

Nominal indebtedness increased; but material reduction in annual interest.

True sinking fund.

Tables B. and G.

Defence and Other Purposes Loan.

Colonies are adopting the four per cent. rate, and when we make a change at Home it would be better to adopt the same rate. The result of the change that has been made, though it causes an increase of nominal indebtedness, will be to reduce materially the annual payment for interest; and there will no longer exist the necessity to make payments by a sinking or drawing fund, whilst we are at the same time borrowing more. We may at last show our appreciation of the doctrine, that the only true sinking fund is the excess of revenue over expenditure.

The transactions in the several Loan Accounts during the year are shown in detail in Table B (1), and are epitomised in Table G. For the convenience of honorable Members, I will state here the total operations in the Defence and Immigration and Public Works Loans, from the date of commencement of those operations to the 30th June last. Under the Defence Loan Act, the amounts authorised to be raised, the amounts raised, the amount expended, and the balance left, are as follow:—

YEAR.				AMOUNT RAISED.		AMOUNT TO BE EXPENDED.		AMOUNT EXPENDED.		BALANCE.	
				£	s. d.	£	s. d.	£	s. d.	£	s. d.
1870-71	...	...	...	450,000	0 0	343,500	0 0	279,221	0 10		
1871-72	...	...	...	185,600	0 0	160,000	0 0	198,131	13 10		
1872-73	...	...	...	87,900	0 0	150,000	0 0	142,415	1 7		
				723,500	0 0	653,500	0 0	619,767	16 3		
Unapplied balance of sums authorized to be expended up to 30th June, 1873...								33,732	3 9	33,732	3 9
Balance of amount raised in excess of expenditure authorized to 30th June, 1873, available for the service of the year 1873-74				70,000	0 0					70,000	0 0
				653,500	0 0	653,500	0 0	653,500	0 0		
Balance (see Table G.), consisting of—											
Cash—In Colony				76,204	10 10						
" In London				19,770	14 10						
						95,975	5 8				
Advances—In Colony				5,537	7 0						
" In London				2,219	11 1						
						7,756	18 1				
										£103,732	3 9

Immigration and Public Works Loan.

Under the Immigration and Public Works Loan Act, the operations to the 30th June may be stated thus:—

YEAR.				AMOUNT RAISED.		AMOUNT EXPENDED.		AMOUNT AVAILABLE FOR EXPENDITURE.				
				£	s. d.	£	s. d.	Balance Sums Raised.		Total.		
				£	s. d.	£	s. d.	£	s. d.	£	s. d.	
1870-71	...	...	...	750,000	0 0	99,953	19 3	118,537	6 5	37,202	10 2
1871-72	...	...	...	850,000	0 0	611,564	9 7				
1872-73	...	...	...	423,900	0 0	1,193,844	4 9				
Totals	...	...	...	2,023,900	0 0	1,905,362	13 7	118,537	6 5	76,886	6 2
Balance (see Table G.)												
Cash—In the Colony								£75,057	13 5			
" In London								77,919	13 7			
										152,977	7 0	
Advances—In the Colony								41,172	9 9			
" In London								1,273	15 10			
										42,446	5 7	
											195,423	12 7

Confiscated Lands.

CONFISCATED LANDS.

Among the accounts comprised under the head of Special Funds, is the New Zealand Settlements Act Account; and as an indication of the approach of the time when the revenue from these lands will cover the expenditure, I may refer honourable Members to Table G., from which it will be seen that this account exhibits, for the first time for many years, a balance on the credit side. But this balance, though representing the actual condition of the account as affected by receipts and payments up to the close of the financial year, understates the case, since it fails to exemplify the fact that not only has the revenue for the year been sufficient to cover the expenses of

Balance on credit side.

Revenue for year,