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1903.  
NEW ZEALAND.

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# FINANCIAL STATEMENT

*(In Committee of Supply, 11th August, 1903)*

BY THE COLONIAL TREASURER, THE RIGHT HON. R. J. SEDDON, P.C., LL.D.

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MR. MILLAR,—

I bring before the Committee the Budget for the year with confidence, believing that honourable members will accept the assurance that, consistently with meeting the requirements of the colony, strict economy has been observed. In proof of this, the total increase on the annual appropriations is only £31,000, and this in the face of new Departments, increasing population, greater conveniences, and extensive development. I estimate a considerable increase of revenue, and believe that after providing for all charges there will be a substantial balance to the good.

The financial position of the colony is sound and satisfactory. There is a buoyancy in the revenue from the Customs and Railways—barometers that never fail to faithfully mark the prosperity and well-being of the people. Prudent administration is essential, and we must not, merely because we have an increasing revenue, deem it proper on that account to increase our expenditure; quite the reverse, as the surest protection against adversity is to practise economy during prosperity.

Every year since the Liberal party came into office the Government, by their prudent administration in maintaining a strong finance and increasing and insuring the spending-powers of the people, have been able to announce a surplus on the year's transactions.

This year is no exception to the rule, and, as members are already aware from the Public Accounts, which are before them, we closed the past year with a credit balance of £303,905; and for the current year I later on in the Budget show a substantial surplus, which I am positive will be realised, if not exceeded.

Honourable members must, like myself, feel disappointed at the price of our stock on the London markets; and considering our ability not only to meet our every engagement, but after doing so to devote annually to development purposes large sums of money, the situation is the more inexplicable. The cause of the low price of colonial stock is far afield from New Zealand, and the reasons therefor are fully dealt with later on.

The best way to improve our position is to keep public-works expenditure within reasonable limits, practise the strictest economy, prove ourselves self-contained, and seek as little money outside the colony as possible. The collateral and other advantages of raising the money in the colony, and keeping the principal and interest within ourselves, are strikingly apparent, and the lesson for the moment will prove of lasting good. It is much better that the time for the completion of some of our railways should be extended, the erection of public works be postponed, and conveniences stand over, than to receive £91 15s. net for every hundred-pound debenture.

I will avoid as far as possible wearying members with a mass of figures, but will ask them to refer to the tables which accompany this Statement, confining myself to the most important details only. In this my seventh Budget,

i.—B. 6.

as heretofore, I have aimed at dealing with the finance of our colony in a practical and lucid way, so as to be easily understood and grasped by all. Subjects cognate to finance, and having a direct influence in maintaining the present and promoting the future prosperity, are shortly and succinctly referred to.

#### RECEIPTS DURING THE YEAR 1902-3.

As regards the receipts of the past year, it was estimated that the revenue proper would produce £6,026,000. The actual figures, however, reached £6,386,609, or £360,609 in excess of the estimate. Of this amount of excess, Customs has yielded £115,643, Railways £107,551, Stamps £80,939, other items of revenue show increases totalling £62,014; while only in the two items of Land-tax and Beer Duty the receipts fell short of the estimate by £5,538.

The Customs revenue was estimated at £2,220,000, being nearly £19,000 in excess of the previous year's revenue. The actual receipts were £2,335,643. Railways produced £1,982,551, while the receipts from Stamps amounted to £978,939. The receipts under the head of Land-tax fell short of the estimate by £3,938; the amount actually received from the increased valuations was £1,000 more than expected, but the remission of revenue owing to the reduction of the mortgage-tax was £30,000, instead of £25,000 as anticipated. The Income-tax produced £15,684 more than the estimate, the two heads of revenue together exceeding expectations by £11,746.

The Territorial Revenue, which was set down as £230,000, produced £252,277, or £22,277 more than expected. Comparing the actual receipts with those of the preceding year, honourable members will find that the revenue of the year just closed is better by the sum of £333,539, made up as follows: Customs, £134,527; Railways, £113,062; Stamps, £70,268; Land and Income Tax, £4,513; Beer Duty, £166; Registration and other Fees, £7,389; Marine, £1,512; and Territorial, £2,659: the only falling-off being a small sum of £557 in Miscellaneous Revenue.

In addition to the receipts above mentioned, £57,500 came to credit in respect of the proceeds of debentures issued against sinking-fund accretions, and a recovery of £3,326 on account of expenditure of previous years was received, making the total receipts for the year from all sources £6,447,435.

#### EXPENDITURE DURING THE YEAR 1902-3.

The expenditure of the year out of the Ordinary Revenue Account amounted to £6,214,019. The charges authorised by the permanent appropriations show, as compared with the estimates, an over-expenditure of £65,192. Of this sum Hospitals and Charitable Institutions are responsible for £20,274, Subsidies to Local Bodies for £4,049, "Thirds" and "Fourths" for £5,161, and Endowments for £2,056, while the payment of two years' contribution in respect of the Australian Naval Defence within the year is answerable for £21,493.

Coming to the departmental expenditure, the amount shown as underspent is £78,323; but of this amount Railways are credited with £54,689, being the balance unspent after the excess of revenue as allowed by law was added to the appropriation, so that by eliminating the Railways we have a direct saving for the year of £23,634 on our departmental votes. It is unnecessary for me to deal in detail with the different classes, as the table showing the actual expenditure of each class compared with the estimate will be found attached hereto.

#### RESULTS OF THE YEAR.

The results of the transactions within the Ordinary Revenue Account for the year may be set forth as under:—

	£	£
Balance on 31st March, 1902	270,489	
Out of which there was transferred to Public Works	200,000	
Leaving	70,489	
Actual receipts for 1902-3	6,447,435	
Actual expenditure for 1902-3	6,214,019	
Excess of revenue over expenditure	233,416	
Surplus at 31st March, 1903		£303,905

## PUBLIC DEBT.

The gross public debt on the 31st March last was £55,899,011, showing a total increase for the year of £2,932,572. Of this sum £1,750,000 were raised under the Aid to Public Works and Land Settlement Act of last session, the requirements of the Advances to Settlers Office caused the raising of £450,000 (including £200,000 obtained on short-dated debentures and since paid off), and for the acquisition of land for close settlement we raised a further sum of £338,700.

Grants to local authorities required £278,000 under "The Local Bodies' Loans Act, 1901," and for the purpose of purchasing and managing coal-mines £52,000 had to be borrowed under "The State Coal-mines Act, 1901," £4,232 of New Zealand Consols were inscribed, and £57,500 debentures for accretions of sinking funds were created under "The Consolidated Stock Act, 1884."

The conversion operations for the year were very few, the increase to the debt by conversion being £12,240. On the other hand, a small parcel of debentures (£10,100) under "The Land for Settlements Act, 1897," falling due on the 1st April, 1902, was paid off. Of the increase, at least the following items may be set down as of a directly reproductive character.

	£
For purchase of land for settlements ... ..	338,700
For advances to settlers ... ..	450,000
For loans to local bodies ... ..	278,000
For New Zealand Consols deposits ... ..	4,232
For purchasing and developing State coal-mines ... ..	52,000
Total ... ..	£1,122,932

During the year £250,000 debentures under "The Land for Settlements Act, 1897," fell due, and were renewed by the proceeds of a sale of a like amount at a small premium above par.

On the 31st March, 1902, the net debt was shown as £51,837,631, and on the 31st March, 1903, the net debt is set down in the Public Debt Table as £53,585,780.

I desire to explain that, in addition to the customary deduction made for sinking funds accrued, I have this year included the accrued sinking fund of the Government Advances to Settlers Act, an item heretofore not shown in the table. I have also further reduced the gross debt by taking off the amount of Government securities in which the New Zealand Consols deposits are invested, as both amounts appear in the table of the public debt. For the same reason I have taken off £500,000 held by the Public Trustee in trust for the payment at maturity of the stock inscribed for the purchase of the preferred shares of the Bank of New Zealand, represented by debentures of like amount issued under "The Aid to Public Works and Land Settlement Act, 1899."

## PUBLIC WORKS FUND.

Turning now to the Public Works Fund (the particulars of which will be found in Table 1), honourable members will find that £187,334 came to credit in respect of the loan of the previous year. We also received £750,000, being the proceeds of debentures issued in the colony under "The Aid to Public Works and Land Settlement Act, 1902," besides instalments to the amount of £260,000 on account of the million loan recently raised in London. To these add £200,000, transfer from revenue, together with a small receipt of £1,616, which, with the balance brought forward to begin the year with of £454,059, made a total available ways and means of £1,853,009. Out of these moneys £1,426,264 were spent on railways, roads, and other public works, and £88,180 for charges and expenses of raising loans, leaving a balance to be carried forward to this year of £338,565.

It will be seen from this that the amount received in respect of the new loan has fortunately not been trenched on, and is available for this year's expenditure. The expenditure on railways, roads, and especially public buildings must be curtailed, notwithstanding that our ability to meet interest

charges is much better than in the years gone by, when much larger sums were borrowed. In the curtailment a discrimination for such works as the North Island Trunk Railway should be made; and in respect to the other railways, roads, and other works the decreased expenditure should be spread evenly throughout the colony.

#### LAND FOR SETTLEMENTS ACCOUNT.

The account had a balance of £382,692 to start the year with, debentures amounting to £338,700 were created and sold in the colony, £109,820 were received from rents and lease fees, £10,335 from interest on Investment Account, and £846 from miscellaneous receipts. On the other hand, £353,462 were expended in the purchase of estates, and £15,521 in roading, survey, and other expenses, and £93,599 were recouped to the Consolidated Fund in respect of interest paid on debentures issued. A parcel of £260,100 debentures fell due on 1st April, 1903; £10,100 were paid off from cash in hand, and the balance (£250,000) was redeemed from the proceeds of a like amount of new debentures created and sold for £250,625. The balance carried forward to this year was £366,075.

#### CHEVIOT ESTATE ACCOUNT.

The rents and other receipts amounted to £14,609, which, added to the balance of £16,861 from last year, makes a total of £31,470, of which £9,037 were expended in payment of interest and other charges, leaving a balance of £22,433 at the close of the year.

#### CONVERSION ACCOUNT.

The transactions of this account during the past year have not been very numerous. £230,040 of 3-per-cent. stock have been inscribed, of which £229,000 were sold and the proceeds used to redeem £52,000 5-per-cent. 1867 debentures, and to pay off the advance of £165,000 obtained on the security of short-dated debentures under "The Aid to Public Works and Land Settlement Act, 1899." A small parcel of 6-per-cent. debentures under Canterbury Loan, 1862, came in for conversion, and £1,040 stock was issued in exchange. Detailed particulars will be found in table appended.

#### LOANS TO LOCAL BODIES ACCOUNT.

The balance at credit of the Loans to Local Bodies Account on the 31st March, 1902, was £2,770. Debentures for £278,000 were created and issued during the past year, and refunds of unspent balances of grants amounting to £1,836 were received. Payments on account of loans were made during the year—to local bodies £234,870, and towards opening up blocks of land for settlement £18,578, leaving at the end of last year a balance of £29,158 to the credit of the account.

Up to the 31st March last the total amount of debentures created and issued and carried into this account was £2,022,100, and the total disbursements have been—to local bodies, £1,581,898; to Lands and Survey Department towards opening up blocks of land for settlement, £332,913; and to Public Works Fund, £89,800, in exchange for debentures under "The Roads and Bridges Construction Act, 1882."

It will be recognised that the transactions in connection with this account have been considerably increased, the total of payments made to local authorities on account of loans during the past year being the largest since the passing of the Government Loans to Local Bodies Act in 1886.

Applications for loans for the construction of abattoirs under "The Slaughtering and Inspection Act, 1900," and for drainage and sanitary works under "The Public Health Act, 1900," are constantly being received. This is no doubt attributable to the fact that the local authorities are compelled under these Acts to borrow for the purposes above mentioned. These grants, although proving of great benefit in respect of the public health, tend very materially to swell the amount it becomes necessary for the Treasury to borrow in order to provide the loans authorised by these Acts.

Of the total inscribed debt of local bodies, amounting to £1,669,480, the following figures will indicate to what extent the local authorities have availed themselves of the reduced rates of interest: at 4½ per cent., £964,361; at 4 per cent., £30,430; at 3½ per cent., £674,689. Seeing that the rate of interest is now higher than when the Act was passed fixing the rate at 3½ per cent., it may become necessary to raise the interest chargeable. I am pleased to be able to report that the payments of interest by the various local bodies on the inscribed debts continue to be fully and punctually made.

#### NEW ZEALAND CONSOLS ACCOUNT.

The deposits received during the year were the smallest since the account was opened, the amount being only £4,232. The reason for this is no doubt due to the fact, as stated in last year's Budget, that a better rate of interest is obtained by purchasing other Government securities. The total amount now inscribed is £472,500, which has been invested in Government and other securities, yielding a rate of interest to the colony equal to about 3¼ per cent. per annum.

#### THE GOVERNMENT INSURANCE DEPARTMENT.

During the twenty years ended on the 31st December, 1902, the Government Insurance Department has made great progress. The new policies issued during the period were 66,375, representing a sum assured of £14,561,581. The business in force at the end of the twenty years increased from £5,176,217 at the beginning to £9,896,572, representing a net increase of £4,720,355. The income from premiums during the twenty years amounted to £4,841,651, while that from interest amounted to £1,995,565. The amount paid to policyholders or their representatives during the twenty years was £3,054,773. The amount added to the funds was £2,677,928, while the total accumulated funds at the end of the twenty years was £3,382,817.

The following table shows the position at the end of the respective ten-yearly periods—viz., 1892, 1902:—

	New Business completed during each Period.		Business in force at the End of each Period.	
	Number of Policies.	Sum assured.	Number of Policies.	Sum assured.
Ten years ended 31st December, 1892 ...	33,958	£ 7,776,713	30,316	£ 8,036,220
Ten years ended 31st December, 1902 ...	32,417	6,784,868	42,406	9,896,572
	Income during each Period from		Paid to Policyholders during each Period.	Added to Funds during each Period.
	Interest.	Premiums.		
Ten years ended 31st December, 1892 ...	£ 708,001	£ 2,068,264	£ 1,023,250	£ 1,275,409
Ten years ended 31st December, 1902 ...	1,287,564	2,773,387	2,031,523	1,402,519

In connection with the above table it should be borne in mind that during the decade ended the 31st December, 1902, the amount paid to policyholders or their representatives has very greatly increased, owing to the larger number of insurances maturing and the increased deaths and surrenders occasioned by the larger number of policies in force.

#### PUBLIC TRUST OFFICE.

This institution has outgrown the troubles of infancy and reached a vigorous manhood. By comparing the figures of the years 1882 and 1902, its rapid growth can be seen at a glance.

The powers of the Public Trustee have been from time to time enlarged, with much benefit to his clients. In dealing with the property of lunatics, winding up estates, applying income or capital to the maintenance or advancement in life of infants, and in many other ways, he has now much greater powers than private trustees.

The management of Native lands, especially under "The West Coast Settlement Reserves Act, 1892," by the office has been very successful. The increase in land-values, owing to the rise of the dairy industry, has no doubt contributed to this; but the granting by a public officer of simple, inexpensive leases, with security for improvements and a right to renewal, has been a great aid to the settlement of these lands. The total area of reserves vested in the office under the Act is 186,489 acres: 128,176 acres are leased; 18,952 acres are held by Native owners under occupation licenses, which require them to fence boundaries, pay rent to other Natives who have interests in the land, &c.

The sum of £23,001 1s. 6d. was last year paid from rents to the Native owners, after deducting all expenses.

The office has been very fortunate in its investments. Prior to 1891 about £4,000 had been lost. The amount is small when the number of loan transactions is considered, and is creditable to the office lending Board. The losses were, of course, met out of profits, and did not cost the colony anything. There have been no losses during the last twelve years.

The office Assurance and Reserve Fund now amounts to £10,279 12s. 3d., a sum probably sufficient to meet any future losses. Last year a substantial reduction was made in the scale of charges, and as the business of the Department grows there will be further reductions.

The State guarantee as a security for the acts of the Public Trustee should gain for the office the confidence of the most timid possessors of property. It is satisfactory to note that wills deposited in the office by which the Public Trustee is appointed executor have increased so largely. The number has nearly doubled during the past three years.

The accumulated profits now in the office, apart from the Assurance and Reserve Fund, amount to £30,954 3s. 7d., no portion of such profits having been paid to the Consolidated Fund since the year 1888.

When the proper time arrives, the amount now in the Reserve Fund could with advantage be expended in building a suitable office in Wellington for this important and useful institution.

#### CUSTOMS DUTIES.

The buoyancy in the revenue derived from Customs duties, notwithstanding the large reductions which were made during the session of 1900, will be readily seen by the following figures:—

Year 1899-1900	...	...	...	...	...	...	£2,107,566
" 1902-1903	...	...	...	...	...	...	£2,335,643

Increase during the three years = 10·8 per cent.

If the duties on tea, currants, raisins, candles, and kerosene had remained unaltered, revenue would have been derived from these articles to the extent of £156,459 more than was actually received in 1902-3, the total revenue for which year would have been £2,492,102, equal to an advance of 18·2 per cent. on the revenue for 1899-1900.

As compared with the previous year, there is a uniform increase in nearly all the principal items, a slight decrease being shown in tobacco and Australian wine. The increase in goods liable to *ad valorem* duty, such as apparel, textiles, boots, fancy goods, hardware, &c., amounts to £74,579 (equal to 17·8 per cent.), and in goods charged by weight (such as candles, fruits, fish, jams, leather, paper, &c.) there is an increase of £26,491 = 9·1 per cent. These increases are greater than that in spirits—viz., £12,743 = 2·7 per cent. Cigarettes show a considerable increase—viz., £9,152 = 15·2 per cent. Tea remains at the same level, and in sugar there is an increase of £8,366 = 4·5 per cent. These increases represent an increased public expenditure on personal



and household requirements, a result which is in keeping with the known general prosperity of the colony.

The following figures show the revenue per head of population on certain lines of goods in the years 1891 and 1902:—

	1891.			1902.		
	Per Head.	£	s. d.	Per Head.	£	s. d.
Spirits	1	17	3	1	18	11
Tobacco	1	3	7	1	3	7½
Cigars and cigarettes	0	4	7	0	7	8½
Wine	0	1	7	0	1	3½
Beer	0	0	11	0	0	8½
Beer (New Zealand)	0	2	9½	0	3	2
Sugar	0	3	4½	0	4	3½
Tea	0	3	0½	0	1	0
Coffee and cocoa	0	0	2½	0	0	1½
Currants and raisins	0	0	11	0	0	5½

The taxation through the Customs per head of population was ten years ago £2 7s. 10d.; it was in 1902 £2 13s. 9½d. From the above table it will be seen that spirits, tobacco, cigars, cigarettes, and beer account for an increase of 4s. 8d. per head: this may be termed voluntary taxation on luxuries. The increase per head, therefore, in ten years, if no remissions on the necessaries of life had been granted, would have been 7s. 11½d. per head; but from the above table it will be seen that the revenue per head for the necessaries of life has been reduced by nearly 2s.

#### LAND AND INCOME TAX.

The receipts under the head of land-tax fell short of the estimate by £4,000. The income-tax produced £16,000 more than the estimate, the two heads of revenue together exceeding expectations by £12,000.

The receipts from income-tax for the current year I place at £210,000, a sum slightly under the actual revenue of last year, and yet a substantial amount when compared with the £68,000 received ten years ago, when the tax was first imposed.

#### ABSENTEE LAND-TAX.

The colony has the name of imposing a graduated absentee land-tax without the gain. For the year 1902–3 this tax amounted to the munificent sum of £922 12s. 2d. The Legislature, when deciding some years ago upon the imposition, intended it to be something substantial, and rightly so.

Those absent from the colony do not contribute to the indirect taxation or otherwise help the revenue, and it is not unreasonable to ask them to bear a fairer share of the burdens of State.

The present method of levying the graduated tax is not fair in its incidence, and the following table explains clearly the position:—

Taxpayer	A pays graduated tax on	£	— amount of tax at	1s. 8d. ...	£	s.	d.
"	B	10,010	"	2s. 8d. ...	10	8	7
"	C	49,727	"	7s. 8d. ...	181	6	0
"	D	50,173	"	8s. 8d. ...	209	1	1
"	E	187,839	"	14s. 8d. ...	1,369	13	2
"	F	197,329	"	15s. 8d. ...	1,541	12	8

The above are actual cases, and this being so it is intended to ask Parliament to amend the law so that the increase in the scale of graduation shall bear more evenly, and in doing so care will be exercised to see there is no decrease in the revenue from this source.

#### VALUATION OF LAND DEPARTMENT.

During the past year the valuations of the four large cities and several smaller boroughs have been revised. The capital value of these has been increased by £6,250,000, and the unimproved value by £4,000,000.

Owing to the system of rating on unimproved value having been adopted in Wellington and Christchurch and some of the other boroughs much keener interest has been taken in the proceedings of the Assessment Courts than heretofore.

In the country districts the results of the operations will, it is expected, when the figures are made up after the Assessment Courts are over, also show considerable increase of values, as well as equalising those which were previously uneven.

During the coming summer it is intended to revise as many as possible of the districts which have not yet been valued under the Act of 1900.

#### GOVERNMENT ADVANCES TO SETTLERS OFFICE.

The business of this office continues on much the same lines as in previous years.

