

some figures which may give honourable members a fair idea of the colony's position. I must guard myself, however, by remarking that the figures must be taken as approximate. They are, however, carefully compiled in the most reliable method available. Briefly, then, I put down the—

Assets—			
Net private wealth		£258,710,000	
Public property		67,520,387	
			£326,230,387
Liabilities			
Net public debt (loans)		£59,670,471	
Local bodies' debt "		11,544,595	
			71,215,066
Balance of assets over liabilities....			<u>£255,015,321</u>

MONEYS REQUIRED FOR ADVANCES TO SETTLERS.

The policy of making advances to settlers has proved a great boon to numbers of our worthy colonists, enabling them to improve their holdings at small cost to themselves, and with absolute security to the Government. The report of the Advances to Settlers Office will inform you of how singularly successful its operations have been. The alteration of the law enabling the office to invest its own profits has had the effect of lessening the amount required to be borrowed to lend out to our settlers, and I do not anticipate that it will be necessary to find more than about £400,000 per annum, which can be arranged for through the Post-Office Savings-Bank. Meanwhile there has been no falling-off in the amount and number of advances made; indeed, last year showed a record for the largest amount of business done by the office. It may be well to mention that the cumulative authorities, amounting to £4,000,000, for borrowing purposes are almost exhausted, and will have to be extended to £5,000,000, in order that our settlers may have the benefits of the cheap-money scheme. A Bill to give effect to this will be introduced.

PROVISION IN THE CONSOLIDATED FUND FOR MAINTENANCE OF ROADS, ETC.

At various times comment has been made upon the system of making provision for repairs and additions to public buildings and for the maintenance of roads out of the Public Works Fund. This would be a proper criticism if the Public Works Fund consisted of loan-money only; but, as for a number of years past it has been largely supplemented from the consolidated revenue, and at many periods of each financial year has consisted wholly of Consolidated Fund money, the unfairness of this criticism is obvious. In order, however, to remove any possible colour for suggestions of the kind, I propose to make an alteration by providing for repairs and additions to public buildings, as well as for maintenance of roads, upon the Consolidated estimates. For these purposes the amount this year will be about £35,000.

FINANCIAL YEAR 1906-7.

EXPENDITURE.

The estimated expenditure for the financial year ending 31st March, 1907, I have set down at £7,575,972; therefore, as the actual expenditure last financial year amounted to £7,122,340 (not including the transfer of £500,000 to the Public Works Fund), the increase of expenditure for the current year is estimated at £453,632. This is undoubtedly a large amount, and I shall proceed to explain how it arises.

There is an increase of £48,842 in the charge for interest and sinking fund, consequent upon the large amounts we have raised by way of loans; but, as I have already stated, the major portion of these loans was for purposes which would be returning interest at even better rates than those charged, and therefore there will be no burden upon the taxpayer.