded by the increased prosperity of their districts.

THE NEW ZEALAND CONSOLS ACCOUNT, 1897-98.

During the year £58,780 of deposits has been inscribed. A small amount of £85 remained uninvested at the close of business on the 31st March last.

THE PUBLIC DEBT, 1897-98.

The gross debt was £44,366,618 on the 31st March, 1897, and £44,963,424 on the 31st March last, producing an increase of £596,806 during the year.

Additional debt must take place so long as Parliament sanctions the policy of acquiring land for close settlements, the purchase of Native lands, the construction of railways, roads, and works, and authorises assistance to local bodies to enable them to make roads and build bridges, &c., for the purpose of opening up the splendid land of the colony in various districts. To enable this policy to be given effect to, £246,400 of debentures under "The Land for Settlements Act, 1894," and "The Government Loans to Local Bodies Act, 1886," was created. £58,780 was inscribed as New Zealand Consols deposits. The interest on these sums is more than recouped to the Consolidated Fund. In addition, £69,600 was issued against the accretions of sinking funds for the year, and £225,000 was raised on account of the half-million authorised under the Aid to Public Works and Land Settlement Acts of 1896 and 1897. A further inscription of 3-per-cent. stock took place to the amount of £554,392, for the purpose of redeeming and converting previous loans to the amount of £545,932, producing a net increase to the debt of £8,460. Two small parcels of loans were paid off, namely, £6,934, "The Consolidated Stock Act, 1884," and £4,500, Lyttelton and Christchurch Railway Loan, 1860. The net debt on the 31st March, 1897, was £43,552,324; on the 31st March, 1898, it was £44,081,521.

THE CUSTOMS REVENUE.

The Customs revenue has shown great elasticity during the last three years, as will be seen by the following figures:—

1895-96	...	£1,649,344	
1896-97	...	1,818,893	... Increase as compared with previous year,
			£169,549, = 10·3 per cent.
1897-98	...	1,935,252	... Increase as compared with previous year,
			£116,359, = 7·05 per cent.