The amount at credit in the Public Trust Office of the Sinking Fund Account was on the 31st March last £125,867 7s. 10d., and of the Assurance Fund Account £67,911 16s. 8d.

The success of this office is a subject-matter for sincere congratulation.

#### DEPARTMENT OF LABOUR.

The wages of male workers in New Zealand have risen considerably during the last twenty years, and the wages of women workers during the last five. In manufactories the average male worker (including youths) received about £6 10s. per annum more than in 1892, and the woman worker (including girls) about £2 15s. per annum more than in 1895. This gives the large sum of £1,118,325 as being gained by the male factory workers in the last ten years above the amount they would have received had the wage-rate remained on the scale of that of ten years ago, and it leaves the amount gained by women and girls out of notice.

The Labour Department has not at present the means to collect statistics showing the wages of persons working outside factories. Carpenters, plumbers, engineers, painters, carters, sailors, miners, agricultural and pastoral labourers are all outside the present range of accurate wage-returns.

Speaking generally, however, there has been a considerable rise in wages. Thus masons, who in 1892 received from about 10s. a day, now get from 10s. to 14s.; plasterers, who received about 8s., now get from 10s. to 14s.; farm labourers, formerly 15s. per week, get from 15s. to 25s.; ploughmen, who were at 20s., get from 20s. to 25s.; married couples (servants), formerly at from £50 to £70, now get from £60 to £80. This will give some idea as to the general rise in value of the earnings of the working-classes; although at the same time it may be noticed that commodities (especially meat) have risen in price.

The actual gain in wages is by no means the only improvement visible in the condition of the industrial classes. By means of awards, agreements, &c., in many trades the hours of labour have been considerably shortened and holidays allowed for. Overtime also (which has not been computed in the advances above spoken of) has been fixed, and is paid for beyond the ordinary rates of wages. The improved sanitation in workshops, insuring better health to the inmates, also adds to the earning-capacity. Therefore, speaking generally, the life of the worker has been sensibly brightened during the passage of the last ten years.

#### PUBLIC HEALTH.

In view of the appearance of small-pox in Tasmania, elaborate and careful supervision of all passengers from the Australian Commonwealth has again been instituted, in addition to a measure of quarantine against vessels coming direct from Tasmania. This inspection, I am pleased to say, is being conducted free of cost to the State. By an arrangement entered into by the shippers and the Health Department, the expense attendant upon this extra work is being defrayed by the shipping companies. The colony is to be congratulated upon the fact that, although isolated cases of plague have occurred, the disease

has not been permitted to spread. The occurrence of two cases of small-pox upon a ship within our own waters points to the necessity of a more stringent enforcement of the law with regard to vaccination, as well as the expenditure of a considerable sum upon our sanitary defences.

#### HOSPITALS AND CHARITABLE AID.

The colony last year granted by way of subsidies £100,274 to the hospitals and charitable institutions, and yet had no say whatever in respect to the expenditure. It is true we have an Inspector-General, but his power of control is nil. The position is almost farcical. Members review and criticize the expenditure of those Departments directly controlled by the State, but in this, which to all intents and purposes is a Department of State, neither the House nor the Government has any voice in the administration and cost, although providing by far the largest share of the money.

The local bodies, who find, next to the Government, the largest share of the money, have a little say in the management, seeing they nominate members to the Charitable Aid Boards and Hospital Trustees.

A change is necessary, and the moneys required should be annually voted. The Government should have a responsibility—the Inspector-General and other Inspectors should, where they see administration defective, patients not medically or otherwise properly treated, where persons are refused admission or improperly admitted and retained, or where waste or extravagance obtain, and where in case of charitable aid the expenditure is excessive, have power to call upon the Board or Hospital Trustees to effect reforms and improvements; and, should this not be done, the Government should be empowered to stop further payments to the Boards and Hospital Trustees until effect be given to the recommendations of the Inspectors.

The law in this respect, and in respect to the constitutions of the Boards and Trustees, requires amendment, and either the representation of the Government and the local bodies should be on the basis of the moneys contributed, or the controlling bodies should be wholly elected by the persons in the district who are on the electoral roll.

#### HOSPITALS FOR THE MENTALLY AFFLICTED.

The question of increasing the accommodation for those whose mental condition warrants their detention was brought before the House some time ago. My worthy colleague, the Minister in charge of hospitals, having on that occasion, with myself, fully stated the intentions of the Government in respect to this important matter, there is nothing further to add beyond stating that ample provision will be made to fully meet the pressing requirements of the case.

The erection of one or more hospitals for first treatment on the lines of the Bethlehem Hospital deserves our earnest attention.

As soon as the necessary accommodation is provided, classification of the inmates is another essential. The commitment to our hospitals of persons should be jealously guarded. Information has reached me to the effect that patients are sent to the hospitals for the insane who should, for a time at least, be sent to the ordinary hospitals.

There are also, it is alleged, hundreds of persons in our hospitals for mental diseases suffering only from senile decay.

During the last five years no less than £86,000 was spent in erecting buildings and furnishing the same. Last year the salaries and allowances, and cost of maintenance, &c., amounted to £74,799. This year you will be asked to provide £75,895 out of the Consolidated Fund for the same purpose, and in addition a large sum for buildings, &c., out of the Public Works Fund.

#### FARMS FOR SOCIAL OUTCASTS.

Year by year, members are fully aware, large sums of money are spent in the maintenance of persons in our gaols who are really not criminals in the full acceptance of the term; they are simply derelicts of society. Drink, evil companions, old age, physical incapability, lack of mental strength to resist temptation to do wrong, all conduce to a breaking of the law. They must live, and when not in gaol they prey upon society.

The time has arrived when the colony should have, as in Germany and other countries, farms to which these outcasts could be committed. If these farms were on bush land they could clear the bush, stump and grub, cultivate food for themselves, and the surplus could be utilised to supply other State institutions. They would thus be self-supporting, and an eyesore would be removed from our midst which is now ever visible, and does not do credit to our boasted higher civilisation.

To send these persons to gaol is a mistake: they are not really criminals. Some have the taint, it is true, but may not this have arisen from the first contact in the gaol? There are men and women who are unable to look after themselves; but given a home, work, and food they would be quite happy and contented. The initial cost would be the only one, and it is worth incurring, if only to prevent the undue swelling of the criminal records of our colony, with the attendant unmerited reflection on the people.

#### THE TOURIST DEPARTMENT.

The Tourist Department has completed its second year of life, and has completely justified its existence. Never in the records of the colony has such a large number of tourists reached our shores as during the past year. The advertising now being carried on, in addition to attracting tourists, is also designed to attract settlers of the best kind.

The Te Aroha Hot Springs, heretofore administered by a Domain Board, is now brought under control of this Department.

An accommodation-house has been opened at Waikaremoana, and other accommodation-houses have been provided.

The revenue received from resorts under the control of the Department for the year was £8,401, as against £5,491 for the previous year, an increase of £2,910; but, as the Department is not one directly revenue-producing, these figures do not in any way gauge its value to the colony.

#### POST-OFFICE SAVINGS-BANK.

The progress of the Post-Office Savings-Bank and the large accumulation of deposits may be accepted as evidence of the continued prosperity and thrift of the wage-earners of the colony, who represent about 96 per cent. of the depositors.

Although more particularly referred to in the Annual Report of the Post and Telegraph Department, it may here be mentioned that the excess of deposits over withdrawals in 1902 was £360,847, an increase equal to 534 per cent. over the excess in 1892. During the decennial period 1892-1902 the number of depositors increased by 102 per cent., the number of deposits by 120 per cent., the amount at credit of depositors by over 140 per cent., the amount deposited by 170 per cent., and the average amount at credit of each depositor increased from £25 9s. to £30 5s. 3d., or 19 per cent. The total amount at the credit of depositors on the 31st December last was £6,883,787, compared with £6,350,013 at the end of the previous calendar year.

#### OLD-AGE PENSIONS DEPARTMENT.

Last year the amount estimated as required for old-age pensions was £215,000, while the sum actually paid was £209,156 5s. 5d. It is estimated that £215,000 will be sufficient to meet all claims this year. When introducing the Bill I stated that a time would arrive when a maximum would be reached, and for some time there would not be a very large increase: from the present outlook the amount required will not vary much.

During the past year it was found necessary to introduce a new method of examining applicants for pensions, which is of a more searching character than the one in vogue in previous years. The system is working smoothly, and doing all that was expected of it in preventing persons not entitled to pensions from receiving them. While upon this subject, permit me to say that it should always be borne in mind that, where there is a large sum of public money to be had by application, the greatest care must be given to all claims, otherwise persons not entitled thereto may obtain pensions.

In the last Statement mention was made of the fact that the two largest States of the Commonwealth had, by inaugurating old-age-pensions schemes,

followed New Zealand's humane action of 1898. It is gratifying now to record the fact that a similar measure has been introduced into the House of Commons.

#### WORKING RAILWAYS.

I am pleased to be able to place on record the fact that the traffic on the Railways during the past year has shown a very marked increase over that for any previous year. The year's business shows an increase of 219,254 passengers, 19,000 head of cattle, 6,685 pigs, 1,096,473 sheep, and an increased tonnage of 201,217 tons. The gross revenue, as given by the Railway Department, amounted to £1,974,038—an increase of £99,452 over the previous year. As showing the increase in the number of passengers and sheep carried, and the increase of revenue, since the railways were handed over by the Commissioners, the following comparative figures are very interesting:—

	31st March, 1895.	31st March, 1903.	Increase.
Passengers ....	3,905,578	7,575,390	3,669,812
Sheep ....	1,519,921	3,821,333	2,301,412
Revenue ....	£1,150,851	£1,974,038	£823,187

The Railways gave employment to no less than 8,875 men, and last year paid £3 6s. 1d. per cent. on the capital cost, £19,081,735.

The value of concessions in fares and freights made since the Government resumed control of the Railways amounted on 31st March, 1903, to £588,000.

The highly satisfactory condition of the Railway business is a matter for sincere congratulation, as it is undoubtedly one of the safest indications of the continued prosperity of the country.

I confidently anticipate that the satisfactory condition of the colony which has been so marked during the past ten years will continue for a very considerable time to come.

#### EDUCATION.

The past year has been marked by a great advance in the work of education in the colony, both in regard to the number of schools and institutions and pupils, and in regard to the extension of the field of operations. The progress has been more pronounced in respect to manual and technical education than in any other branch, the total number of recognised classes having increased from 425 at work at the end of 1901 to 911 at the end of 1902. Of the latter, 568 are classes for manual work in schools; 279 are technical classes, properly so called for adults, and 64 are continuation classes. The total number of classes is now 1,629.

The work is being taken up in the smaller as well as in the larger centres, and to an increasing extent in the country districts as well as in the towns. This entails a larger expenditure, not only for the capitation payable under the Manual and Technical Instruction Act, but in the form of grants for buildings and apparatus, and of such concessions as free railway passes.

The number of primary schools open has increased from 1,715 at end of 1901 to 1,754 at the end of 1902. It is especially evident that, owing to the spread of education and the rapid growth of settlement, the sum voted last year for new school buildings will not be sufficient to meet the needs for the current year, and it will consequently be necessary to take a more liberal vote for that purpose on the public-works estimates.

During the year a new departure has been made in the direction of providing free secondary and technical education for those boys and girls who are qualified to profit by it. The steps already taken include the granting of free tuition in secondary schools, and of free scholarships in technical schools on certain conditions.

The Government's scheme for free secondary education has been accepted by sixteen out of the twenty-five secondary schools of the colony. A few of the larger schools and one or two of the smaller have not yet seen their way to fall into line with the rest. Parliament will be asked to meet the contingency, and ere the year ends it is to be hoped all the secondary schools will throw open their doors to qualified pupils, and thus make the valuable endowments they possess of the greatest possible benefit to the community at large. The same end is attained in country places by the establishment of district high schools, the number of which is nearly sixty, as against the fifteen in existence two years ago.

It is not the intention of the Government to stop here, but to go on until the way is open for any boy or girl of promise in New Zealand to receive the highest education which the colony has in its power to give. With this end in view the Government has determined to provide house allowance for one year for two pupils in the Fifth Standard in each educational district—twenty-six in all—who are specially gifted, and have received the highest number of marks, but who are from outside causes unable to continue their school course; and to establish twenty-four “National Scholarships,” the object of which will be to enable the holders to go from the primary schools to the secondary schools and thence to the university, full provision being made for the cost of tuition and for their maintenance.

One important need of the educational system cannot be overlooked—namely, that in order to obtain the greatest possible value for the large amount of money spent in education it will be necessary in the near future to make more complete provision for the thorough training of our teachers.

The programme which I have sketched out may seem ambitious—it will certainly entail a large increase of expenditure; but it must not be forgotten that an educated democracy is the safest and freest, because in it all have an equal chance; and it is, too, the highest form of democracy, inasmuch as its individual members best know how to use their liberty intelligently. Therefore I do not for a moment believe that either the country or this Committee will begrudge the large sums of money which are spent from year to year in carrying out this most important function of the State.

#### FARMING INDUSTRIES.

There is a considerable increase in the quantity of wool exported, and the prices realised are an improvement on those for the previous year. Tallow and sheepskins also show satisfactory advances, both in quantity and total value.

The export of frozen meat exhibits a large increase in quantity, the figures being 2,454,000 cwt. for the year 1902–3, as against 1,871,000 cwt. for the year 1901–2. The total value of this export has also grown from £2,232,000 in 1901–2 to £3,229,000 in 1902–3.

The quantity and total value of the cheese sent out of the colony shows a decrease, but this is far more than counterbalanced by the great increase in both quantity and total value of the butter exported. At the beginning of the season the London prices of butter were equal to those of the previous year, but, unfortunately, as the season advanced a considerable fall in the prices of all butters on the market was experienced. On the other hand, the price of our cheese has continued very high.

The area under grain, especially oats and wheat, was larger than last season, and, although the crops ripened later than usual, the yield per acre was the most abundant for some years. As the prices of grain continue high, farmers have every reason to regard the harvest as a very satisfactory one.

The quantity and total value of hemp exported show satisfactory growth, and the prices have remained at a high figure. The large recent development of this industry is undoubtedly due in some measure to the institution of Government grading.

The fruit and poultry industries are making rapid strides, and the time is not far distant when the export of these commodities will assume important dimensions.

Good progress has been made with the preparation of the experimental farms for the purpose for which they are intended.

The cultivation of vines at Waerenga has again given excellent results, and the viticultural expert engaged by the Government last year predicts a great future for the wine industry in New Zealand.

Public abattoirs have been established at several more of the larger towns, and the improvement thereby effected in the meat-supply is undoubted.

The outbreak of anthrax has given grave cause for anxiety, and every effort is being made to stamp out this fell disease. There can be no doubt whatever as to the source of the trouble, which undoubtedly came with some bonedust from India. The only safe precaution is for the Government to erect sterilising-

works: this has been authorised, an expert has been appointed, and the erection of works at Bluff and Auckland will soon be in hand.

#### LAND FOR SETTLEMENTS.

About 150 properties were offered for sale to the Government under the Land for Settlements Act, and twenty-three were acquired, the aggregate area being 151,940 acres, valued at £569,927. The purchase-money paid during the year for 70,866 acres was £353,452, and the total sum paid to the end of last year is £2,598,112 for 122 estates, aggregating 539,374 acres.

Owners' values were generally higher than the Board of Land Purchase Commissioners considered it prudent to go.

On the 115 estates reported upon there are 2,335 selectors, who have already built 1,785 residences, and only three settlements show unsatisfactory progress. The accumulated arrears of unpaid rents are less than 10 per cent. of the year's actual collections.

Since the inauguration of the policy by the Government of acquiring freehold estates for close settlement 116 properties have been secured, aggregating 475,223 acres and 19 perches, upon which the Government have settled 2,335 tenants, who contribute rentals to the amount of £116,979 5s. 8d.

Notwithstanding the somewhat unseasonable weather which prevailed, very considerable progress has been made throughout the settlements, and in nearly every instance their position and future welfare are assured. The object-lesson which these properties generally afford of prosperous and happy homes is doubtless accountable for the keen demand which still prevails among the people of the colony for an opportunity of acquiring holdings in like manner.

Whilst dealing with this subject I desire to call attention to the Cheviot Estate of 84,000 acres, which was acquired by purchase under a special Act, and constituted the great type of all succeeding settlements. It was acquired by the Crown in 1893 at a cost of £324,908 19s. 7d., though the market value at the present time is considerably in excess of the original cost to the colony. The number of selectors within the estate is 334, and the annual rental receivable from them is £14,434 13s. 5d., which at 5 per cent. represents a capital value of £288,693 8s. 4d., exclusive of £37,355 received on account of cash and other sales, which necessarily had to be effected at the time of the acquisition of the estate.

According to the census of March, 1901, the population of the settlement is 1,026, as compared with the small number represented in 1892 by the owner and his employees.

#### FRUIT PRESERVING AND CANNING.

The waste that goes on in this colony year by year in that which bountiful nature has given us in the shape of fruit is little less than scandalous, and for the colony to be importing dried and tinned fruits to the value of thousands of pounds annually is a reflection upon some one. Where the fault lies it is hard to say. Common-sense dictates to me that it is of little use having pomologists here to encourage fruit-growing if the fruit when grown is not to be used.

In respect to the fruit industry, I am of opinion that a course should be adopted similar to that with dairy factories, and the State should assist the fruit-growers by establishing factories at given centres, and by advancing on safe conditions the moneys to erect the buildings and to obtain the necessary machinery and appliances. There should be instructors in the art of preserving, drying, and tinning, who should go round the country and instruct the fruit-growers in the same way as the dairy experts have done in the case of outlying dairy farms.

At the Cork Exhibition I was surprised to see what could be done in this direction, and how, with the aid of machinery obtainable at a small cost, every farmer's wife could preserve and tin the fruit from her own orchard. The Agent-General was instructed to engage the expert who was in charge of the fruit-preserving exhibits at this Exhibition. It was found, however, that his services had been previously secured by the Agricultural Department of Ireland. I anticipate, however, having experts here before next fruit season sets in. This will be adding somewhat to our administrative expenses, but the direct and

collateral advantages will much more than compensate therefor. I hope the day is not far distant when the present waste will cease, and good profits be secured to the fruit-growers of our colony.

#### FORESTS AND PLANTATIONS.

As announced in the last Financial Statement, the officers of the Lands and Forest Department have given special attention to the conservation of the indigenous forests of the colony, and to the disposal of milling timber and other products. Additional areas of forest lands have been selected by the Commissioners of Crown Lands in various land districts, to be duly reserved as soon as the necessary explorations and surveys are sufficiently advanced.

During the year 18,046 acres were gazetted, bringing up the total area set apart and gazetted to 2,570,113 acres. The gross revenue from the sale of timber and other products amounted to £15,916 6s. 10d., of which £12,045 12s. was transferred to Territorial Account. The sum now standing to the credit of the State Forests Account is over £31,000.

The total expenditure upon the State forests and also upon the nurseries, and the various services rendered to other departments and local bodies, amounted to £11,018.

It is proposed to approve of considerable increase in the expenditure for the current year, to defray the cost of freehold lands acquired for extension of nurseries and planting operations, especially in the vicinity of Waiotapu (in the Rotorua district), one near Kamo (Whangarei district), one Duingree (Marlborough), one Hammer (Canterbury), and one Tapanui (Otago), where areas are being fenced in and prepared for planting with selected trees suitable for replacing in some measure the waning indigenous timber-supplies of the colony.

#### GOLD-MINING.

This industry is steadily increasing, and I am pleased to be able to state that, notwithstanding the decreased yield from some of the quartz-mines referred to last year, the returns from this class of mining for the past year show a considerable increase.

The yields from alluvial mining and gold-dredging also continue to increase.

The total export of gold for the year 1902 amounted to 507,858 oz., valued at £1,951,426, being the highest for any year since 1873. The figures for the seven months of 1903 show an increase of 33,647 oz., valued at £120,355, as compared with the corresponding period of 1902. It is therefore fair to assume that the twelve months' export will exceed £2,000,000, a position not reached since 1871.

The opportunity was taken of the forced sale by the law-courts to purchase the machinery and pumping plant at the Thames belonging to the Thames-Hauraki Goldfields (Limited), and the Government are now the owners of the property. Had this plant not been acquired by the Government as a whole it would have been dispersed, and the object for which the extensive pumping machinery was erected would have been frustrated. This would, in all probability, have resulted in the operations for prospecting for gold at the lower levels at the Thames being for all time abandoned.

#### STATE COAL-MINES.

The development of the Seddonville State Coal-mine and the mine at Coal Creek is rapidly approaching completion, and by the end of the year it is anticipated that coal will be put on the market. The outlook is very cheering, and the quality of the coal exceedingly good, whilst the quantity, especially at Coal Creek, far exceeds anticipations, and the easy and inexpensive method of working the same will enable, if thought desirable, the coal to be sold at much less than the prices now ruling. A matter that requires to be considered is the transit by steamers to the several markets, and unless private enterprise provides steamer freights at low rates Government may be compelled to have their own steamers.



The winding gear, ropes, machinery, &c., have been ordered from England, and a contract let in the colony for the manufacture of mine-tubs.

Pressing inquiries are already made for coal from our mine. The large demands for the Royal Navy and otherwise made prevented the Railway Department from receiving offers from the private mine-owners for the coal required, and the development, even to meet our own State requirements, will not be a day too soon.

