

FINANCIAL STATEMENT.

From this it will be seen that out of the £635,000 raised under this loan there remained, at 30th June last, only £106,922 19s. 7d. available for the Defence Services of the current year, instead of £158,247 5s. 4d. as stated by my predecessor. This discrepancy of £51,324 5s. 9d. requires to be accounted for. £23,792 17s. 4d. of it is accounted for by the fact stated by my predecessor, that the balance of £158,247 5s. 4d. was *inclusive* of liabilities, and therefore to that amount not available for expenditure for the services of the current year. Still there remains a discrepancy of £27,531 8s. 5d. to be accounted for. Of this, £17,921 19s. is accounted for by the fact that my predecessor, whilst taking credit in the Consolidated Fund Account for £8,358 11s. 4d. to be received from Defence, has omitted to debit it as a liability against Defence; and that he omitted to observe that £9,563 7s. 8d., raised under Schedule II. of the Loan Act, is applicable to the redemption of Otago Dock Bonds still to be redeemed, which is a liability against this fund, and which it may be called upon any day to discharge. £9,373 9s. 11d. further is accounted for by that sum (which, as formerly stated, was an advance from the Special Fund on account of Confiscated Lands) having been treated as an asset, but which I cannot recognize as such. The remainder of the discrepancy is the sum of £235 19s. 6d., charges on raising the last £150,000 of this loan, of which my predecessor was not aware when his Statement was made.

I now come to the Immigration and Public Works Loan Account; and of it also I present to the Committee a Balance Sheet to 30th June, 1872.

BALANCE SHEET, IMMIGRATION AND PUBLIC WORKS LOAN, 30TH JUNE, 1872.

ASSETS.		Cr.	
	£ s. d.	£ s. d.	
By Cash in the Colony in the Bank of New Zealand ...	...	40,666	7 0
By Cash on Deposit in London ...	97 7 7		
By ditto, being the proceeds of sale of Bonds for £850,000, after paying all charges* ...	848,662 16 2	848 760	3 9
By Advances in the hands of the Crown Agents and Agent-General, London ...	17,790 10 5		
By Advances in the hands of Officers in the Colony ...	9,629 16 4	†27,420	6 9
By Amount advanced to and recoverable from the County of Westland ...	...	7,500	0 0
		£924,346	17 6

* The Accounts of the Loan Agents, in which this sum appears, were not received until after 30 June, 1872.

† Of this amount about £14,000 has since been repaid.

LIABILITIES.		Dr.	
	£ s. d.	£ s. d.	
To Liabilities:—			
Interest and Sinking Fund for three months to 15 April on £750,000 ...	11,250 0 0		
Ditto to 15 July on £1,600,000 ...	24,000 0 0	35,250	0 0
To Estimated Amount due and payable for services rendered to 30 June, 1872, including such advances outstanding at that date as have probably been expended ...	...	44,000	0 0
		79,250	0 0
By Cr. Balance available for 1872-73 ...	...	845,096	17 6
		£924,346	17 6

The Committee will see from this, that out of the sum of £1,600,000 raised under the Immigration and Public Works Loan, £845,096 17s. 6d. remained at 30th June last, available in cash for carrying out the works already contracted for, or which may hereafter be contracted for. Here I am happy to say that but little discrepancy exists between the accounts of myself and my predecessor, beyond this—that when he showed on this account a balance left of £925,684 1s. 4d., he did so without taking into account the then existing liabilities actually due and