

for the last four years respectively : 1885–86, £1,239,828 ; 1886–87, £1,166,374 ; 1887–88, £906,711 ; and last year, £528,453 : and of these amounts there was spent within the colony in 1885–86 £1,013,338 ; in 1886–87, £1,060,474 ; in 1887–88, £802,711 ; and last year, £450,353.

THE PUBLIC DEBT.

The Public Debt.

Table No. 4.
Net public debt,
£ 6,979,661.

£1,616,613 added
to debt last year.

£1,357,696 in
hand.

Debt paid off,
£722,587.

Loans raised,
£2,339,200.

£133,400 debt
paid off after
drawing of
Consols, 1889.

Public Works Fund.

Table No. 1.

No. 1 Account.

The gross public debt on the 31st March, 1888, was £36,758,437 ; on the 31st March, 1889, it was £38,375,050, but deducting the sinking funds accrued, now amounting to £1,395,389, the net debt was £36,979,661, as against £35,545,610 on the 31st March, 1888. The addition to the permanent debt during the last financial year was £1,616,613. There were old loans paid off and new loans raised, the result of the year's operation on the Loan Account being an addition to the permanent debt of £1,616,613 ; but, on the other hand, it is material to note that by far the greater part of this sum, though borrowed, was not spent, but remained in hand, to the amount of £1,357,696, on the 31st March last.

I shall first refer to the loans paid off. Debentures for £25,000 of the New Zealand Loan of 1856, due 1st October, 1888, and £25,000 due 1st January, 1889, were redeemed by the trustees of the sinking fund of that loan ; debentures for £40,900 of the Consolidated Loan of 1867 drawn for redemption in 1888 were redeemed out of the sinking funds provided for that purpose ; debentures for £131,600 issued under "The Consolidated Stock Act, 1884," for increases of the sinking funds, were redeemed with cash received by the Treasury from the Crown Agents after the drawing of 1888, as the holders of drawn bonds which had previously been converted ; advances to the amount of £500,000, obtained on security of debentures of the North Island Main Trunk Railway Loan, were repaid out of the proceeds of that loan ; an odd sum of £87 under "The District Railways Purchasing Act, 1885," was paid off out of the Consolidated Fund. The total amount of debt paid off was therefore £722,587.

The loans raised were : the North Island Main Trunk Railway Loan, £1,000,000 ; the loan authorised in 1888, £1,000,000 ; debentures created for increases of the sinking fund in 1888–89, £263,200 ; for Government loans to local bodies, £75,000 ; and for State Forests, £1,000. These new loans amount to £2,339,200 ; and, if we deduct the amount paid off, £722,587, we get £1,616,613 as above shown.

In my Financial Statement of the 29th May, 1888, I drew attention to £250,000 falling due on the 1st November, 1888, under "The Colonial Inscribed Stock Act, 1882," and £49,500 on the 15th December following under "The General Purposes Loan Act, 1873 ;" and I remarked that it would be necessary to obtain the authority of Parliament to renew these loans. Subsequently it was found that they could be dealt with under "The Consolidated Stock Act, 1884 : " accordingly short-dated debentures for £299,500 were issued under that Act, pending the creation of stock, and the securities under the old Acts were surrendered and cancelled.

Incidentally to my reference to the debentures for £131,600 redeemed last year with cash received from the Crown Agents after the drawing of Consolidated Loan debentures in 1888, I may inform the Committee that, at the "drawing" of 1889, converted bonds to the amount of £133,400 were drawn, which sum has been received and applied by the Treasury since the 31st March last to the redemption of debentures of the same amount issued under "The Consolidated Stock Act, 1884," for increases of the sinking funds.

THE PUBLIC WORKS FUND.

Honourable members are aware that, for reasons mentioned in my last Financial Statement, and which it is unnecessary further to refer to, the Public Works Fund now consists of three separate and independent accounts.

No. 1 ACCOUNT.

The balance at credit of this account on the 31st March, 1888, was £200,391, including £150,000 temporarily raised under the Loan Act of 1887, in anticipation of the £500,000 authorised by that Act. It will be recollected that an