Information as to these works will be found in the report of the Manager of the State Coal-mines, which will be presented to Parliament in due course.

#### NATURAL POWER GENERATING ELECTRICITY.

The conservation to the State of the natural power in our rivers and waterfalls is a matter of grave importance, and I fear we have not done our duty hitherto in conserving to the people those rights which Nature in her bounty has endowed us with. It is true that in the year 1896 we passed an Act under which local authorities could not grant the rights of rivers to corporations or private individuals without the consent of the Governor in Council; beyond that Parliament has done nothing. More recently some of the local authorities applied to the Government for expert assistance, and a preliminary report was obtained on the natural motive powers of the Waimakariri and Rakaia Rivers, the Huka Falls, and other rivers.

It was subsequently decided, considering the importance of the matter, that experts should be asked to report on the question. Negotiations were accordingly entered into by the Agent-General with electrical and hydraulic experts on the Continent and also in America. The terms and limitations of time stipulated by the experts on the Continent practically debarred their acceptance.

I am happy to say that arrangements are almost completed for Mr. Hancock, one of the best American experts, to visit the colony. It was he who installed the system from West County to San Francisco; more recently he has been engaged on installation at the Niagara Falls. A report from him can therefore be safely relied upon, and be of the best advantage to the colony. In the meantime, the Surveyor-General has obtained from the Chief Surveyors in each district the names, the powers, and approximate falls of the various rivers throughout the colony. An officer has been told off to prepare details, so that when Mr. Hancock arrives, we shall be able to place before him in concrete form valuable information respecting the volume and fall of the different rivers. This will enable him to form a general opinion as to the position.

Finally, no one can deny the importance of this matter. Nature has been bountiful in respect to raw products and natural motive powers, and has destined this country to be a self-sustaining one. We have iron, copper, tin, timber, coal, wool, and every essential to the well-being of an industrial world. By utilising the natural motive power in our rivers and streams, this may be developed with enormous results for the good of the country. There is no other country more naturally adapted for industries than New Zealand; it rests with those administering its affairs to aid that which Nature has given us.

#### MANUFACTURES.

Turning now to what New Zealand has made for her own use (that is, goods in the manufacture of which several articles are employed in combination), as well as by the great primary industries: The census of 1886 (the first census at which the information was obtained) shows a total value of £7,436,649 of manufactures produced in the previous year, and that of 1901 a total amounting to £17,141,149 for the year 1900. It must not be lost sight of that the great primary industries of meat-freezing, butter-making, flax and timber milling are included, and that their produce goes to swell the exports already alluded to. A complete table showing the increase of industries from 1885 to 1900 will be found in the Schedules. The following short table will give an idea of the vast strides industries and manufactures have made during the last sixteen years:—

TABLE SHOWING THE INCREASES IN THE UNDERMENTIONED INDUSTRIES FOR THE YEARS 1885 TO 1900.

Industry.	1885.	1900.	Increase.
Meat freezing and preserving and boiling-down works... ..	£ 543,878	£ 3,834,891	£ 3,291,013
Tanning, fellmongering, and wool-scouring ... ..	634,915	1,888,107	1,253,192
Butter and cheese factories... ..	43,094	1,535,150	1,492,056
Sawmills and sash and door factories	1,177,713	1,268,689	90,976
Iron and brassfoundries, boiler-making, machinists, &c. (not including Government railway workshops) ...	368,919	924,171	555,252
Clothing and boot and shoe factories...	514,506	858,280	343,774
Printing establishments (not including Government Printing Office) ...	273,886	704,285	430,399
Breweries and malthouses ... ..	421,197	659,298	238,101
Woollen-mills ... ..	194,311	359,382	165,071
Gasworks ... ..	194,653	290,567	95,914
Furniture and cabinetmaking ... ..	162,375	241,024	78,649
Coach building and painting works ...	128,346	216,077	87,731
Flax-mills ... ..	20,059	203,492	183,433
Biscuit-factories ... ..	47,784	197,989	150,205
Chaff-cutting works ... ..	54,440	169,313	114,873
Bacon-curing ... ..	58,799	159,564	100,765
Soap and candle works ... ..	130,745	158,649	27,904
Aerated-water factories ... ..	94,098	151,811	57,713
Agricultural-implement factories ...	111,823	138,094	26,271
Brick, tile, and pottery works ... ..	91,797	122,230	30,433
Spouting and ridging works ... ..	25,478	112,691	87,213
Tinware-factories ... ..	8,500	98,587	90,087

## NEW ZEALAND INTERCOLONIAL FAIR.

It is now some years since the colony promoted a national exhibition. In several of the large centres industrial exhibitions have been successfully held, and this is a good augury for holding a Fair, and on a scale unprecedented south of the Line. This is requisite if full justice is to be done to the settlement and development of the colony, its resources and manufactures, its commerce, its grand, unique, and beautiful scenery, and its arts and products.

Next year the St. Louis Exposition, to which we propose this colony shall send exhibits, takes place, and an Exhibition is also to be held at Cape Town, and an Industrial Exhibition is to be held at Wellington. And to hold an Intercolonial Fair in New Zealand in 1905-6 would be most opportune. It is hoped that by that time railway connection between Auckland and Wellington may be effected, and that Christchurch may have complete connection by rail with Cheviot.

The selection of the place in which the Exhibition should be held has given the Government much concern. Finally we came to the conclusion that Hagley Park, Christchurch, is the most fitting place. There space is available, the lake and River Avon lend themselves to gondola, water-chute, and switchback, and with the electrical installation of the city and the electric city trams the means of transit are provided. It is now nearly twenty years since the last colonial Exhibition was held in the City of the Plains, and under all the circumstances I refer the suggestion herein contained to the favourable consideration of honourable members, feeling assured they will not from local considerations object to that which will prove to be of immense benefit to our colony.

The necessity for giving timely notice, and for obtaining shortly the opinion of the House upon the matter, arises from the fact that it will be necessary to communicate with the Imperial Government, the Governments of other countries, India, Canada, South Africa, the Commonwealth and State Governments of Australia, and inform them of the time fixed for holding a grand Intercolonial New Zealand Fair.

## PACIFIC CABLE.

The completion of the Pacific cable on the 31st October last was a matter of extreme satisfaction to the Government and people of the colony, both on account of the consummation of this highly important undertaking in which widely separated members of the Empire are partners and because the cable has been the direct means of largely reducing the cost of oversea telegraphing. The lowering of the rates has brought about a considerable increase in the volume of cable messages; but the failure of the Pacific Cable Board at the outset to counteract the strong efforts made in the interests of the rival cable to secure business by the appointment of canvassers has resulted in the loss of business which otherwise would have been secured by the Pacific cable. This, however, is now being remedied.

A disturbing feature, and one which has given much concern to the Government, is the determination of the Commonwealth Government to conclude an agreement for a long term with the Eastern Extension Telegraph Company under which the company secures advantages which militate against the State-owned cable, and will require considerable expenditure by the Pacific Cable Board to minimise. This matter is dealt with fully in a paper which has been laid before Parliament.

The share of the loss to be made good by New Zealand on the working of the cable for the year will be between £9,000 and £10,000, which is much in excess of anticipations. Unforeseen factors have no doubt helped to swell the deficiency, but it is hoped that the energy now displayed by the Board to conserve and increase its traffic will materially reduce the loss year by year. The reduction of rates, it is estimated, means an annual saving of about £50,000 on New Zealand business to the users of the cables.

## OCEAN MAIL-SERVICES.

The eighteen months' renewal of the San Francisco service expired in May. A temporary extension has been arranged with the Oceanic Steamship Company until the House of Representatives has had an opportunity of considering the question of the continuance of the service, proposals for which the Government intends to submit to the House at an early date.

It has not been practicable, up to the present, to arrange for the inclusion of a New Zealand port as a calling-place for the Vancouver service. The Commonwealth Government of Australia and the Government of Canada have recently extended the present Vancouver contract for two years. Negotiations were opened with a view of getting this colony included, but the other parties would not concede the extra time it would take to call at New Zealand. It seems as though Queensland is not over-anxious to retain the connection, and there is some hope we may yet get the Vancouver service restored.

## SOUTH AFRICAN TRADE.

I am exceedingly pleased to say that, although the first two or three steamers of the subsidised line did not take away much cargo, the development has been such that the contract made with the New Zealand and African Steamship Company has been more than justified, the last three or four steamers having gone away crammed with cargo and with decks full of live-stock. The opening-up of the South African market has relieved the colony of immense quantities of frozen meat, and the taste of our fellow-colonials appears to be for a lighter sheep than is suitable for the London market. The large quantity of beef for which there was no demand in the Home market has found ready sale in Africa. Again, very large quantities of small goods, for which no market whatever could be found elsewhere, are being taken at good prices. Butter is going forward in large and increasing quantities, while for poultry an unlimited demand exists at top figures. Several shipments of frozen fish have been sent, with the result that large orders are on the way. Our oats have found a splendid market this year in Africa, no less than 175,969 sacks having gone forward in the subsidised steamers up till the 14th of last month. Pork, cheese, preserved meats, potatoes, bran, pollard, oatmeal,

grass-seed, fruit-pulp, leather, milk, and various other of our products have been taken in larger or smaller quantities, and the possibilities of trade in many of these articles are very great.

The vessel at present loading in these waters has on board some 70 tons of ground pumice, which is being taken as a trial shipment for insulation purposes. Another order has been placed for this article. The same vessel has loaded from Auckland about 50,000 ft. of kauri, in which a good trade is almost sure to result.

Africa is also taking as much live-stock as the boats can carry, no fewer than 12,750 sheep, besides horses and cows, having left our shores up to date, while the space is engaged in the vessel at present loading for 4,000 sheep and 80 cows.

Passengers to the number of 130 have availed themselves of the subsidised line. The nine steamers which have been despatched have made no less than forty-seven calls at New Zealand ports at which to load, visiting African ports for discharge twenty-eight times.

The expenditure of money in New Zealand in connection with the running of the new line of steamers means considerable gain to the colony. The different Harbour Boards will benefit to the extent of about £7,500 per annum. The boats are disbursing at the yearly rate of £7,000 for labour and £6,000 for stores.

Besides the African trade, the steamers under contract to the Government have developed a considerable business with Western Australia. Several lines of live and frozen sheep have been landed at Fremantle, and the export of produce generally to that seaport has been stimulated.

One satisfactory feature of the African trade is that virtually all the money paid in exchange for our products has been transferred to the colony before the goods actually left our shores. It may be noted that the "Essex," which sailed in June, carried away one of the largest cargoes, if not the very largest, which has ever left New Zealand, measuring between 11,000 and 12,000 tons, exclusive, of course, of live-stock, the total value being about £70,000.

The steamers engaged in the service have all been fine ships, with abnormally large accommodation for frozen meat. Two of the later ones, and the next steamer (the "Suffolk"), are twin-screw boats, over 7,000 tons register, fitted with roomy up-to-date passenger accommodation, and it is hoped that the trade will have so developed that these larger vessels will be justified in continuing in the service. A commercial agent for New Zealand is now permanently residing in South Africa, with headquarters at Durban, where his services are available for supplying commercial information relative to trade between New Zealand and South Africa.

The values of shipments to South African ports were as follows—Frozen cargo, £334,267; general cargo, £78,340; live-stock, £9,922: and to Western Australia, £8,533. Further particulars appear in the tables appended hereto.

#### IMMIGRATION: INCREASED POPULATION.

The advantage of having an increased population no well-wisher of our colony can deny. How this can be obtained without resorting to an assisted-immigration scheme demands our immediate and best attention.

As the result of meeting Indian officers, both here and during my return journey from London, and of correspondence which I opened up with retired officers with reference to settling here, a few pioneers have already arrived, and are settling in the North; and I am sure if our climate and its adaptability were better known in India a much larger number would come. As these officers enjoy pensions and have moderate means, it is well to encourage this class of settler. To further this, I am of opinion that communication should be opened up with the principal military stations in India. The fullest information should be supplied, and I am satisfied there are many who would be only too glad to make New Zealand their home, for the reason that they have a difficulty in maintaining their station in England, whilst here they could live for much less and enjoy better health and more comfort. Our handbook is in great demand in military quarters.

As regards settlers of the agricultural class from England, there are very few, comparatively speaking, that find their way to this colony. The cheap fares to Canada and America and other inducements held out to them cause the flow of immigration from the United Kingdom to those countries.

At the present time our Agent-General has done his best, but he has only the one central office from which information can be disseminated, and this does not meet the necessities of the case; the cost of coming to London to make inquiries is too great, and as a consequence in most cases the only information obtainable is from the handbook.

What is really wanted is to have agents in England, Ireland, and Scotland, farmers and pastoralists, who are personally acquainted with our lands and land laws, and the assistance given here to settlers, and who could give detailed information that would attract intending immigrants of the farming class. These agents should be New-Zealanders who had returned and settled in the Mother-country. Their remuneration would be nominal—the honour of the position and recognition by the colony which had done well for them would be held a sufficient reward.

Again, something might be done in the way of lessening the cost of passages. The shipping companies have in the past met the Government, and, as honourable members are aware, settlers with a given amount of capital come here at reduced passage rates. More should be done in this direction, for after satisfying the earth-hunger of our own people there remains plenty of good land for others who come to us with the requisite energy and means to properly cultivate it.

#### BANK OF NEW ZEALAND.

The balance-sheet of the Bank of New Zealand, and the statement submitted to the shareholders by the chairman of directors, must be satisfactory to honourable members, and especially to those who with myself had the grave responsibility of bringing the colony to the rescue of the bank some years ago. What we then stated, and is now demonstrated, was that the colony would not be called upon to pay anything, and that the bank would in the course of time work out its own salvation.

It was not then anticipated that at the close of the ten years for which the guarantee was given the bank would be in a position to dispense with it. Proposals will shortly be submitted to the House providing for further guarantee for a specified period, but for a less amount than that previously given. At the time the colony gave its assistance the bank's condition would not warrant anything being paid to the State for the guarantee, and accordingly nothing was asked.

Things now, I am happy to say, are different, and it is only reasonable that some direct return should be received. It has been suggested that the guarantee should be given on the same terms as before; it has also been strongly urged that the bank should be converted into a State bank.

The Government consider the wisest course would be to establish as between the bank and the colony a limited partnership for a stated period, which would be to the advantage of both, and legislation giving effect to that proposal will be submitted in due course.

The administration of the Assets Realisation Board has been adversely criticized. That criticism, however, is made by those who are not fully acquainted with the facts, or with what the Board has done in the way of realisation. As will be seen from the statement and balance-sheet submitted to the House, and from the statement to the shareholders of the bank, the charges levelled at the Board are unwarranted.

To have forced the whole of the real estate on the market would have meant a heavy loss, certainly to the bank and probably to the colony. To sell as opportunity arose, and at best obtainable prices, has proved to be the most prudent and businesslike course, and the value of the real estate now in the hands of the Assets Board as compared with its market and book value at the time the estates were handed over to the Board shows an increase of at least half a million sterling. During this time the management of the estates has shown a considerable profit, which has been used to reduce the liability incurred by the colony on behalf of the bank.

Again, it is not generally known that among these estates were a number of sheep-runs and pastoral properties entirely unfitted for close settlement—of such area and value that no private individuals could purchase them. These would not cut up to advantage. Not being suitable for close settlement and small pastoral runs, they have remained in the hands of the Board, and I am happy to say they have been worked at considerable profit. These are in a better condition to-day than they were at the time they were handed over.

It is only fair to the Board to state that the whole of the real estates in its hands have been offered to the Government and have always been open to private purchasers. The prices offered by the Government Land Purchase Board, when the offers by the Government had been refused, have in every case, when the land was sold privately, been considerably in excess of the Government's offer—in some instances by more than £1 per acre. Take, for instance, the Rangiruru Estate. Government offered £25,950; it was sold privately at net £31,686, or £5 736 more. Then, also, the Carnarvon Estate: Government offered £39,072; it was sold privately for £47,226, or £8,154 more. To have sold at the prices first offered would have been unfair to the shareholders of the bank, and would not have reduced the liability of the colony.

#### MIDLAND RAILWAY.

Last session an Act was passed under which Parliament authorised the sum of £150,000 being paid to the debenture-holders and shareholders of the Midland Railway Company. The manner of payment was to be by the creation of debentures at par, bearing  $3\frac{1}{4}$  per cent. interest. The proceeds of the sale of debentures was to be paid into the Public Works Fund, out of which payment would be made to the debenture-holders and shareholders. Nothing has yet been done.

It was no doubt anticipated that, the  $3\frac{1}{2}$ -per-cent. debentures being at the time considerably over par, the  $3\frac{1}{4}$  per cent. would easily realise par. On making inquiries it was found the debentures would not realise par. The debenture-holders claimed that they were entitled to £150,000 in cash. A meeting was called and a strong protest made against acceptance of payment in debentures. Subsequently another meeting was held, when, under protest, the debenture-holders and shareholders agreed under protest to accept debentures.

As the amount they were to receive was fixed at £150,000 as mentioned in the Act, being the sum which at a meeting in London I promised to recommend Parliament to provide for, I am constrained to advise that an amendment of the Act should be made, and that stocks should be sold sufficient to realise £150,000. I am advised that stock bearing the unusual rate of  $3\frac{1}{4}$  per cent. interest would be an undesirable innovation; and, in order to relieve irritation and to remove all grounds for grievance, I strongly recommend the course indicated, so that there may be now and for all time a satisfactory settlement of this long-standing dispute.

#### NEW MARKETS: EXPANSION OF TRADE.

In my Financial Statement of 1897 I drew attention to the necessity for extending our trade eastwards and to the Pacific islands. The following passage is worth repeating:—

“I have drawn attention to this matter for the purpose of comparison, and to show the keen competition that exists in the other colonies, tending to keep down the rates of freight, and giving greater facilities for communication.

“In the report of the Victorian Government on the despatch of the Secretary of State for the Colonies detailed information is given in respect to subsidies to steamship lines, and I find that the payment to the German line of steamers is £200,000 a year, and to the French line £120,000. The P. and O. and the Orient lines each receive £85,000 per annum for the weekly service to Australia; and £245,000 is also received by the P. and O. Company for the Indian service.”

I also called attention to the action of the United States in proposing to annex the Hawaiian Islands. That annexation has taken place. I also called attention to the fact that the United States was then anxious to with-

draw from the triple control of Samoa. The Hawaiian Islands now form part of America; Samoa belongs to the United States and to Germany. The coastwise laws of America prevent this colony doing any trade whatever. America is further encroaching upon our trade owing to an arrangement being made between the French Government and the Oceanic Steamship Company for a steamship service from San Francisco to Tahiti, and from this centre goods are distributed to the various islands.

The coastwise laws will soon apply to the Philippines; and there can be little doubt, as things are going, but that President Roosevelt's statement, that America would dominate the trade of the Pacific, may, unless some change takes place, be much nearer than is anticipated.

Honourable members are aware that we have subsidised steamer service to the Cook Islands and to Fiji. Further extension has been deemed advisable; and, after conferring with the manager of the Union Steamship Company, he has intimated that his company is prepared to give a steam service between the colony and Noumea for £2,400 a year. As this service would be of mutual advantage to the French Government and the colony, correspondence has taken place, and the Government of France has been asked to contribute; if not prepared to contribute, then to grant concessions in the way of admitting the products of New Zealand on as favourable terms as those conceded to other countries.

#### SUGGESTED EASTERN SERVICE.

I also, in my Budget in 1897, made the following statement:—

“In order to encourage and open up direct trade and passenger traffic with Queensland, the Netherland Indies, Straits Settlements, Burmah, and India, it would be worth while entering into negotiations with the New South Wales, Queensland, and Indian Governments, to see whether they would be prepared to join this colony in subsidising a good and fast monthly service, with Wellington and Calcutta as terminal ports.

“A through service between New Zealand and Queensland would be a matter of great importance, there being many interchangeable products between this colony and the tropical portion of Queensland; but, owing to the combinations between the shipping companies, all Queensland cargo for New Zealand has to be transhipped at Sydney, and necessarily the through rates for passage and freight are high, and obstruct trade. The route I would propose from Brisbane to India would be, in the first instance, up the Queensland coast, calling at intermediate ports as far as Thursday Island; thence to Batavia (Java), Singapore, Penang, Rangoon, and Calcutta.

“In order to profitably carry out this service it would be necessary to negotiate with the Dutch authorities at Batavia to allow the steamers to call and permit trade; and from what I can learn I think this concession would be granted, as it is already in the case of the Queensland Royal Mail service. A monthly line of large up-to-date steamers, with a speed of not less than fourteen knots, fair passenger accommodation, refrigerating machinery, and good cargo-carrying capacity, would be required.

“A brief glance at the population along the proposed route may be of interest. The population of the Islands of Java and Mildura (50,554 square miles) was estimated in 1894 at 25,067,471, or, adding that of adjacent islands, 32,800,000, of which about 60,260 were Europeans; the great commercial centre of Singapore has a population of about 184,554; Penang has a considerable trade, with a population of about 235,618; Rangoon (population 180,324), the capital of Burmah (population 7,605,560), and centre of a large trading country, has an immense trade; while the final port, Calcutta (population 861,764), forms a good base to tap a small portion of the trade of British India, with its population of upwards of 220,000,000.

“There is a large intermediate trade all along the proposed route. Our fresh and tinned meats, dairy-produce, horses, temperate fruits, grain, &c., would soon be appreciated in the tropics, and in return wool-packs, corn-sacks, tea, coffee, rice, rubber, tobacco, indigo, spices, and other tropical products would be brought here at low freights and direct trade be induced.

“I have no hesitation in saying that New Zealand would be benefited, for there are great possibilities by going off the beaten track and entering commercial regions, which, properly exploited, may result in opening up fresh markets for our produce. I feel quite sure these suggestions are practicable, and every attempt should be made to carry them to a successful issue.”

Since calling attention to this, time has proved the accuracy of the views then expressed, and the necessity for something being done. We may naturally look forward in time to there being no increase in our export trade to South Africa and Australia, and for our increased products, which must inevitably follow increased settlement and development, it is to the East and to the Mother-country and Canada we must look as our surest and best markets.

#### PREFERENTIAL TRADE.

Members are aware that the question of preferential trade is exciting a great amount of attention. It was discussed at the Colonial Conference in 1897. The revenue required by the various colonies render free trade as between Great Britain and her colonies impossible; but preferential trade given to the Mother-country by the dominions over the seas would help her trade and industries, and might lead to reciprocity later on.

At the Conference of Premiers in 1897, the Premiers unanimously recommended the denunciation of treaties then existing which barred the way to preference being given by the colonies to manufactures of the United Kingdom. The treaties have been denounced, with the general concurrence of this colony. That is now five years ago, and, to be consistent, the preference then indicated should now be consummated.

South Africa has declared for and Canada has already given preference, and this colony, I anticipate, will not hesitate to do the same. Care must be taken not to injure our own local industries, but by making a carefully selected list of articles, and imposing on them a substantial duty when of foreign manufacture, preference may be given to the Home trade without injury to our own industries. The concession proposed is on a broad basis, and without stipulating for any direct return from the Mother-country, but leaving it to her to respond as she thinks fit.

At present the United Kingdom is not in a position to approach the colonies; but for us on our part to give the preference now proposed as an earnest of more to follow would prove to our kindred there that we are acting unselfishly and, as we honestly believe, in the best interests of the Empire. Should, however, the Mother-country respond, it will then be necessary for us to recast our scheme and give her something more substantial. I do not anticipate that the preference proposed will either increase or decrease our revenue materially. In regard to the way of doing it, I should prefer the lines adopted by Canada—namely, to raise the total, and then give a rebate to the British manufacturer.

It will be seen that while imports from the United Kingdom decreased 9·0 per cent. during the first ten years and increased 43·7 per cent. during the last ten years, the imports from America decreased 9·9 per cent. and increased 245·6 per cent. respectively for the same periods. But the most remarkable expansion is seen in the trade with foreign European countries, the increase in which was 289·5 per cent. for the first ten years and 227·1 per cent. for the last ten years.

Those intrusted with responsibility in the Mother-country, and supported by others with whom free-trade is a fetish, have agreed that full, impartial, and searching inquiry should be made. As to the result of that inquiry, I have no doubt whatever it will stagger every well-wisher of the Empire, and will conclusively prove that industrially the United Kingdom has lost considerably, and is losing ground rapidly, as compared with Germany and America, especially seeing that in many of the principal industries there are only the manufacturers' profits, the raw material having been imported from America and elsewhere.

We in New Zealand desire to enter into a closer relationship with the Mother-country, and it is not gain, but patriotism, country, and love of kindred that impel us to offer assistance. We helped in the emergency in South Africa, and, taking the rapidly increasing volume of trade and home industries of



America and Germany, and the ever-increasing exports of the products of these countries to British communities as gauged by the increased import to this colony as hereinbefore mentioned, are prepared again to give generous help, for we feel the danger to the Empire to be much greater than any reverse that could have happened in respect to the war in South Africa.

Statesmanship and prudence are essential in this trying epoch within the Empire. Country, not party, should be the watchword. With this obtaining all will be well. Alien countries whose fiscal barriers obstruct British trade may take exception from a business standpoint. They would prefer present conditions, but otherwise will admire those in the British colonies endeavouring to bring about closer trade relationship with their kindred in the parent land. Are we in our friendly desires to be repelled by our own countrymen? Time will determine.

#### IMPERIAL CONFERENCE.

Members are now fully conversant with the result of the recent Conference held in London, and matters of a far-reaching and important character were considered and dealt with. Summarised they were as follows:—

1. Conferences to be held every four years.
2. Views of the colonies to be obtained prior to entering on treaties that affect such colonies.
3. System for the mutual protection of patents to be devised.
4. In future agreements as to cable communications, the right of purchase be reserved to Government or Governments concerned.
5. Facilities to be provided for admission to the skilled professions in the new colonies in South Africa.
6. The protection and safeguarding of the coastwise trade of the Empire; also a revision of the shipping laws of the Empire with a view to the promotion of Imperial trade.
7. Revision of the mail-services within the Empire: such steamers as may be suitable to be at service of His Majesty's Government as cruisers in time of war.
8. Preference to be given to colonial products in Imperial army and navy contracts.
9. The adoption of the metric system of weights and measures within the Empire.
10. Cheap postage on newspapers and periodicals within the Empire.
11. Increased number of colonial commissions in the navy and the army.
12. The adoption of preferential trade within the Empire.

I have in another part of the Statement dealt separately with the question of preferential trade. A Bill giving effect to the metric system of weights and measures has been passed. A Bill giving effect to the Australian and New Zealand naval agreement will shortly be placed before you, and, I am assured, will be approved.

Of the twelve subjects dealt with in the above resolutions, six were submitted by this colony, amongst them being that of holding periodical Conferences, which it has now been decided shall take place not later than every four years. This will lead ultimately to the establishment of an Imperial Council, in which the oversea dominions of the Empire will be represented, and at which they can bring to bear their local knowledge on matters of importance to the Empire. They will also be able to advise in respect to conditions obtaining and appertaining to subjects demanding the attention of the Imperial and Colonial Governments.

The question of the islands of the Pacific was introduced by the Secretary of State, and subsequently it was concluded that the matter was not one for the Conference to deal with.

The question of Imperial charges on colonial bonds was not proceeded with.

The question of army and navy contracts was dealt with, and I am happy to state that as a result the supplies, as far as possible, are being obtained from the colonies.

## INTERCOLONIAL CONFERENCE.

It will be within the recollection of honourable members that a Conference of Premiers took place at Hobart in 1897. At the conclusion of that Conference there was a general understanding that the next Conference should take place in New Zealand. A great constitutional change has taken place since then, in the inauguration of the Australian Commonwealth. There are many matters of great interest to the Commonwealth, and also of Australian inter-State importance, which could be dealt with should a Conference be held, especially the question of trade reciprocity and defence.

Our business connection with South Africa is very large, and is growing. The leading public men of South Africa have had no opportunity of meeting those of this colony or Australia. Again, there is a possibility of inter-trade with Canada. We are now partners with that great Dominion in the Pacific cable. We were formerly, and with advantage to both, connected in respect to the Vancouver mail-service. At the recent Colonial Conference held in London the proposal was made for a direct all-British service from Australia, New Zealand, Canada, and the United Kingdom; and, subject to an 18-knot-boat service being established, the New Zealand Government undertook to submit to Parliament the granting of a subsidy of £20,000 per annum. So far, nothing has been done beyond the extension of the present contract for the service between Australia and Vancouver.

It would be an advantage to both Canada and this colony if the Premier or some other Canadian statesman could attend the Conference to be held in this colony, there to meet the statesmen of Australia and New Zealand and to discuss with them matters of grave moment not only to the overseas dominions but to the Mother-country. I feel firmly convinced that such a Conference would do an immense amount of good. It would bring public men into closer touch, tend to reciprocity of trade, and add to the stability of the Empire.

Such a Conference would not be complete unless the Imperial Government were represented, and an invitation should be extended to the Secretary of State for the Colonies to attend and preside. He has a thorough knowledge of South Africa, and this would give him the opportunity of making himself acquainted with Canada, Australia, and New Zealand. If he could not come himself, some other member of the Imperial Government might take his place; and this would also be a good opportunity for the Imperial Government to permit Lord Roberts to visit the colonies, who could advise in respect to defence matters, and it would not be out of place for one of His Majesty's Lords of the Admiralty to visit the colonies and the islands, and thus from personal knowledge be in a better position to deal with the question of naval defences.

## REDUCED PRICES OF CONSOLS AND OTHER STOCKS.

In a recent issue of the *National Review* it will be found that Sir Edgar Vincent has compiled the following tables showing the price of Consols and of the securities of the more important foreign nations in 1895 to 1898, and at the present time:—

Name of Stock.	Average of Mean Prices, 1895-98.	Present Prices (30th March, 1903).	Percentage of Fall from Average to Present Prices.
British Consols, 2½ per cent. ... ..	109½	90½	21·1
French 3-per-cent. Rentes ... ..	101	99	1·98
German 3-per-cent. Rentes ... ..	96½	92	4·8
Italian 3-per-cent. Rentes ... ..	83½	102	Rise 15·7½
Austrian 4-per-cent. Gold Rentes ... ..	102¾	101	1·7
Russian 4 per cent. ... ..	103	102	0·98
Egyptian 4-per-cent. Unified ... ..	105	107¾	Rise 2·5

These figures show that Consols have fallen 21 per cent., whereas the largest fall in any foreign securities is less than 5 per cent. French and Russian securities are at substantially the same prices as in 1895 to 1898, while there has

been a considerable rise in Italian stocks. The attempt to attribute the fall in Consols to the reduction in the rate of interest from  $2\frac{3}{4}$  to  $2\frac{1}{2}$  per cent. can hardly be successful in view of the fact that this reduction has been announced for fifteen years, and certainly during the past five years no serious investor has regarded Consols "as other than a  $2\frac{1}{2}$ -per-cent. security, with  $\frac{1}{4}$  per cent. bonus up to 1903. They have been bought and sold on a  $2\frac{1}{2}$ -per-cent. basis by all except the pure amateur." If the present value of the  $\frac{1}{4}$ -per-cent. bonus had been deducted from the price of Consols in 1897 it would still have left the price at 108, and the percentage of fall to the present figure would be 20 per cent. The table as under should not be lost on our colonial fellow-subjects.

Name of Stock.	Average of Mean Prices, 1895-98.	Present Price (30th March, 1903).	Percentage of Fall from Average to Present Price.
British Consols, $2\frac{3}{4}$ per cent. ... ..	109 $\frac{3}{8}$	90 $\frac{5}{8}$	21·1
Canada, 3 per cent. ... ..	103	102 $\frac{3}{4}$	0·24
Cape, 4 per cent. ... ..	115 $\frac{1}{4}$	103 $\frac{1}{4}$	11·6
New South Wales, 3 per cent. ... ..	99 $\frac{3}{8}$	86 $\frac{3}{4}$	14·5
New Zealand, 3 per cent. ... ..	97 $\frac{1}{2}$	91 $\frac{3}{4}$	6·2
India, 3 per cent. ... ..	108 $\frac{1}{4}$	98 $\frac{1}{2}$	10·0

Since period 1895 to 1898, colonial stocks have been placed on the trustees list, which under ordinary circumstances should have led to a rise in their price, while it would also tend to lower Consols.

If we find that in spite of this change in the conditions the price of colonial securities has fallen about 10 per cent., as compared with the 20 per cent. fall in Consols, we may tentatively draw the conclusion that the fall in colonial stocks and in Consols would have been similar but for the new class of investors admitted to the colonial market and diverted from Consols.

Sir Edgar Vincent thus interprets the figures :—

"The figures appear to me to favour the opinion that the fall in Consols is not due to any special cause affecting one particular stock, but is a result of flooding the market with high-class British securities to such an extent that the capacity for absorption of the British public has been overtaxed. It is hardly necessary to observe that large municipal issues are a contributing cause."

#### OUR LATE LOAN TRANSACTIONS.

During last session authority was obtained from Parliament to raise £1,750,000 for public works, under "The Aid to Public Works and Land Settlement Act, 1902." A million of the loan so authorised, together with a quarter-million authorised by "The Government Advances to Settlers Extension Act, 1901," was placed upon the London money-market in February last, the price of issue being fixed at £94 10s., or ten shillings better than the loan of the previous year.

The Government considered the time a favourable one to float the loan, but unfortunately an unexpected slump in colonial stocks set in immediately after our arrangements for flotation had been completed, and spoilt the market. This was caused chiefly by the virulent attack made by one of the London daily papers on the finances of several of the Australian States.

The attack on Australia was unwarranted, and, for us, most unfortunate—all the more unfortunate as its effects were not manifest till it was too late for us to do anything. To withdraw the loan would have involved a blow to our credit far heavier than any effect of a small subscription. We were not urgently in want of money, and could have postponed the placing of the loan without disturbing our finance had we realised the turn the market would take. I do not regard the loan as by any means the failure which some of our opponents have thought fit to call it. The truth is, we have got a million and a quarter at a price which, considering the state of the market, is an exceedingly good one.

No person with any expert knowledge expects to see an underwritten loan subscribed to by the public and the dealers anything like as heavily as one issued at a time when underwriting is not necessary. In the absence of the Loan Agents' accounts, which have not yet been received in the colony, I am unable to state the precise net price realised, but, as there is no reason to anticipate that the cost of raising will be any greater than that of the previous issue, the net result to the two accounts should be about £91 15s. per cent.—a very satisfactory result indeed.

The over-counter sales of 4-per-cent. short-dated debentures in the colony have now become a very popular investment. Over a million has been taken up in this manner during the past year. £750,000 were issued under the authority of "The Aid to Public Works and Land Settlement Act, 1902," and £338,700 to provide ways and means for the acquirement of estates under "The Land for Settlements Consolidation Act, 1900." As in the case of similar sales made last year, purchasers had the option of having the principal made payable either in the colony, Australia, or London. In all 243 parcels were sold, ranging from £100 to £100,000. Of the debentures thus disposed of, £546,500 were made payable in the colony, £386,500 in Australia, and £155,700 in London. As this method of investment becomes better known a larger demand for this class of security may be looked for.

#### REVIEW: TWENTY YEARS, 1882-1902.

It is not out of place for me to put before members the financial position of the colony twenty years ago and our position to-day, and also to recapitulate in categorical form the lines on which progress has gone.

#### FINANCE, RECEIPTS AND EXPENDITURE.

In 1882 the receipts for the year were £3,805,239, and the expenditure £3,616,896. In 1902 the receipts were £6,152,839, and the expenditure £5,895,914. The public debt twenty years ago was £28,479,111; in 1902 it was £52,966,447. In 1882 the interest charges and sinking fund amounted to £1,500,989; in 1902 it amounted to £1,803,939. Having shown the increased expenditure and receipts, the increased public debt, and interest required to be paid, I will proceed to show that the security now existing to the public creditor and the ability of the colony to meet its engagements are far superior to what they were twenty years ago. In 1882 there was a deficit of £1,628,316; in 1902 we closed the year with a surplus of £270,489. During the ten years from 1892 to 1902 the total net surpluses amounted to £3,279,914, and of this amount £3,205,000 was transferred to the Public Works Fund and expended on public works and for development purposes. On that sum no interest is payable, whilst the public creditor has the security.

A survey of the development and the improved position to meet our obligations as contrasted with that existing twenty years will show—

#### POPULATION.

The population, other than Maoris, numbered 517,707 in December, 1882, as against 807,929 persons in 1902, an increase of more than two hundred and ninety thousand persons, or 56 per cent., being a yearly average of 2.25 per cent. Of this the natural increase amounted to 261,048 persons, an average of 12,431 per annum, showing that, whatever may be said of the birth-rate, there has been a satisfactory margin between that and the death-rate, which in New Zealand is admittedly low.

The increase by births over deaths in 1882 was 13,308; in 1892, 11,417; and in 1902, 12,280.

Besides 807,929 persons, the populations of the recently annexed islands, 12,292 persons, and 43,143 Maoris, have to be added to make the full population of the colony on the 31st December last, which amounted to 863,364.

## PRIVATE WEALTH.

The private wealth was estimated by the probate method to have been £110,789,000 in the year 1882. It rose to £240,000,000 in 1902, or at the rate of 117 per cent. In 1895, shortly after the financial crisis in Australia, the rate per head of population had fallen to £219 (two years previously it was £232), but the figures for the last year under consideration (1902) give an average of £297.

The private wealth consists of personal and real estate. The real estate may amount to about £130,000,000 sterling, and, accepting this, there remains £110,000,000 of personal estate. Considering the immense growth in the amount paid as income-tax, which rose 93 per cent. between the years 1895-96 and 1901-2, while the population increased at the lesser rate of 12½ per cent., there are grounds for believing the personal estate is not being given at an extravagantly high figure. For 1888 the sum was estimated by the then Property-tax Commissioner at over fifty millions sterling.

The above results, coupled with others shown further on, all tend to the conclusion that the development of wealth, privately owned, is very great.

## ACCUMULATION, DEPOSITS, ETC.

It may be shown that large developments have taken place in trade, manufactures, occupation of lands, and live-stock. While this has been going on a process of accumulation in moneys on deposit in both classes of banks is noticeable.

Savings going hand in hand with enterprise can scarcely be objected to. The deposits in the banks of issue (average of four quarters) were very nearly doubled in the twenty years under notice. The amounts are £8,945,346 for 1882, against £17,231,767 for 1902. But the amounts to credit in the savings-banks (Post Office and private) show a far higher rate of progress—viz., from £1,832,047 to £7,876,877, or a rate of 330 per cent. The depositors grew in number from 68,358 to 261,948, showing a distribution of the savings which must be regarded as eminently satisfactory.

## TRADE AND MANUFACTURE.

The statement in respect to the great increase of private wealth during the last twenty years is supported by the increase in respect to the external trade and internal manufactures, and by the general increase of trade, production, and shipping.

The increase in the principal manufactures from 1885 to 1900 amounts to nearly £10,000,000.

## IMPORTS AND EXPORTS.

During the first half of the period the population increased by 20·2 per cent., and the volume of import and export trade by 9·3 per cent.; but during the second half the increase was, population 24·2 per cent., and volume of trade 51·6 per cent. Since 1892 the imports show an increase of 63·1 per cent., and the exports 43·1 per cent.

The unexampled increase of trade during the last ten years is proved by the value of some of the principal exports. The frozen-meat industry began in 1882, and in 1892 the export value reached the large amount of £1,033,371, but in 1902 it had increased to £2,718,763. The export of butter rose from £42,020 in 1883 to £227,162 in 1892, and £1,205,802 in 1902. A very large increase in the value of gold exported has taken place: In 1883, £892,445; 1892, £951,963; and 1902, £1,951,426.

The very great increase of trade indicated by the foregoing facts has resulted in a corresponding expansion of the revenue derived from Customs duties. During the ten years ending with 1892 the increase was 17·0 per cent.; but that for the ten years ending with 1903 was 38·1 per cent., notwithstanding the remission of Customs duties in 1895 and 1900 on tea, dried fruits, rice, raw coffee, salt, sheep-dip, agricultural implements, fencing-wire, kerosene, &c.

## INCREASE OF SHIPPING.

The total volume of shipping, inwards and outwards, of foreign-going shipping has decreased as regards the number of vessels, being 1,656 in 1883, 1,375 in 1892, and 1,219 in 1902; but the tonnage has increased enormously. Between 1883 and 1892 it had increased 32·8 per cent., and between 1892 and 1902 60·6 per cent. The total volume of coastwise shipping shows a similar result as to tonnage, but the number of vessels also shows an increase, though not in the same proportion as the tonnage. These figures point to the tendency, both in the foreign-going and coastwise trade, towards the employment of vessels of larger carrying capacity.

In 1883 there were 579 registered vessels; in 1892, 491; and in 1902, 549; but there was an increase of tonnage between 1883 and 1892 of 19·1 per cent., and between 1892 and 1902 of 46·1 per cent.

## CROWN AND NATIVE LAND AND CROWN TENANTS.

Twenty years ago the total Crown lands occupied and unoccupied amounted to 25,000,000 acres. This area has been increased by the purchase under the Land for Settlements Acts of 483,384 acres, at a cost of £2,252,690, and of 4,185,740 acres of Native land, at a further cost of £1,097,155. Exclusive of hill-tops, pumice, and other lands more or less sterile, there are now available for immediate settlement 2,957,504 acres, or, including those for pastoral purposes, 4,290,463 acres. In addition to the Crown lands, there are some 6,000,000 acres owned by the Natives, a great portion of which is suitable for settlement. The number of Crown tenants is 18,813, and the annual rental amounts to £340,340.

## PRIVATE LANDOWNERS.

In 1883 there were 71,200 private landowners, in 1893 91,500, and in 1903 they had increased to 115,700.

## CAPITAL VALUE OF LAND IN NEW ZEALAND.

				£	£
1883	...	...	...	74,000,000	
1886	...	...	...	116,000,000	
1889	...	...	...	111,000,000	
1893	...	...	...	122,000,000	
	Increase in ten years	...	...	...	48,000,000
1898	...	...	...	139,000,000	
1903	...	...	...	165,000,000	
	Increase in ten years	...	...	...	43,000,000
	Increase in twenty years	...	...	...	<u>£91,000,000</u>

## INCREASE IN LIVE-STOCK.

There has been a most substantial development in flocks and herds, in face of the great requirements of the frozen-meat trade. To give an idea of this, the number of carcasses of frozen sheep exported in 1892 at the different works was returned at 1,316,758, of lambs 290,996, and beef 55,020 cwt.; and in 1902, 2,058,622 sheep, 1,852,055 lambs, and 286,699 cwt. of beef.

The living sheep in New Zealand in 1882 numbered twelve millions and a half, against twenty millions and a quarter in 1902. The cattle were six hundred and ninety-eight thousand in the earlier year, and close on to one million and a half in the latter. The horses are nearly double what they were in 1882.

## OCCUPIED HOLDINGS.

There were 27,352 of these, omitting holdings under one acre, in 1882, and in 1902 the number had risen to 65,034 holdings. Between 1882 and 1892 the increase was 15,416, and in the last decennium, 22,266.

The land in sown grasses, under crop, or in fallow was returned in the latter part of the year 1902 at 13,357,700 acres, of which 4,558,346 acres were laid down in grasses after ploughing, and seven and a quarter millions of acres

surface-sown. There were also 53,788 acres planted with forest-trees. Ten years previously the total of land in crop and sown grasses was only 9,713,745 acres, and in 1882 it stood at 5,651,255 acres.

It cannot be asserted that the area in grain-crop increased vastly between 1882 and 1892, or between 1892 and 1902; but green and root crops show an acreage growing from 394,473 to 768,308 in the twenty years, and for land in sown grasses the increase is very striking, taking surface-sown with land previously ploughed. The figures are—in 1882, 4,322,562 acres; 1902, 11,808,215 acres.

For the feeding of cattle and sheep, turnips are required, besides grasses, and here is found an acreage of 285,679 for the year 1882, extending to 512,686 in 1902.

#### REVENUE: TWENTY YEARS, 1883-1903.

A marked feature of the progress of the colony is the phenomenal increase of revenue which has taken place, particularly in the last decade. In 1882-83 the revenue from all sources totalled £3,742,556, ten years later it reached £4,329,891, and for the last year (1902-3) we have received no less a sum than £6,386,610, or £2,644,054 more than we received twenty years ago. The following will show the receipts under the principal heads for the years indicated:—

	1882-83.	1892-93.	1902-3.
Customs ... ..	1,494,463	1,642,590	2,335,643
Railways ... ..	954,741	1,174,099	1,982,551
Stamps ... ..	537,525	658,424	978,940
Taxes (property or land and income) ... ..	157,793	381,674	496,746
Territorial ... ..	410,878	300,675	252,278

#### DIRECT TAXATION AND ITS INCIDENCE.

In 1882 the property-tax was in force, but I find it difficult to make any comparison, inasmuch as the rates of the tax varied in many years. I think, however, I am under the mark when I say that the value of the taxable property in the colony has more than doubled.

The value of freehold land at the first valuation was £122,000,000, while the value on the 31st March last was £165,000,000.

The exemption of improvements less the increase from the graduated tax means a loss of £20,000 a year, the mortgage-tax £30,000, and the resumed estates a further £20,000, or £70,000 altogether. If the same rates had prevailed last year as in 1892-93, and the same land been taxable at present-day valuations, the land-tax revenue would have been £366,000 instead of £296,062.

The income-tax rates have remained unaltered since the imposition of the tax. The first year's collection amounted to about £68,000, this year my estimate is £210,000, and the actual receipts last year were £200,683.

The receipts for each year and the number of taxpayers are shown below:—

Year.	Amount. £	Number of Taxpayers (approximately).
1892-93 ... ..	68,000	3,400
1896-97 ... ..	105,000	4,200
1900-01 ... ..	174,000	5,600
1901-02 ... ..	179,000	6,500
1902-03 ... ..	201,000	7,500
1903-04 (estimate) ... ..	210,000	8,500

This may be taken as an index of the progress the country has made and is making, and I have little doubt that at the present rate those of us who live to the end of another eight years will see the income-tax receipts reach £300,000 a year.

#### PUBLIC DEBT.

Having thus cast a glance at the field of development in its various aspects, it remains to refer to the public indebtedness, and with it to the degree of pressure on the people caused by the burden of the annual charge in respect of the debt, for interest and sinking fund.

The net indebtedness of New Zealand in March, 1882, stood at £27,315,593, or £54 1s. 11d. per head of population, and had increased by March, 1902, to £51,837,631, or £65 12s. 4d. per head—an increase for the twenty years of £24,522,038. This twenty-four millions and a half of money (which was not all raised outside the colony), as is shown above, only had the effect of raising the debt per head by £11, on account of the increase which has taken place in the population.

The debt of the local bodies adds to the liability. It increased from £3,277,584 in 1882 to £7,839,695 in 1902, or a sum of four millions and a half sterling.

The burden of the public debt expressed by the degree of its pressure upon the taxpayers is illustrated by comparing the actual amounts paid out of the revenue of the Consolidated Fund for annual charge, which consists of interest and sinking fund, and the proportion of the revenue which is absorbed by these charges. A comparison can be made for the years 1895 and 1902, which shows a movement entirely satisfactory in its direction.

		Year ending March, 1895.	Year ending March, 1902.
1. Amount actually paid for charges of debt	...	£1,716,889	£1,803,939
2. Rate per head of mean population	... ..	£2 10s. 3d.	£2 6s. 2d.
3. Percentage of revenue absorbed by public debt charges	... ..	38.96	29.80

The amounts shown above as interest and sinking fund do not comprise the whole of the interest and sinking fund paid by the Government in respect of moneys raised by the issue of loans. Thus, in respect of loans raised under the Land for Settlements Acts, the Government Advances to Settlers Acts, and for the purchase of the Cheviot Estate, the interest, although made a charge upon the Consolidated Fund, is recovered from the receipts derived from the leasing of the lands or, in the case of moneys borrowed, from instalments paid by borrowers. The amount of interest thus charged and recovered during the year 1902 was £148,691. Such interest does not become a burden upon the taxpayer, and consequently is not included in the figures upon which the rate per head of mean population is calculated.

#### PUBLIC WORKS.

The expenditure on our public works during the last twenty years, though considerable, was less than during the preceding thirteen years, which carries us back to the initiation of the public-works policy. During the thirteen years ended the 31st March, 1883, the gross total public-works expenditure amounted to £19,054,018, while during the twenty years between that date and the 31st March last the amount was £18,890,811. The yearly average during the former period was considerably larger than during the latter, the respective figures being £1,465,694 and £944,541.

The expenditure on the different classes of works was as follows :—

				£
Railways	...	...	...	8,970,074
Roads	...	...	...	4,364,423
Development of goldfields	...	...	...	208,288
Telegraphs	...	...	...	567,780
Public buildings	...	...	...	1,713,527
Purchase of Native lands	...	...	...	1,101,800
Miscellaneous	...	...	...	1,964,919
Total	...	...	...	£18,890,811

The total length of Government railways opened for traffic during the period under review is 933 miles, in addition to which 194 miles of private lines have been acquired.

The amount expended under the head of Native-land purchase has resulted in an addition to the public estate of no less than 4,185,740 acres of land.



## SUMMARY OF DEVELOPMENT.

## (a.) Imports and Exports,—

The value of imports increased—from £6,943,056 to £11,326,723, or a rate of 63·14 per cent.

The value of New Zealand produce exported—from £9,365,868 to £13,498,599, or 44·13 per cent.

## (b.) Banking and Insurance,—

Deposits in banks of issue (average of four quarters)—from £13,587,062 to £17,231,767, or 26·82 per cent.

Deposits in savings-banks—from £3,580,544 to £7,876,877, or 119·99 per cent.

## (c.) Transport and Communication,—

Shipping (international and intercolonial only) entered inwards—from 675,223 tons to 1,089,179 tons, or 61·31 per cent.

Shipping entered outwards—from 656,100 tons to 1,048,770 tons, or 59·85 per cent.

Miles of railway (State) open for traffic—from 1,886 miles to 2,291 miles, or 21·47 per cent.

Railway receipts—from £1,181,522 to £1,974,038, or 67·08 per cent.

Miles of telegraph-line open—from 5,479 to 7,632, or 39·29 per cent.

Telegraph revenue, including telephone—from £103,813 to £222,495, or 114·32 per cent.

## (d.) Occupied Lands,—

Holdings occupied, number of—from 42,768 to 65,034, or 52·06 per cent.

Land in cultivation, including sown grasses—from 9,713,745 acres to 13,357,700 acres, or 37·51 per cent.

## (e.) Live-stock,—

Horses, number of—from 211,040 to 286,955, or 35·97 per cent.

Cattle, number of—from 831,831 to 1,460,663, or 75·60 per cent.

Sheep, number of—from 18,570,752 to 20,342,727, or 9·54 per cent.

## (f.) Yield of Income-tax,—

From £67,367 to £200,684, or 197·9 per cent., the rate of taxation being uniform.

## (g.) European Population,—

From 650,433 persons to 807,929 persons, or 24·21 per cent.

## SOME OF OUR ASSETS, 1902.

*Railways.*—The profits last year amounted to £630,623; original cost, £19,081,735; would fetch in the open market at least £27,000,000, or equal to half the public debt.

*Crown Lands.*—Let to Crown tenants last year, 16,329,620 acres. Rents therefrom, £338,399 per annum. The present values based on a 4-per-cent. value on the rentals received, £8,459,975.

*Unoccupied Crown Lands.*—Exclusive of mineral-bearing lands, 585,513 acres; valued at £1 per acre.

*Auriferous, Argentiferous, and Coal-bearing Land.*—£50,000,000.

*Post-offices, Telegraph-lines.*—Capital cost, £1,312,498; last year's profits (inclusive of State services), £172,954, which on a 4-per-cent. basis fixes the value of the Post and Telegraphs at £4,323,850.

*State Public Buildings and Land upon which they are erected.*—Crown, local authorities, educational, church, and other lands (with improvements), £25,053,840.

*Harbour Defences: Lands.*—Occupied therefor, £30,700.

*Lighthouses* and land occupied therefor, and which are practically self-supporting, £129,505.

*Land Values and Private Wealth.*—The total value of private lands in the colony is set down as on the 31st March, 1902, at £120,981,599, of which amount £70,524,604 is the unimproved value, and £50,456,995 represents the value of improvements, and during the past financial year these totals have increased considerably. The private wealth of the colony is £240,000,000.

The approximate value of the foregoing assets amount to £355,583,383. Our net public debt amounts to £53,585,780. We have, therefore, in the assets above enumerated no less than £301,000,000 approximately in excess of the amount that the colony owes.

#### AID TO PUBLIC WORKS.

As previously stated herein, there was to the credit of the Public Works Fund on the 31st March last £323,000, of which £260,000, part of the million obtained under the million-and-a-quarter loan received last year, fortunately remained intact. As circumstances transpired, it was a good thing for the colony that our public-works expenditure was less than the appropriations. The cause of this arose from the fact that the appropriations were passed late in the year, and during the summer months employment was very plentiful.

A moderate rate of public-works expenditure has since been maintained, and we are now in a position to carry on public works for some months to come without further aid, other than the transfer of a portion of last year's surplus to the Public Works Fund. It will be necessary, however, to take the requisite powers to raise sufficient to carry on the public works after the 31st March next, and you will be asked to give the necessary power to raise one million for that purpose.

I do not think, however, from present appearances, that, although taking the authority now, there will be any necessity to raise the money till after the end of this year. I do not anticipate we shall require to go outside the colony to raise this sum, as it is in the best interests of the colony that we should refrain from going on the London market, and I do not expect there will be any necessity for so doing. There is a collateral advantage in raising the money within the colony, even though we pay a higher rate of interest, for we get the full amount of the debentures issued, and the less interest we have to send out of the colony the stronger is our financial position.

#### ESTIMATED EXPENDITURE FOR 1903-4.

The expenditure for the present year is estimated at £6,255,857, representing an increase of £41,838 on the expenditure of the previous year. The permanent charges are estimated to exceed the actual payments of last year by the sum of £19,579, while departmental appropriations show an increase of £31,286.

Of the permanent charges, interest on the public debt is answerable for the additional sum of £39,672; but this may be reasonably accounted for, provision having to be made for interest on the recent million loan, as well as on moneys borrowed for lending to local authorities under special Acts.

If honourable members will refer to Table No. 7 which accompanies this Statement they will find certain classes under departmental appropriations show an increase of expenditure totalling £162,682; but, when you take into consideration the growth of our population and the requirements of the people, it must be expected that our annual charge will increase.

I have, with a view to a better comparison between the different classes of departmental expenditure, caused the Departments which have been inaugurated during recent years to be shown under new classes in the estimates, as their inclusion in same class with Executive Departments tended to show an abnormal increase of expenditure which was somewhat misleading to the uninitiated.

The greater portion of the increase asked for under the annual appropriation is absorbed by no less than six Departments, as under :—

Department.	Estimate, 1903-4. £	Actual, 1902-3. £	Increase. £
Industries and Commerce and Tourist Department	43,377	18,680	24,697
Post and Telegraph Department	524,670	485,860	38,810
Education Department	555,440	526,820	28,620
Working Railways Department	1,360,000	1,354,151	5,849
Police Department	127,433	123,699	3,734
Lands and Survey Department	169,410	129,443	39,967

Honourable members will admit that these are Departments which cannot be allowed to suffer for want of funds. Other classes show a reduction of expenditure to the extent of £131,396; and I am sure members will be pleased to find that this year there is a reduction in the Defence expenditure of no less a sum than £56,992, while the Colonial Secretary's class shows a reduction of £65,825.

In going through the estimates, members will find that substantial increases have been given to the Magistrates and to several heads of Departments and to experts. This is in keeping with increases granted to heads of the classified Departments under existing law. On comparing the salaries of the heads of our railway service, Secretary of Customs, the Commissioner of Insurance, the railway, insurance, and other experts, with what is paid in other colonies and countries, and what is paid by corporations and private companies, it will be found we have men with equal, if not superior, capacity, yet their salaries are very much below those paid for similar service outside.

The inevitable result follows, and the colony has lost, and will lose, its most capable public servants. It is false economy not to pay well trained, brainy men whose experience and technical knowledge ever command good salaries. In submitting these increases we have not omitted to recognise that with the increased cost of living, and having given faithful service, those receiving lower salaries in the unclassified Departments are entitled to consideration, and the increases to them we submit to your approval.

I sincerely hope the time is not far distant when the whole of the public service may be classified, and that superannuation or insurance may be provided for the school-teachers and for the highest to the most humble of our State servants.

#### ESTIMATED REVENUE, 1903-4.

Turning now to our ways and means for the year, I have, after careful consideration, set down our receipts from revenue proper as £6,468,000. In addition, the revenue will be aided by £60,600, being the proceeds of debentures issued in respect of the accretions of sinking funds for the current year, thus making a total available ways and means receipt from all sources of £6,528,600, or £84,491 more than was received last year.

For the Customs revenue I have estimated to receive £2,400,000. Though the receipts of last year were very large, I do not see any ground for anticipating a retrograde movement, and in view of the good prices for wool and dairy-produce now obtainable I anticipate the revenue will be better than that of the previous year by nearly £65,000.

The Railway revenue is expected to reach £2,000,000, or nearly £17,500 in excess of last year's receipts. From Stamps an additional sum of £4,061 is anticipated, while Land-tax is expected to realise £4,000 more than the previous year.

The estimate for Income-tax is set down as £210,000, or nearly £10,000 better than the preceding year. Registration and other fees shows a small increase, but there is an allowance made for a shrinkage in Marine and Miscellaneous of £4,171.

The Beer Duty will no doubt to some extent be affected by the extended area of no-license districts, and I have therefore discounted last year's receipts

by the sum of £1,400. The Minister of Lands anticipates a falling-off in the Territorial Revenue of over £12,000, and I have therefore set down the revenue derived from that source as £240,000, or £12,278 less than the amount received last year.

ESTIMATED REVENUE of the CONSOLIDATED FUND (Revenue Account) for 1903-4, compared with the Actual Revenue of 1902-3.

	Estimate for 1903-4.	Actual for 1902-3.	Differences.	
			Increase.	Decrease.
REVENUE ACCOUNT.				
Customs .. .. .	£ 2,400,000	£ 2,335,643	£ 64,357	£ ..
Railways .. .. .	2,000,000	1,982,551	17,449	..
Stamps .. .. .	983,000	978,939	4,061	..
Land-tax .. .. .	300,000	296,062	3,938	..
Income-tax .. .. .	210,000	200,684	9,316	..
Beer Duty .. .. .	89,000	90,400	..	1,400
Registration and other Fees .. .. .	84,000	83,881	119	..
Marine .. .. .	32,000	32,968	..	968
Miscellaneous .. .. .	130,000	133,203	..	3,203
Territorial Revenue .. .. .	240,000	252,278	..	12,278
	6,468,000	6,386,609	99,240	17,849
Sinking Fund increases .. .. .	60,600	57,500	3,100	..
			102,340	17,849
Total .. .. .	6,528,600	6,444,109	84,491	..

Summarising the estimated receipts and expenditure for the year, the results may be set forth as follows :—

	£
Estimated revenue .. .. .	6,528,600
Estimated expenditure .. .. .	6,255,857
Excess of revenue .. .. .	272,743

to which we must add the balance, £303,905, brought forward from last year, making a credit balance of £576,648. This is ample to provide for supplementary estimates, and also for a handsome amount as usual to be transferred to the Public Works Fund.

#### CONCLUSION.

I have now placed before honourable members many important matters affecting the colony. I have proved incontestably that financially our position is sound and strong. The figures given as to our public debt as compared with our assets, public and private, give £6 for every £1 we owe. Our population is fast increasing, and the indebtedness per head is more likely to decrease than to increase.

The people in the United Kingdom fail to recognise the fact that the railways here are the property of the State, and that if sold to-morrow would fetch nearly half the money we owe as a public debt.

They also fail to realise that the occupied Crown lands, from which a rental of nearly half a million per annum is received, are worth fifty millions; they are oblivious of the fact that the unsold Crown lands are worth another ten millions.

The value of the auriferous and argentiferous lands of the colony it is almost impossible to estimate, but I shall be well within the mark by putting the value of them down at fifty millions.

Then, again, there are the public buildings, and the post and telegraph asset, all State-owned.

In addition to this there is the private wealth of the colony, amounting to over £240,000,000, equal to £293 2s. per head of our population.

There are in the colony approximately 437,000 adults, who, gauged by their earning and spending values, are equal to £200 per head of realised invested wealth. On this basis the colony has in its adult population a commercial value of £87,400,000.

Land settlement and development generally are proceeding at a rapid rate. The output of gold has been more than it has been for the last thirty years. The revenue is ever increasing, and the principal sources from which it is obtained—namely, our railways and Customs—proves the colony to be in a most prosperous condition.

The remarkable increase in our exports, attributable to the spread of settlement and development and the industry of our colonists, the vast increase in manufactures, and the increase in the number of employed are factors which bear evidence that our industries are flourishing, and employment is plentiful with good wages obtaining.

The education of our youth, and their complete equipment for life, is a claim we cheerfully admit and provide for. The deserving aged are relieved from anxiety, and the pensions given insure their requirements being fairly met. The construction of our railways and roads provide arterial communication, so that our products from the interior reach the ports of shipment at a reasonable cost.

The grading of dairy-produce and flax give confidence to purchasers, and the inspection of meat has proved a great boon to both producers and purchasers. The success attendant upon having secured markets in South Africa warrants further effort, and the distribution of our meat over a wider service in the Mother-country than at present obtains, by opening emporiums in the various industrial centres, is an experiment that will cost little, yet still have the most beneficial results to the New Zealand producer.

The Budget now submitted, I trust, may be taken as a chart which, if adhered to, will guide the good ship New Zealand safely into port. To announce that there is available from the Consolidated Fund over half a million sterling, after providing for everything on the estimates, makes one feel light-hearted; and to have one million sterling on the 31st March last available for public works, thus obviating the necessity for going on the London market for a considerable time, is most satisfactory and cheering.

I enjoin economy in respect to departmental expenditure, a moderate expenditure on public works, strenuous efforts to increase our population by attracting to our shores those who will lessen our responsibility, promote settlement, and bask in that sunshine of ideal progress, contentment, happiness, and prosperity we now enjoy.

New Zealand justly merits being termed "The Paradise of the Great British Empire," and, in the language of the poet Bracken, "God's own country."

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Table

## STATEMENT of the RECEIPTS and EXPENDITURE of the CONSOLIDATED REVENUE

1901-1902.		RECEIPTS.						1902-1903.			
£	s. d.							£	s. d.	£	s. d.
532,564	8 11	BALANCE AT BEGINNING OF YEAR	..	..	..	..	..	..	..	270,488	17 9
		<b>Ordinary Revenue,—</b>									
2,201,116	1 7	Customs	..	..	..	..	..	2,385,643	1 3		
908,671	8 0	Stamps, including Postal and Telegraph Cash Receipts	..	..	..	..	..	978,939	11 2		
312,835	9 11	Land-tax	..	..	..	..	..	296,062	1 9		
179,397	7 7	Income-tax	..	..	..	..	..	200,683	16 8		
90,233	9 6	Beer Duty	..	..	..	..	..	90,399	15 9		
1,869,488	13 6	Railways	..	..	..	..	..	1,982,550	15 9		
76,491	15 11	Registration and other Fees	..	..	..	..	..	83,881	2 4		
31,456	0 11	Marine	..	..	..	..	..	32,968	3 5		
133,760	13 1	Miscellaneous	..	..	..	..	..	133,203	12 0		
5,803,451	0 0							6,134,332	0 1		
		<b>Territorial Revenue,—</b>									
59,576	0 8	Cash Land Sales	..	..	..	..	£37,445	17 1			
8,434	11 3	Deferred-payment Land Sales	..	..	..	..	6,702	2 2			
181,608	9 7	Pastoral Runs, Rents, and Miscellaneous	..	..	..	..	208,129	15 10			
249,619	1 6							252,277	15 1	6,386,609	15 2
6,053,070	1 6										
		<b>Receipts-in Aid,—</b>									
57,000	0 0	Debentures issued under "The Consolidated Stock Act, 1884,"—									
		For Increases of Sinking Fund	..	..	..	..	..	..	57,500	0 0	
		<b>Recoveries in respect of Expenditure of previous years,—</b>									
36,991	7 0	South Africa Contingents	..	..	..	..	3,248	10 7			
..	..	Cost and expenses in connection with the issue of Debentures under the Dairy Industry Act	..	..	..	..	77	6 0			
5,777	12 6	Unauthorised (purchase of oats, &c.)	..	..	..	..	..	..	3,325	16 7	
42,768	19 6										
£6,685,403	9 11	Totals	..	..	..	..	..	..	£6,717,924	9 6	

## TREASURY BILLS

£	s. d.							£	s. d.	£	s. d.
700,000	0 0	Treasury Bills outstanding at beginning of Year	..	..	..	..	..	..	700,000	0 0	
		<b>Treasury Bills issued during Year,—</b>									
440,000	0 0	In anticipation of Revenue	..	..	..	..	..	400,000	0 0		
940,000	0 0	In renewal of Bills matured	..	..	..	..	..	1,000,000	0 0		
1,380,000	0 0							1,400,000 0 0			
£2,080,000	0 0	Totals	..	..	..	..	..	..	£2,100,000	0 0	



## No. 1.

FUND for the Year ended 31st MARCH, 1903, compared with the Financial Year ended 31st MARCH, 1902.

## ACCOUNT:

1901-1902.		EXPENDITURE.	1902-1903.			
£	s. d.		£	s. d.	£	s. d.
		Permanent Appropriations,—				
		Civil List.. .. .	32,268	6 8		
1,803,939	2 4	Interest and Sinking Fund.. .. .	1,900,978	19 4		
198,455	0 10	Under Special Acts of the Legislature .. .. .	272,948	17 10		
63,470	3 10	Subsidies paid to Local Bodies .. .. .	71,048	17 1		
		Amounts paid over to Local Bodies and to Deposit Accounts in respect of				
		Payments under the Land Acts .. .. .	33,161	1 1		
		Endowments—				
		New Plymouth Harbour Board .. .. .	3,602	7 1		
4,801	11 10	Greymouth Harbour Board .. .. .	16,607	12 4		
20,993	4 10	Westport Harbour Board .. .. .	39,646	9 5		
35,799	13 8	Old-age pensions .. .. .	209,156	5 5		
207,468	8 5					
2,397,668	17 5				2,579,419	16 3
		Annual Appropriations,—				
		Class I.—Legislative .. .. .	19,735	0 7		
22,382	8 2	" II.—Colonial Secretary .. .. .	198,159	0 9		
229,717	7 2	" III.—Colonial Treasurer .. .. .	38,753	16 8		
41,537	0 1	" IV.—Minister of Justice .. .. .	136,922	2 11		
131,456	13 7	" V.—Postmaster-General .. .. .	485,860	6 0		
463,817	2 0	" VI.—Commissioner of Trade and Customs .. .. .	87,028	12 7		
89,404	14 8	" VII.—Commissioner of Stamps .. .. .	27,584	13 2		
27,106	5 2	" VIII.—Education Department .. .. .	526,820	5 1		
502,872	15 6	" IX.—Lunacy and Charitable Aid Department .. .. .	74,798	9 6		
65,343	4 8	" X.—Department of Labour .. .. .	8,530	19 2		
9,932	14 10	" XI.—Minister of Mines .. .. .	18,999	6 0		
21,158	18 5	" XII.—Minister for Agriculture .. .. .	99,427	13 8		
101,284	12 9	" XIII.—Working Railways .. .. .	1,354,150	19 2		
1,280,771	10 8	" XIV.—Minister for Public Works .. .. .	51,848	7 2		
47,852	5 9	" XV.—Defence Department .. .. .	217,104	13 11		
193,183	18 8	" XVI.—Police Department .. .. .	123,698	19 2		
120,932	9 7	" XVII.—Minister of Lands .. .. .	129,443	4 4		
120,180	3 1	" XVIII.—Valuation Department .. .. .	26,248	3 6		
25,407	2 3	" XIX.—Rates on Crown Lands .. .. .	457	2 1		
418	0 9	Services not provided for .. .. .	9,027	5 4		
3,486	7 0				3,634,599	0 9
3,498,245	14 9					
		Amount transferred to the Public Works Fund in terms of section 17 of "The Appropriation Act, 1902" .. .. .			200,000	0 0
500,000	0 0					
		Debentures redeemed—				
		"Land for Settlements Consolidation Act, 1900" .. .. .				
19,000	0 0					
		END OF YEAR .. .. .			303,905	12 6
		Totals .. .. .			£6,717,924	9 6
£6,685,403	9 11					

## ACCOUNT.

£	s. d.		£	s. d.	£	s. d.
440,000	0 0	Treasury Bills paid off during Year .. .. .	400,000	0 0		
940,000	0 0	Treasury Bills renewed during Year .. .. .	1,000,000	0 0	1,400,000	0 0
1,380,000	0 0					
		Treasury Bills outstanding at end of Year .. .. .			700,000	0 0
700,000	0 0					
£2,080,000	0 0	Totals .. .. .			£2,100,000	0 0

STATEMENT of the RECEIPTS and EXPENDITURE of the CONSOLIDATED  
STATE FORESTS

1901-1902.		RECEIPTS.	1902-1903.	
£	s. d.		£	s. d.
31,823	2 3	Balance at beginning of Year,—		
		Cash in the Public Account .. .. .	38,299	8 2
		Advances in hands of the Officers of the Government,—		
		In the Colony .. .. .	377	11 11
31,823	2 3			38,677 0 1
6,430	17 9	Rents from Lands set apart .. .. .	2,278	19 2
10,757	13 8	Miscellaneous .. .. .	1,591	15 8
17,188	11 5			3,870 14 10
£49,011	13 8	Totals .. .. .		£42,547 14 11

## STATE COAL-

£	s. d.		£	s. d.	£	s. d.
		“The State Coal-mines Act, 1901,”—				
		Debentures created .. .. .			52,000	0 0
		Totals .. .. .			£52,000	0 0

## ACCOUNTS OF

£	s. d.		£	s. d.	£	s. d.
11,611	19 5	Balance at beginning of Year,—				
		Cash in the Public Account .. .. .	17,700	14 8		
		Advances in the hands of Officers of the Government,—				
		In the Colony .. .. .	11	12 5		
11,627	1 9					17,712 7 1
7,524	5 7	Revenue received for Local Bodies,—				
		Fees, Fines, &c. .. .. .	6,966	9 9		
17,455	13 10	Endowments of Land, &c. .. .. .	19,052	15 2		
28,064	14 2	Goldfields Revenue .. .. .	24,964	2 8		
19,785	1 10	Gold Duty .. .. .	22,399	7 1		
72,829	15 5					73,382 14 8
586	14 5	Counties Separate Accounts,—				
		Revenue of Counties in which “The Counties Act, 1886,” is not in full operation .. .. .				334 2 2
31,230	13 1	Advance Account,—				
		Amount repaid by Local Bodies .. .. .	39,161	19 6		
		Ditto on account of Unauthorised Expenditure of previous years .. .. .	67	4 8		
31,345	1 5					39,229 4 2
£116,388	13 0	Totals .. .. .				£130,658 8 1

No. 1—continued.

FUND for the Year ended 31st MARCH, 1903, compared with the Financial Year ended 31st MARCH, 1902.

## ACCOUNT.

1901-1902.		EXPENDITURE.	1902-1903.	
£	s. d.		£	s. d.
10,334	13 7	Annual Appropriation,— Vote 111—State Forests Branch .. .. .	..	11,017 19 6
38,299	8 2	Balance at end of Year,— Cash in the Public Account .. .. .	31,364	13 8
377	11 11	Advances in the hands of Officers of the Government— In the Colony .. .. .	165	1 9
38,677	0 1			31,529 15 5
£49,011	13 8	Totals .. .. .	..	£42,547 14 11

## MINES ACCOUNT.

£	s. d.		£	s. d.	£	s. d.
..		Annual Appropriation— Vote 112—State Coal-Mines .. .. .	..		39,423	10 0
..		Balance at end of Year— Cash in the Public Account .. .. .	1,076	10 0		
..		Advances in the hands of Officers of the Government— In the Colony .. .. .	1,500	0 0		
..		In London .. .. .	10,000	0 0	12,576	10 0
..		Totals .. .. .	..		£52,000	0 0

## LOCAL BODIES.

£	s. d.		£	s. d.	£	s. d.
6,902	6 6	Revenue paid over to Local Bodies,— Fees, Fines, &c. .. .. .	6,871	1 1		
13,675	5 8	Endowments of Land, &c. .. .. .	17,086	3 9		
26,508	11 8	Goldfields Revenue .. .. .	26,234	7 3		
19,673	0 4	Gold Duty .. .. .	16,642	4 3	66,833	16 4
66,759	4 2					
624	15 8	Counties Separate Accounts,— Amount distributed amongst local bodies where "The Counties Act, 1886," is not in full operation .. .. .	..		311	19 10
31,292	6 1	Advance Accounts,— Payments on behalf of Local Bodies .. .. .	..		39,136	3 6
17,700	14 8	Balance at end of Year,— Cash in the Public Account .. .. .	24,224	12 9		
11	12 5	Advances in the hands of Officers of the Government— In the Colony .. .. .	151	15 8	24,376	8 5
17,712	7 1					
£116,388	13 0	Totals .. .. .	..		£130,658	8 1

## STATEMENT of the RECEIPTS and EXPENDITURE of the CONSOLIDATED DEPOSIT

1901-1902.		RECEIPTS.	1902-1903.	
£	s. d.		£	s. d.
157,129	12 6	Balance at beginning of Year,—	128,303	1 10
		Cash in the Public Account .. .. .		
		Advances in the hands of Officers of the Government,—		
18,841	11 9	In the Colony .. .. .	60,858	17 1
52,999	6 3	In London .. .. .	27,811	16 3
228,970	10 6			216,973 15 2
		Lodgments,—		
879	4 2	Cyanide Process Gold-extraction Act, 1897 .. .. .	1,009	4 1
14,049	15 1	Emigrants' Deposits .. .. .	13,892	1 6
75	0 0	General Assembly Library Fund .. .. .	45	0 0
19	1 5	Hospitals and Charitable Institutions Act, 1885-1886 .. .. .	7	15 11
325,834	0 2	Imperial Government (South Africa Contingents) .. .. .	424,132	8 8
24,422	2 9	Imperial Government (Balances, Fourth and Fifth Contingents) .. .. .		
264,307	4 2	Imperial Government (Purchase of Oats) .. .. .		
3,170	10 6	Land Transfer Act, 1885 .. .. .	2,702	5 9
		Maori Land Administration Suspense Account .. .. .	188	10 6
651	12 4	Mining Districts Land Occupation Act, 1894 .. .. .	924	12 5
16,715	6 1	Miscellaneous .. .. .	60,485	13 4
37,400	0 0	Money-order Settlement .. .. .	1,400	0 0
694	7 6	Moiety of Rotorua Bath Fees .. .. .	1,068	7 0
332	10 2	Native Land Purchases .. .. .	148	7 2
		Native Township of Hokio .. .. .	2	2 0
51	11 10	" Parata .. .. .	94	9 3
154	1 6	" Pipiriki .. .. .	148	3 0
65	6 3	" Potaka .. .. .	73	5 3
		" Rotoiti .. .. .	35	7 6
42	19 9	" Te Araroa .. .. .	71	0 3
3	10 0	" Te Puia .. .. .	28	8 9
155	4 9	" Tokaanu .. .. .	175	13 1
24	9 0	" Tuatine .. .. .	73	13 9
35	11 0	Nelson Rifle Prize Fund .. .. .	341	11 2
129	11 0	New Zealand University Endowment, Canterbury .. .. .	162	5 6
306	9 10	New Zealand University Endowment, Taranaki .. .. .	360	1 0
		New Zealand University Endowment, Westland .. .. .	22	10 0
41	10 9	North Island Experimental Dairy School .. .. .	41	10 9
8,238	12 5	North Island Main Trunk Railway Loan Application Act 1886 Amendment Act, 1889 .. .. .	10,317	4 3
300	0 0	Public Health Act, 1900 .. .. .	2,611	14 6
18,987	16 1	Public Trust Office Remittance Account .. .. .	17,239	6 2
5,220	0 0	Railways .. .. .	11,020	0 0
16	1 2	Tauranga Educational Endowment Reserves Act, 1896 .. .. .	58	10 5
717	4 2	Thermal-springs Districts Act, 1881 .. .. .	77	4 9
212	16 4	Trustee Act, 1883 .. .. .	332	12 6
723,253	10 2			549,291 0 2
£952,224	0 8	Totals .. .. .		£766,264 15 4

## STATEMENT of the RECEIPTS and EXPENDITURE of the PUBLIC WORKS

1901-1902.			1902-1903.	
£	s. d.		£	s. d.
7,991	6 5	Balance at beginning of Year,—	405,922	16 5
		Cash in Public Account .. .. .		
		Advances in the hands of Officers of the Government,—		
42,845	4 5	In the Colony .. .. .	£5,544	11 3
181,679	7 3	In London .. .. .	42,592	0 4
232,515	18 1		48,136	11 7
		The Aid to Public Works and Land Settlement Acts,—		
812,666	13 4	Loan of £1,000,000 of 3-per-cent. Stock issued in London under the Act of 1901 .. .. .	£1,000,000	0 0
		Less amount brought to charge in previous year .. .. .	812,666	13 4
		Instalments in respect of £1,000,000 Loan of 3-per-cent. Stock issued in London under the Act of 1902 .. .. .	187,333	6 8
		Proceeds of sale of 4-per-cent. Debentures issued under the Act of 1902 (Colonial issue) .. .. .	260,000	0 0
		Amount received from Conversion Account for repayment of advance made on security of short-dated Debentures (as per contra) .. .. .	750,000	0 0
		Interest on overdue instalments, Loan of 1901 .. .. .	165,000	0 0
500,000	0 0	Proceeds of sale of £500,000 4-per-cent. Debentures issued under the Act of 1900 (London issue) .. .. .	1	0 6
500,513	19 2	Proceeds of sale of £500,000 4 per-cent. Debentures issued under the Act of 1900 (Colonial issue) .. .. .		
250,000	0 0	Proceeds of sale of £250,000 4-per-cent. Debentures issued under the Act of 1901 (Colonial issue) .. .. .		
200,000	0 0	Temporary advances on security of short-dated Debentures .. .. .		
2,263,180	12 6			1,362,334 7 2
500,000	0 0	Amount transferred from the Consolidated Fund in terms of section 17 of "The Appropriation Act, 1902" .. .. .		200,000 0 0
1,615	12 2	Special Receipts in connection with the Ellesmere and Forsyth Reclamation and Akaroa Railway Trust .. .. .		1,616 4 7
£2,997,312	2 9	Totals .. .. .		£2,018,009 19 9



Table

STATEMENT of the RECEIPTS and EXPENDITURE of the **CHEVIOT ESTATE**

1901-1902.	RECEIPTS.	1902-1903.	
£ s. d.		£ s. d.	£ s. d.
11,680 16 6	Balance at beginning of Year,—		
	Cash in Public Account .. .. .	..	16,860 14 8
	Receipts under "The Cheviot Estate Disposition Act, 1893,"—		
14,007 14 6	Rents from Lands .. .. .	14,602 10 4	
45 0 0	Interest on Advances .. .. .	..	
8 6 2	Miscellaneous .. .. .	6 19 5	
14,061 0 8			14,609 9 9
<b>£25,741 17 2</b>	<b>Totals .. .. .</b>	<b>..</b>	<b>£31,470 4 5</b>

STATEMENT of the RECEIPTS and EXPENDITURE of the **LAND FOR SETTLEMENTS**

£ s. d.		£ s. d.	£ s. d.
92,021 8 7	Balance at beginning of Year,—		
	Cash in the Public Account .. .. .	32,070 19 1	
1,328 3 7	Advances in hands of Officers of the Government,—		
	In the Colony .. .. .	621 7 2	
	Investment Account .. .. .	350,000 0 0	
93,349 12 2			382,692 6 3
	The Land for Settlements Consolidation Act, 1900,—		
897,150 0 0	Proceeds of Scrip and Debentures .. .. .	338,700 0 0	
	Proceeds of £250,000 Debentures issued in renewal of like amount falling due .. .. .	250,624 19 0	
1 5 0	Premium received .. .. .	..	
897,151 5 0			589,324 19 0
	Receipts derived from Estates,—		
90,053 5 6	Rents, Lease-fees, &c. .. .. .	..	109,819 18 8
	Other Receipts,—		
	Interest on Investments held by the Land for Settlements Investment Account .. .. .	..	10,335 1 9
	Credits in reduction,—		
	Opouriao Estate .. .. .	0 4 9	
36 15 6	Paparangi Estate .. .. .	..	
	Pomahaka Estate .. .. .	12 7 10	
0 8 6	Rangiatea Estate .. .. .	..	
	Windsor Park Estate .. .. .	21 10 11	
37 4 0			34 3 6
	Recoveries,—		
224 14 9	Hatuma Estate, on account of purchase-money .. .. .	..	
	Raincliff Estate, proceeds of sale of land .. .. .	812 10 0	
			812 10 0
<b>1,080,816 1 5</b>	<b>Carried forward .. .. .</b>	<b>..</b>	<b>1,093,018 19 2</b>

No. 1—continued.

ACCOUNT for the Year ended 31st MARCH, 1903, compared with the Financial Year ended 31st MARCH, 1902.

1901-1902.		EXPENDITURE.						1902-1903.			
£	s. d.							£	s. d.	£	s. d.
8,866	2 6	Interest .. .. .	..	..	..	..	..	8,866	2 6		
15	0 0	Surveys, Roading, &c. ..	..	..	..	..	..	170	10 0		
8,881	2 6									9,086	12 6
		Balance at end of Year,—									
16,860	14 8	Cash in the Public Account ..	..	..	..	..	..			22,433	11 11
£25,741	17 2	Totals .. .. .	..	..	..	..	..			£31,470	4 5

ACCOUNT for the Year ended 31st MARCH, 1903, compared with the Financial Year ended 31st MARCH, 1902.

£	s. d.	Annual Appropriations,—		£	s. d.	£	s. d.	£	s. d.	£	s. d.
3,584	10 11	Vote 113—Land for Settlements Expenses ..		..	..	..	..	..	..	3,740	16 1
		Acquirement of Estates,—									
		Total.	Name of Estate.	Purchase-money.		Expenses.		Total.			
30	16 2	Albury .. .. .	..	..	..	10	13 4	10	13 4		
781	1 1	Aorangi .. .. .	..	..	..	..	..	..	..		
22	10 0	Ardgowan .. .. .	..	..	..	..	..	..	..		
..	..	Argyll (Milbourne), (F. Green and G. E. Du Croz)	..	142,262	0 0	693	0 1	142,955	0 1		
..	..	(Te Reinga), (M. Mason)	..	15,762	10 0	76	9 0	15,838	19 0		
292	2 2	" (Te Reinga), (M. Mason)	..	..	..	28	6 11	28	6 11		
..	..	Barnego .. .. .	..	..	..	3	18 10	3	18 10		
..	..	Beaumont .. .. .	..	..	..	..	..	..	..		
..	..	Chamberlain (A. L. Haylock)..	..	148	1 6	..	..	..	..		
..	..	(J. S. Rutherford)	..	41,715	14 0	294	0 0	42,157	15 6		
1,000	0 0	Cradock .. .. .	..	..	..	17	19 6	17	19 6		
..	..	Duncan (J. Graham) .. .. .	..	4,091	11 9	97	4 6	4,188	16 3		
44	2 5	Earnsclough .. .. .	..	..	..	8	10 0	8	10 0		
..	..	Eccleston (E. P. Chapman) ..	..	10,593	2 6	96	12 5	10,689	14 11		
82	8 2	Elderslie .. .. .	..	..	..	..	..	..	..		
..	..	Elsthorpe .. .. .	..	..	..	165	17 1	165	17 1		
10,032	1 2	Epuni .. .. .	..	..	..	820	0 10	820	0 10		
90	12 10	Fencourt .. .. .	..	..	..	44	7 8	44	7 8		
49,209	1 6	Forest Gate .. .. .	..	..	..	87	15 1	87	15 1		
..	..	Georgeton .. .. .	..	..	..	..	..	..	..		
37,512	13 4	Glenham .. .. .	..	..	..	305	10 7	305	10 7		
2,944	1 9	Hatuma .. .. .	..	..	..	2,830	13 3	2,830	13 3		
4,925	5 3	Hetana .. .. .	..	..	..	29	14 6	29	14 6		
20	0 0	Horsley Down .. .. .	..	..	..	..	..	..	..		
..	..	Highbank .. .. .	..	..	..	1	12 6	1	12 6		
7	2 6	Janefield .. .. .	..	..	..	..	..	..	..		
4,752	5 2	Kaimahi .. .. .	..	..	..	8	7 1	8	7 1		
..	..	Kapua .. .. .	..	..	..	6	13 5	6	13 5		
2,293	18 8	Kapuatohe .. .. .	..	..	..	80	0 0	80	0 0		
..	..	Kereta .. .. .	..	..	..	0	13 6	0	13 6		
876	9 8	Kitchener .. .. .	..	..	..	14	9 0	14	9 0		
28,700	14 4	Kohika .. .. .	..	..	..	10	14 9	10	14 9		
19	16 3	Kohika No. 2 .. .. .	..	..	..	..	..	..	..		
..	..	Kokatahi (H. Diedrichs) ..	..	4,709	0 8	72	2 6	4,781	3 2		
29,551	8 0	Kumeroa .. .. .	..	..	..	828	17 2	828	17 2		
31,291	5 4	Langdale .. .. .	..	..	..	17	3 6	17	3 6		
..	..	Linton (R. Linton) .. .. .	..	6,846	1 10	27	8 0	6,873	9 10		
..	..	Longbush (H. T. Mahupuku)..	..	13,424	0 0	..	..	..	..		
..	..	(Tully Bros.) .. .. .	..	572	0 0	..	..	..	..		
..	..	(Rihara te Tarera) ..	..	2,392	0 0	..	..	16,338	0 0		
262	4 4	Lyndon .. .. .	..	..	..	819	7 9	819	7 9		
43,868	14 0	Lyndon No. 2 .. .. .	..	..	..	215	14 0	215	14 0		
6	1 6	Maerewhenua .. .. .	..	..	..	..	..	..	..		
..	..	Mahora .. .. .	..	..	..	44	6 6	44	6 6		
4,461	17 1	Makareao (Waihero Grange)	..	..	..	1,723	16 11	1,723	16 11		
88,759	8 1	Manga-a-toro .. .. .	..	..	..	920	12 3	920	12 3		
16,598	7 8	Mangawhata .. .. .	..	..	..	90	6 9	90	6 9		
774	14 4	Maungaraki .. .. .	..	..	..	804	7 6	804	7 6		
5,307	8 0	Maytown .. .. .	..	..	..	98	18 0	98	18 0		
..	..	Mead (S. Bealey) .. .. .	..	18,319	2 5	320	2 10	18,639	5 3		
364,536	9 9	Carried forward .. .. .	..	260,835	4 8	11,716	7 6	272,551	12 2	3,740	16 1

STATEMENT of the RECEIPTS and EXPENDITURE of the LAND FOR SETTLEMENTS

1901-1902.	RECEIPTS.	1902-1903.	
£ s. d.		£ s. d.	£ s. d.
1,080,816 1 5	Brought forward .. .. .	..	1,093,018 19 2
<u>£1,080,816 1 5</u>	Totals .. .. .	..	<u>£1,093,018 19 2</u>







No. 1—continued.

ACCOUNT for the Year ended 31st MARCH, 1903, compared with the Financial Year ended 31st MARCH, 1902.

1901-1902.		EXPENDITURE.	1902-1903.	
£	s. d.		£	s. d.
50,900	0 0	Debentures redeemed,—		
		Consolidated Loan Act, 1867, 5 per cent. .. .. .	52,000	0 0
		The Aid to Public Works and Land Settlement Act, 1899—		
		Amount transferred to Public Works Fund for repayment of advances on		
		security of short-dated Debentures .. .. .	165,000	0 0
30	0 0	Naval and Military Settlers and Volunteers Land Act, 1892 .. .. .		
400	0 0	Otago Loan Ordinance, 1862, 6 per cent. .. .. .		
51,330	0 0			217,000 0 0
		Debentures converted into 3-per-cent. Inscribed Stock,—		
		Canterbury Loan Ordinance, 1862, 6 per cent., due 1915-16 .. .. .	800	0 0
39,900	0 0	Land for Settlements Act, 1894 .. .. .		
285,000	0 0	Aid to Public Works and Land Settlement Acts .. .. .		
2,247	0 0	Premium paid in respect of conversions .. .. .	240	0 0
327,147	0 0			1,040 0 0
		Expenses Account,—		
135	0 0	Brokerage and Commission .. .. .	574	10 0
1,690	1 0	Discount .. .. .	11,104	7 6
838	12 9	Stamp Duty .. .. .	3,032	0 0
231	5 6	Office Expenses .. .. .	140	11 1
90	0 0	Rents .. .. .	90	0 0
348	0 0	Honorarium to officers .. .. .	100	0 0
1,458	4 7	Interest (including overlap of interest) .. .. .		
62	8 0	Law charges .. .. .		
4,853	11 10			15,041 8 7
		Balance at end of Year,—		
901	0 8	Cash in the Public Account .. .. .	1,216	2 2
		In the hands of Stock Agents—		
1,910	3 1	Cash .. .. .	446	2 0
		In the hands of the Agent-General—		
1,892	9 0	Cash .. .. .		
4,703	12 9			1,662 4 2
£388,034	4 7	Totals .. .. .		£234,743 12 9

ACCOUNT for the Year ended 31st MARCH, 1903, compared with the Financial Year ended 31st MARCH, 1902.

£	s. d.		£	s. d.	£	s. d.
		Balance at end of Year,—				
224	7 1	Cash in Deposit Account.. .. .	56	1 1		
468,100	0 0	Investment Account .. .. .	472,500	0 0		
468,324	7 1				472,556	1 1
£468,324	7 1	Totals .. .. .			£472,556	1 1

## STATEMENT of the RECEIPTS and EXPENDITURE of the LOANS TO LOCAL BODIES

1901-1902.		RECEIPTS.	1902-1903.	
£	s. d.		£	s. d.
20,881	9 0	Balance at beginning of Year,—		
		Cash in the Public Account .. .. .	1,254	6 11
7,091	2 6	Advances in hands of Officers of the Government—		
		In the colony .. .. .	1,515	10 4
27,972	11 6			2,769 17 3
		Debentures created,—		
72,000	0 0	Under "The Local Bodies' Loans Act, 1901" .. .. .	278,000	0 0
141,200	0 0	Under "The Government Loans to Local Bodies Act, 1886" .. .. .		
213,200	0 0			278,000 0 0
		Repayments under section 8 of "The Government Loans to Local Bodies Act Amendment Act, 1896,"—		
		Counties—		
		Bruce .. .. .	71	4 1
		Eketahuna .. .. .	49	5 11
		Horowhenua .. .. .	500	0 0
59	7 4	Kiwitea .. .. .		
998	6 5	Masterton .. .. .	699	18 3
220	5 8	Pohangina .. .. .		
		Rangitikei .. .. .	49	8 11
421	11 4	Stratford .. .. .	363	16 2
		Road Boards—		
		Arch Hill .. .. .	3	16 6
		Eden Terrace .. .. .	38	15 10
100	0 0	Ngatapa .. .. .		
		Pukekohe West .. .. .	6	18 1
		Boroughs—		
		Hastings .. .. .	0	4 7
66	2 10	Stratford .. .. .		
		Temuka .. .. .	40	3 3
		Town Board—		
241	2 10	Bull's .. .. .		
		Drainage Board—		
		Aorangi .. .. .	12	16 3
2,106	16 5			1,836 7 10
		Carried forward .. .. .		
243,279	7 11			282,666 5 1



STATEMENT of the RECEIPTS and EXPENDITURE of the **LOANS TO LOCAL BODIES**

1901-1902.	RECEIPTS.	1902-1903.	
£ s. d.		£ s. d.	£ s. d.
243,279 7 11	Brought forward .. .. .	..	282,606 5 1
<u>£243,279 7 11</u>	Totals .. .. .	..	<u>£282,606 5 1</u>

No. 1—continued

ACCOUNT for the Year ended 31st MARCH, 1903, compared with the Financial Year ended 31st MARCH, 1902—continued.

1901-1902.		EXPENDITURE.	1902-1903.	
£	s. d.		£	s. d.
6,354	0 0	Brought forward .. .. .	3,755	0 0
		Grants under "The Local Bodies' Loans Act, 1901"—continued.		185,221 0 0
		Road Boards—continued.		
		Mataongaonga .. .. .	600	0 0
300	0 0	Manawatu .. .. .		
2,786	0 0	Manchester .. .. .	760	0 0
1,650	0 0	Manganui .. .. .	1,800	0 0
880	0 0	Moa .. .. .	2,950	0 0
		Mount Eden .. .. .	3,000	0 0
		Mount Roskill .. .. .	3,000	0 0
500	0 0	Okato .. .. .		
		One-tree Hill .. .. .	500	0 0
1,500	0 0	Opabeke .. .. .		
100	0 0	Otaki .. .. .		
500	0 0	Paparata .. .. .	1,000	0 0
3,000	0 0	Parihaka .. .. .	1,901	0 0
		Pollok Settlement .. .. .	150	0 0
1,200	0 0	Porangahau .. .. .		
		Pukekohe East .. .. .	2,000	0 0
		Pukekohe West .. .. .	900	0 0
2,750	0 0	Seatoun .. .. .	775	0 0
		Taratahi-Carterton .. .. .	700	0 0
700	0 0	Upper Wangaehu .. .. .	2,500	0 0
2,910	0 0	Waimate .. .. .	658	0 0
100	0 0	Waipipi .. .. .	200	0 0
400	0 0	Wairau .. .. .		
100	0 0	Waitara West .. .. .	150	0 0
650	0 0	Waitotara-Momohaki .. .. .		
1,200	0 0	Waiuku .. .. .	600	0 0
650	0 0	Waiwakaiho .. .. .	650	0 0
2,000	0 0	Weber .. .. .	1,000	0 0
997	0 0	Wirokino .. .. .	3,200	0 0
31,177	0 0			32,749 0 0
		River Boards—		
500	0 0	Henley .. .. .		
5,000	0 0	Hutt .. .. .	5,000	0 0
		Lochiel .. .. .	800	0 0
5,500	0 0			5,800 0 0
		Drainage Boards—		
100	0 0	Aorangi .. .. .		
400	0 0	Berwick .. .. .	100	0 0
300	0 0	Mangahoe .. .. .	400	0 0
800	0 0	Maungatua .. .. .		
200	0 0	Otakia .. .. .		
		West Taieri .. .. .	400	0 0
1,800	0 0			900 0 0
		Water-supply Board—		
19,000	0 0	Manukau .. .. .		
		Grants under "The Government Loans to Local Bodies Act Amendment Act, 1898,"—		224,670 0 0
		County—		
2,000	0 0	Wairarapa South .. .. .		
		Boroughs—		
3,100	0 0	Akaroa .. .. .		
10,000	0 0	Lytelton .. .. .		
2,000	0 0	Masterton .. .. .		
2,500	0 0	Petone .. .. .	7,000	0 0
3,600	0 0	Stratford .. .. .		
9,000	0 0	Westport .. .. .	3,000	0 0
10,100	0 0	Whangarei .. .. .		
3,650	0 0	Woodville .. .. .		
		River Board—		
		Lochiel .. .. .		10,000 0 0
45,950	0 0			200 0 0
		Annual Appropriation,—		294,870 0 0
31,978	10 8	Vote 114.—Roads to open up Crown lands .. .. .		18,578 10 3
		Balance at end of year,—		
1,254	6 11	Cash in the Public Account .. .. .	23,138	9 5
1,515	10 4	Advances in hands of Officers of the Government,—		
		In the Colony .. .. .	6,019	5 5
2,769	17 3			29,157 14 10
£243,279	7 11	Totals .. .. .		£282,606 5 1

## STATEMENT of the RECEIPTS and EXPENDITURE of the GOVERNMENT ADVANCES TO SETTLERS

1901-1902.		RECEIPTS.	1902-1903.					
£	s.	d.	£	s.	d.	£	s.	d.
406,333	6	8	The Government Advances to Settlers Act, 1894,—					
			Loan of £500,000 3 per cent. Stock issued in London, 1902 .. £500,000 0 0					
			Less amount brought to charge in previous year .. .. 406,333 6 8					
			Instalments received in respect of £250,000 3-per-cent. Stock Loan issued in					
			London, 1903 .. .. .. 65,000 0 0					
180,000	0	0	Temporary advances on security of short-dated Debentures .. .. 200,000 0 0					
			Interest on overdue instalments, Loan of 1902 .. .. 0 10 2					
140,000	0	0	Received from Advances to Settlers Office to pay off advances .. ..					
726,333	6	8						
£726,333	6	8	Totals .. .. .. .. .. £358,667 3 6					



No. 1—continued.

OFFICE LOAN ACCOUNT for the Year ended 31st MARCH, 1903, compared with the Financial Year ended 31st MARCH, 1902.

1901-1902.		EXPENDITURE.						1902-1903.							
£	s.	d.							£	s.	d.	£	s.	d.	
226,333	6	8	Amount paid over to Government Advances to Settlers Office Account,—												
180,000	0	0	In respect of £500,000 3-per-cent. Stock Loan .. .. .						49,713	11	7				
			In respect of Temporary Advances .. .. .						200,000	0	0				
406,333	6	8										249,713	11	7	
			Charges and expenses of raising Loans,—												
			In respect of £500,000 Loan .. .. .						..			43,998	11	3	
320,000	0	0	Temporary advances repaid .. .. .						..			..			
			Balance at end of year—												
			Cash in the Public Account .. .. .						..			64,955	0	8	
£726,333	6	8	Total .. .. .						..			£358,667	3	6	

ROBERT J. COLLINS,  
Assistant Secretary to the Treasury and Accountant.

SUMMARY OF BALANCES ON 31st MARCH, 1903.

	BALANCES.			CONSOLIDATED FUND:—	CASH.			ADVANCES.			INVESTMENTS.			TOTAL.				
	£	s.	d.		£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.		
CONSOLIDATED FUND:—																		
Ordinary Revenue Account ..	1,003,905	12	6*	..	800,248	4	5	..	103,657	8	1	..	100,000	0	0	1,003,905	12	6
State Forests Account ..	31,529	15	5	..	31,364	13	8	..	165	1	9	..	..	..	..	31,529	15	5
State Coal-mines Account ..	12,576	10	0	..	1,076	10	0	..	11,500	0	0	..	..	..	..	12,576	10	0
Accounts of Local Bodies ..	24,376	8	5	..	24,224	12	9	..	151	15	8	..	..	..	..	24,376	8	5
Deposit Accounts ..	146,890	19	7	..	131,362	7	3	..	15,528	12	4	..	..	..	..	146,890	19	7
	1,219,279	5	11		988,276	8	1		131,002	17	10		100,000	0	0	1,219,279	5	11
PUBLIC WORKS FUND ..	338,565	14	1	..	287,342	2	0	..	51,223	12	1	..	..	..	..	338,565	14	1
CHEVIOT ESTATE ACCOUNT ..	22,433	11	11	..	22,433	11	11	..	..	..	..	..	..	..	..	22,433	11	11
LAND FOR SETTLEMENTS ACCOUNT ..	366,074	19	9	..	38,352	1	5	..	2,722	18	4	..	325,000	0	0	366,074	19	9
CONVERSION ACCOUNT ..	1,662	4	2	..	1,216	2	2	..	446	2	0	..	..	..	..	1,662	4	2
LOANS TO LOCAL BODIES ACCOUNT ..	29,157	14	10	..	23,138	9	5	..	6,019	5	5	..	..	..	..	29,157	14	10
NEW ZEALAND CONSOLS ACCOUNT ..	472,556	1	1	..	56	1	1	..	..	..	..	..	472,500	0	0	472,556	1	1
REMITTANCES TO LONDON ACCOUNT ..	Dr-300,000	0	0	..	Cr-300,000	0	0	..	..	..	..	..	..	..	..	Cr-300,000	0	0
GOVERNMENT ADVANCES TO SETTLEMENTS TO LONDON ACCOUNT ..	64,955	0	8	..	64,955	0	8	..	..	..	..	..	..	..	..	64,955	0	8
TOTALS ..	2,214,684	12	5	..	1,125,769	16	9	..	191,414	15	8	..	897,500	0	0	2,214,684	12	5

\* Against this Treasury Bills amounting to £700,000 are outstanding.

Table No. 2.

COMPARATIVE STATEMENT of the Estimated and Actual RECEIPTS and EXPENDITURE of the CONSOLIDATED FUND (REVENUE ACCOUNT) for the Financial Year ended 31st March, 1903.

	ESTIMATED.		ACTUAL.		DIFFERENCES.			
	£	s. d.	£	s. d.	More than Estimate.		Less than Estimate.	
<b>RECEIPTS.</b>								
<b>REVENUE ACCOUNT:—</b>								
Customs .. .. .	2,220,000	0 0	2,335,643	1 3	115,643	1 3	..	..
Railways .. .. .	1,875,000	0 0	1,982,550	15 9	107,550	15 9	..	..
Stamps .. .. .	898,000	0 0	978,939	11 2	80,939	11 2	..	..
Land-tax .. .. .	300,000	0 0	296,062	1 9	..	..	3,937	18 3
Income-tax .. .. .	185,000	0 0	200,683	16 8	15,683	16 8	..	..
Beer Duty .. .. .	92,000	0 0	90,399	15 9	..	..	1,600	4 3
Registration and Fees .. .. .	70,000	0 0	83,881	2 4	13,881	2 4	..	..
Marine .. .. .	31,000	0 0	32,968	3 5	1,968	3 5	..	..
Miscellaneous .. .. .	125,000	0 0	133,203	12 0	8,203	12 0	..	..
Territorial Revenue .. .. .	230,000	0 0	252,277	15 1	22,277	15 1	..	..
	6,026,000	0 0	6,386,609	15 2	366,147	17 8	5,538	2 6
Sinking Fund Increases .. .. .	57,500	0 0	57,500	0 0	..	..	..	..
					366,147	17 8	5,538	2 6
					5,538	2 6		
Recoveries in respect of Expenditure of previous years .. .. .	..	..	3,325	16 7	360,609	15 2	3,325	16 7
Totals .. .. .	6,083,500	0 0	6,447,435	11 9	363,935	11 9	..	..
<b>EXPENDITURE.</b>								
<b>REVENUE ACCOUNT:—</b>								
Permanent Appropriations,—	£	s. d.	£	s. d.	£	s. d.	£	s. d.
Civil List .. .. .	33,100	0 0	32,269	6 8	..	..	830	13 4
Interest and Sinking Fund .. .. .	1,893,194	0 0	1,900,978	19 4	7,784	19 4	..	..
Under Special Acts .. .. .	220,133	0 0	272,948	17 10	52,815	17 10	..	..
Subsidies paid to Local Bodies .. .. .	67,000	0 0	71,048	17 1	4,048	17 1	..	..
Territorial Revenue paid over .. .. .	28,000	0 0	33,161	1 1	5,161	1 1	..	..
Endowments .. .. .	57,800	0 0	59,856	8 10	2,056	8 10	..	..
Old-age Pensions .. .. .	215,000	0 0	209,156	5 5	..	..	5,843	14 7
Annual Appropriations,—								
Legislative .. .. .	22,067	0 0	19,735	0 7	..	..	2,331	19 5
Colonial Secretary .. .. .	210,621	0 0	198,159	0 9	..	..	12,461	19 3
Colonial Treasurer .. .. .	42,968	0 0	38,753	16 8	..	..	4,214	3 4
Minister of Justice .. .. .	142,127	0 0	136,922	2 11	..	..	5,204	17 1
Postmaster-General .. .. .	491,892	0 0	485,860	6 0	..	..	6,031	14 0
Commissioner of Trade and Customs .. .. .	87,090	0 0	87,028	12 7	..	..	61	7 5
Commissioner of Stamps .. .. .	27,059	0 0	27,584	13 2	525	13 2	..	..
Minister of Education .. .. .	535,681	0 0	526,820	5 1	..	..	8,860	14 11
Lunacy and Charitable .. .. .	70,926	0 0	74,798	9 6	3,872	9 6	..	..
Department of Labour .. .. .	9,585	0 0	8,530	19 2	..	..	1,054	0 10
Minister of Mines .. .. .	20,906	0 0	18,999	6 0	..	..	1,906	14 0
Minister for Agriculture .. .. .	92,123	0 0	99,427	13 8	7,304	13 8	..	..
Working Railways .. .. .	1,408,840	0 0	1,354,150	19 2	..	..	54,689	0 10
Public Buildings .. .. .	50,800	0 0	51,848	7 2	1,048	7 2	..	..
Defence Department .. .. .	219,863	0 0	217,104	13 11	..	..	2,758	6 1
Police Department .. .. .	124,063	0 0	123,698	19 2	..	..	364	0 10
Department of Lands and Survey .. .. .	128,996	0 0	129,443	4 4	447	4 4	..	..
Valuation Department .. .. .	26,415	0 0	26,248	3 6	..	..	166	16 6
Rates on Crown Lands .. .. .	900	0 0	457	2 1	..	..	442	17 11
Services not provided for .. .. .	..	..	9,027	5 4	9,027	5 4	..	..
					94,092	17 4	107,223	0 4
							94,092	17 4
Totals .. .. .	6,227,149	0 0	6,214,018	17 0	..	..	13,130	3 0

Surplus, 31st March, 1902 .. .. .	£	s. d.	£	s. d.
Less—				
Amount applied in aid of Public Works Fund .. .. .	200,000	0 0	70,488	17 9
Actual receipts, 1902–3 .. .. .	6,447,435	11 9		
Actual expenditure, 1902–3 .. .. .	6,214,018	17 0		
			233,416	14 9
Surplus at 31st March, 1903 .. .. .			£303,905	12 6

Table No. 3.  
The PUBLIC DEBT of NEW ZEALAND on 31st MARCH, 1903.

	AMOUNT OUTSTANDING.		DUE DATE.	SINKING FUNDS ACCRUED.	NET INDEBTEDNESS.	ANNUAL CHARGE.			REMARKS.	
	£	%				Rate.	Amount.	When payable.		
										Int.
New Zealand Loan Act, 1863 .. .. .	266,300	5	15 July, 1914	146,492	119,808	5	1	15,978	15 Jan. and 15 July.	
Consolidated Loan Act, 1867 .. .. .	236,400	5	Ann. drawing	..	236,400	5	..	11,820	Quarterly, 15 Jan., &c.	
Immigration and Public Works Loan Act, 1870 ..	1,000,000*	4	1 June, 1907	756,158	243,842	4	2.4	64,000	1 June and 1 Dec.	Sinking Fund payable 13 Mar. and 13 Sept.
Canterbury Loan Ordinance, 1862 .. .. .	15,200	6	{ 2 Jan., 1915 2 July, 1916	14,258	942	6	1	1,120	30 June " 31 Dec.	*Only £200,000 has actually been issued to the public.
Consolidated Loan Act, 1867 .. .. .	13,000	4	15 April, 1913	..	13,000	4	..	520	15 April " 15 Oct.	
Immigration and Public Works Loan Act, 1870	363,000	4	15 April, 1913	..	363,000	4	..	14,520	15 April " 15 Oct.	
Defence and Other Purposes Loan Act, 1870	27,900	4½	15 April, 1913	..	27,900	4½	..	1,256	15 April " 15 Oct.	
	25,000	4½	1 July, 1910	..	25,000	4½	..	1,125	30 June " 31 Dec.	
	75,000	4	15 April, 1913	..	75,000	4	..	3,000	15 April " 15 Oct.	
	17,400	4	15 Oct., 1913	..	17,400	4	..	696	15 April " 15 Oct.	
General Purposes Loan Act, 1873 .. .. .	10,800	4	15 May, 1914	..	10,800	4	..	432	15 May " 15 Nov.	
	54,700	5	{ 28 Nov., 1914 1 July, 1909	..	54,700	5	..	2,735	15 May " 15 Nov.	
District Railways Purchasing Acts, 1885-86	40,000	6	{ 1 July, 1909 1 April, 1905	..	40,000	6	..	2,400	1 April " 1 Oct.	
	97,100	4		..	97,100	4	..	3,884		
Government Loans to Local Bodies Act, 1886 ..	250,300	3½	1 Sept., 1907	..	250,300	3½	†	33,071	1 Mar. " 1 Sept.	†The Sinking Fund is payable on £2,022,100 (1½ per cent. on £1,402,435, 1 per cent. on £35,225, and ½ per cent. on £584,440); the Land Assurance Fund is also charged with ½ per cent. as a contribution towards Sinking Fund.
Consolidated Stock Act, 1877 .. .. .	29,150,302	4	{ 1 Nov., 1929 1 Jan., 1940	..	29,150,302	4	..	1,166,012	1 May* " 1 Nov.	
	6,161,167	3½	{ 1 Jan., 1940 1 April, 1945	..	6,161,167	3½	..	215,641	1 Jan. " 1 July	
	9,512,997	3		..	9,512,997	3	..	285,930†	1 April " 1 Oct.	
Consolidated Stock Act, 1884— Colonial Issue .. .. .	272,000	3½	{ 1 Sept., 1905 31 Dec., 1907	..	781,500	3½	..	27,352	1 Mar. " 1 Sept.	
	509,500	3½		..	509,500	3½	..	4,375	30 April " 31 Oct.	†£89,700 of this amount will be recouped by the Government Advances to Settlers Office.
Native Land Purchases Act, 1892 (Renewed under the Aid to Public Works and Land Settlement Act, 1899)	..	..	31 Oct., 1906	..	125,000	..	..	..	..	
Land for Settlements Act, 1892 (Renewed under the Land for Settlements Acts Amendment Act, 1899)	..	..	31 Oct., 1906	..	45,276	..	..	1,585	30 April " 31 Oct.	
Lands Improvement and Native Lands Acquisition Act, 1894	400,000	4	30 Sep., 1908	..	283,000	4	..	11,320	31 Mar. " 30 Sept.	
New Zealand Consols Act, 1894	472,556	3½	1 Feb., 1910	..	117,000	3½	..	4,095	31 Mar. " 30 Sept.	
	..	3½		..	472,556	3½	..	16,540	1 Feb. " 1 Aug.	
Carried forward .. .. .	49,140,898	..	..	916,908	48,223,990	..	..	1,888,867	..	



Table No. 4.

STATEMENT of the ESTIMATED LIABILITIES chargeable on the CONSOLIDATED FUND (REVENUE ACCOUNT) outstanding on the 31st MARCH, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, and 1903.

	31st March, 1894.	31st March, 1895.	31st March, 1896.	31st March, 1897.	31st March, 1898.	31st March, 1899.	31st March, 1900.	31st March, 1901.	31st March, 1902.	31st March, 1903.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
<b>REVENUE ACCOUNT.</b>										
Permanent Appropriations,—										
Civil List .. .. .	370 0 0	437 0 0	350 0 0	894 11 8	950 0 0	.. .. .	991 15 0	505 0 0	793 6 6	632 14 5
Interest and Sinking Fund .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	15,000 0 0
Under Special Acts of the Legislature .. .. .	22 18 10	9 4 6	155 2 0	163 4 6	214 8 0	.. .. .	731 14 11	930 1 4	381 7 0	36 3 4
Subsidies payable to Local Authorities .. .. .	897 16 4	959 3 10	1,170 3 0	651 15 0	631 5 0	160 17 11	967 12 6	136 18 0	313 1 0	126 0 0
Under the Land Acts, payable to Local Authorities .. .. .	2,553 2 1	2,553 2 1	2,553 2 1	2,553 2 1	1,824 17 2	1,824 0 6	1,757 0 1	1,757 0 1	1,757 0 1	1,757 0 1
	3,843 17 3	3,958 10 5	4,228 7 1	4,262 13 3	3,620 10 2	1,984 18 5	4,348 2 6	3,328 19 5	3,744 14 7	17,541 17 10
<b>Annual Appropriations,—</b>										
Legislative .. .. .	222 10 0	10 13 0	15 17 7	6,430 5 9	87 4 11	45 5 10	33 19 4	51 1 2	85 11 8	91 10 2
Colonial Secretary .. .. .	3,081 17 6	2,689 17 9	3,876 19 10	2,550 0 0	3,083 0 0	2,247 17 3	6,583 4 6	12,898 9 7	10,604 5 11	6,991 15 7
Colonial Treasurer .. .. .	100 0 0	150 0 0	23 9 0	3,590 0 0	812 6 11	50 0 0	70 0 0	2,653 0 0	87 0 4	144 2 11
Minister of Justice .. .. .	5,109 5 7	2,525 6 2	3,974 13 2	3,590 0 0	3,605 0 0	3,789 12 2	2,397 14 3	2,542 4 7	2,155 10 5	1,901 0 7
Postmaster-General .. .. .	12,601 13 2	19,460 0 0	15,912 0 0	17,452 0 0	22,689 3 2	17,880 0 0	21,247 0 0	28,276 0 0	34,029 0 0	32,902 0 0
Commissioner of Customs .. .. .	2,584 13 7	2,837 0 1	3,936 1 8	3,469 1 2	6,218 8 4	4,564 12 3	4,646 10 9	5,750 17 1	3,662 1 1	2,990 19 6
Commissioner of Stamps .. .. .	207 17 10	282 17 0	219 2 7	451 2 0	346 1 0	745 3 11	523 16 8	506 14 2	1,054 9 7	473 15 7
Minister of Education .. .. .	3,734 19 11	2,333 8 7	1,268 8 9	1,361 4 7	418 0 0	651 17 4	1,970 19 7	1,724 2 11	1,411 10 7	724 11 8
Minister of Labour .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .
Minister of Mines .. .. .	76 14 11	57 7 4	815 10 5	213 10 10	149 19 7	56 2 8	42 9 0	112 19 6	390 14 2	629 15 4
Minister for Agriculture .. .. .	1,815 4 4	1,936 10 7	2,037 4 3	2,266 17 3	2,521 16 10	2,633 18 10	4,335 1 5	3,202 6 2	2,033 16 0	8,390 2 0
Working Railways .. .. .	56,669 5 0	61,912 6 2	52,542 7 4	65,971 3 1	74,818 16 6	66,169 16 11	74,911 6 6	90,777 9 3	95,972 4 10	109,375 4 0
Public Buildings .. .. .	742 10 0	413 12 3	108 14 4	181 14 9	2,556 5 4	.. .. .	185 0 0	81 0 0	312 16 6	470 5 7
Minister of Defence* .. .. .	1,875 0 0	1,000 0 0	4,000 0 0	3,463 0 0	7,580 0 0	4,500 0 0	9,925 0 0	44,050 0 0	21,856 8 9	10,740 12 3
Minister of Lands .. .. .	8,000 1 2	6,585 0 0	6,639 0 0	4,142 10 9	15,008 10 10	10,175 11 4	4,908 10 5	9,587 1 9	2,131 2 4	6,029 1 10
Rates on Crown Lands .. .. .	138 8 4	184 4 7	100 0 0	60 0 0	.. .. .	735 18 4	838 7 9	280 0 4	278 9 1	296 6 10
Valuation Department .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	460 0 0	600 0 0	980 0 0	836 17 11	811 19 2
	96,960 1 4	102,328 3 6	95,489 8 11	111,602 10 2	139,894 13 5	114,655 16 10	133,225 0 2	203,474 7 5	180,575 4 8	182,963 3 0
Services not provided for .. .. .	814 2 9	420 4 9	.. .. .	522 8 0	.. .. .	.. .. .	3 7 6	25 0 0	.. .. .	.. .. .
<b>Totals .. .. .</b>	101,618 1 4	106,706 18 8	99,717 16 0	116,387 11 5	143,515 3 7	116,640 15 3	137,576 10 2	206,828 6 10	184,319 19 3	200,505 0 10

\* Includes Police liabilities.

**Table No. 5.**  
**STATEMENT of the ESTIMATED LIABILITIES chargeable on the PUBLIC WORKS FUND outstanding on the 31st MARCH, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, and 1903.**

	31st March, 1894.	31st March, 1895.	31st March, 1896.	31st March, 1897.	31st March, 1898.	31st March, 1899.	31st March, 1900.	31st March, 1901.	31st March, 1902.	31st March, 1903.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Annual Appropriations—										
Immigration .. .. .	103,344 1 8	127,972 16 10	96,998 2 11	110,632 8 4	77,167 7 4	77,870 15 4	155 19 4	591,995 19 0	113,537 8 2	217,089 10 5
Railways .. .. .	116,227 18 10	191,480 17 0	148,874 19 6	213,856 11 1	268,798 12 2	310,764 9 3	403,638 4 6	447,388 4 5	100,224 16 3	249,281 1 9
Roads .. .. .	900 0 0	7,860 19 7	15,265 10 10	29,910 16 10	7,135 6 7	6,625 15 8	5,375 9 5	2,010 15 0	8,116 5 7	300 0 0
Waterworks on Goldfields	9,581 0 0	13,987 0 0	4,000 0 0	16,288 0 0	11,722 0 0	.. .. .	20,273 0 0	26,989 0 0	43,873 0 0	27,409 0 0
Telegraph Extension	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .
Tourist and Health Resorts	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .
Public Buildings .. .. .	12,407 0 0	29,336 15 11	33,044 18 3	24,180 7 10	14,806 5 2	28,030 0 0	44,346 9 4	73,375 2 4	27,812 6 11	34,596 9 0
Lighthouses and Harbour-works	954 0 0	3,626 8 3	6,573 19 2	1,884 2 2	3,229 12 9	3,826 0 0	3,988 19 10	10,313 16 7	902 9 1	1,760 7 11
Rates on Native Lands .. .. .	185 9 7	287 14 5	110 0 0	110 0 0	439 1 2	715 18 11	554 5 8	22 14 8	370 19 8	355 2 2
Native Lands Purchases	.. .. .	24,137 7 2	25,768 13 3	31,549 11 4	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	4,566 0 0
Contingent Defence .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .
Miscellaneous .. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .
Totals .. .. .	243,609 10 1	398,689 19 2	330,636 3 11	435,636 17 7	394,427 5 2	446,282 19 2	2494,895 4 10	1,292,095 12 0	316,274 7 4	586,565 19 3

**STATEMENT of the ESTIMATED LIABILITIES chargeable on the undermentioned Accounts outstanding on the 31st MARCH, 1894, 1895, 1896, 1897, 1899, 1900, 1901, 1902, and 1903.**

	31st March, 1894.	31st March, 1895.	31st March, 1896.	31st March, 1897.	31st March, 1898.	31st March, 1899.	31st March, 1900.	31st March, 1901.	31st March, 1902.	31st March, 1903.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
State Forests Account .. .. .	.. .. .	.. .. .	.. .. .	574 9 7	454 19 7	723 17 7	302 8 6	1,067 16 0	251 16 4	780 1 8
State Coal-mines Account .. .. .	.. .. .	.. .. .	.. .. .	3,492 16 0	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	331 19 0
Cheviot Estate Account .. .. .	3,000 0 0	2,400 0 0	180 0 0	104,951 15 11	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .	.. .. .
Land for Settlements Account .. .. .	400 0 0	101,121 0 0	160,171 19 9	21,058 9 8	21,833 16 1	3,671 6 4	2,405 5 4	4,820 11 0	990 4 3	3,546 9 1
Loans to Local Bodies Account .. .. .	.. .. .	.. .. .	.. .. .	21,058 9 8	27,238 1 2	34,717 16 6	32,034 4 10	33,259 0 4	1,125 5 5	3,189 0 0

Table No. 6.  
STATEMENT showing the Total WAYS and MEANS of the PUBLIC WORKS FUND and the Total Net EXPENDITURE to the 31st MARCH, 1903.

WAYS AND MEANS.		£	s.	d.	£	s.	d.	NET EXPENDITURE.	£	s.	d.
<b>LOANS:—</b>								Expenditure on—			
Immigration and Public Works Loan, 1870	..	4,000,000	0	0				Immigration ..	2,148,000	5	11
Immigration and Public Works Loan, 1873	..	2,000,000	0	0				Public Works, Departmental ..	491,086	12	7
Immigration and Public Works Loan, 1874	..	4,000,000	0	0				Railways, including Surveys of New Lines	19,261,719	4	1
General Purposes Loan Act, 1873 ..	..	750,000	0	0				Roads ..	6,248,248	1	0*
New Zealand Loan Act, 1876 ..	..	750,000	0	0				Land Purchases ..	1,999,013	12	3
New Zealand Loan Act, 1877 ..	..	2,200,000	0	0				Development of Goldfields ..	725,891	9	11
New Zealand Loan Act, 1879 ..	..	5,000,000	0	0				Telegraph Extension ..	1,006,465	9	11
New Zealand Loan Act, 1882 ..	..	8,000,000	0	0				Public Buildings ..	2,852,704	11	9
New Zealand Colonial-inscribed Stock Loan Act, 1882	..	250,000	0	0				Lighthouses, Harbour Works and Defences	991,353	2	3
North Island Main Trunk Railway Loan Act, 1882 ..	..	1,000,000	0	0				Contingent Defence ..	733,839	8	4
New Zealand Loan Act, 1884 ..	..	1,500,000	0	0				Rates on Native Lands..	65,268	2	3
New Zealand Loan Act, 1886 ..	..	1,325,000	0	0				Thermal Springs ..	14,599	13	2
District Railways Purchasing Acts, 1885 and 1886 ..	..	479,487	7	11				Tourist and Health Resorts	22,208	15	3
New Zealand Loan Act, 1888 ..	..	1,000,000	0	0				Lands Improvement ..	4,089	17	5
Native Land Purchase Act, 1892 ..	..	149,700	0	0				Charges and Expenses of raising Loans	1,151,055	7	3
Lands Improvement and Native Lands Acquisition Act, 1894 ..	..	500,000	0	0				Coal-mines ..	10,835	8	0
Aid to Public Works and Land Settlement Acts	..	5,710,000	0	0				Interest and Sinking Fund ..	218,500	0	0
Temporary Advances on Security of Short-dated Debentures ..	..	300,000	0	0					37,944,829	1	4
					33,914,187	7	11				
<b>RECEIPTS IN AID:—</b>											
Amount transferred from Consolidated Fund	..	3,405,000	0	0							
Contributions of Canterbury Province for Railways ..	..	56,000	0	0							
Stamp Duties to 31st December, 1876 ..	..	284,657	16	4							
Transfer from Confiscated Lands Liabilities Account	..	19,963	1	3							
Proceeds of Railway Material handed over to Cook County Council ..	..	4,963	7	4							
Special Receipts under section 9 of "The Railways Construction Act, 1878" ..	..	60,616	3	0							
Special Receipts under the Ellesmere Lake Lands Acts, 1888 and 1893 ..	..	31,348	13	7							
Special Receipts under "The Railways Authorisation and Management Act, 1891" ..	..	2,257	1	9							
Special Receipts under "The North Island Main Trunk Railway Loan Application Act, 1886" ..	..	17,581	5	0				Balance on 31st March, 1903,—	287,342	2	0
Sinking Funds released ..	..	506,819	19	3				Cash in the Public Account ..	51,223	12	1
					4,369,207	7	6	Advances in the hands of Officers of the Government			
									338,565	14	1
					£38,283,394	15	5		£38,283,394	15	5

\* Has been reduced by £89,900 received under section 31 of "The Government Loans to Local Bodies Act, 1886."



Table No. 7.

ESTIMATED EXPENDITURE of the CONSOLIDATED FUND (Revenue Account) for 1903-4, compared with Actual Expenditure of 1902-3.

	Estimate for 1903-4.	Actual for 1902-3.	Differences.	
			Increase.	Decrease.
REVENUE ACCOUNT.				
Civil List .. .. .	£ 33,100	£ 32,269	£ 831	£ ..
Interest and Sinking Fund .. .. .	1,940,651	1,900,979	39,672	..
Under special Acts .. .. .	625,248	646,172	..	20,924
	2,598,999	2,579,420	40,503	20,924
Annual Appropriations,—				
Legislative Departments .. .. .	21,101	19,735	1,366	..
Colonial Secretary's Department .. .. .	55,052	120,877	..	65,825
Public Health Department .. .. .	21,444	22,755	..	1,311
Industries and Commerce and Tourist Department .. .. .	43,377	18,680	24,697	..
Colonial Treasurer's Department .. .. .	39,228	35,405	3,823	..
Old-age Pensions Department .. .. .	3,876	3,806	70	..
Justice Department .. .. .	139,670	136,922	2,748	..
Postal and Telegraph Department .. .. .	524,670	485,860	38,810	..
Customs and Marine Department .. .. .	39,726	36,010	3,716	..
Marine and Harbours, &c. .. .. .	53,541	51,019	2,522	..
Printing and Stationery .. .. .	34,019	35,847	..	1,828
Stamps and Deeds Department .. .. .	28,232	27,585	647	..
Education Department .. .. .	555,440	526,820	28,620	..
Lunacy and Charitable Department .. .. .	75,895	74,799	1,096	..
Department of Labour .. .. .	10,010	8,531	1,479	..
Mines Department .. .. .	20,366	18,999	1,367	..
Department of Agriculture .. .. .	98,781	99,428	..	647
Working Railways Department .. .. .	1,360,000	1,354,151	5,849	..
Public and School Buildings and Domains .. .. .	47,055	51,848	..	4,793
Defence Department .. .. .	160,113	217,105	..	56,992
Police Department .. .. .	127,433	123,699	3,734	..
Lands and Survey Department .. .. .	169,410	129,443	39,967	..
Valuation Department .. .. .	28,419	26,248	2,171	..
	3,656,858	3,625,572	162,682	131,396
Services not provided for .. .. .	..	9,027	..	9,027
Total .. .. .	6,255,857	6,214,019	203,185	161,347

Table No. 8.

ESTIMATED REVENUE of the CONSOLIDATED FUND (Revenue Account) for 1903-4, compared with the Actual Revenue of 1902-3.

	Estimate for 1903-4.	Actual for 1902-3.	Differences.	
			Increase.	Decrease.
REVENUE ACCOUNT.				
Customs .. .. .	£ 2,400,000	£ 2,335,643	£ 64,357	£ ..
Railways .. .. .	2,000,000	1,982,551	17,449	..
Stamps .. .. .	983,000	978,939	4,061	..
Land-tax .. .. .	300,000	296,062	3,938	..
Income-tax .. .. .	210,000	200,684	9,316	..
Beer Duty .. .. .	89,000	90,400	..	1,400
Registration and other Fees .. .. .	84,000	83,881	119	..
Marine .. .. .	32,000	32,968	..	968
Miscellaneous .. .. .	130,000	133,203	..	3,203
Territorial Revenue .. .. .	240,000	252,278	..	12,278
	6,468,000	6,386,609	99,240	17,849
Sinking Fund increases .. .. .	60,600	57,500	3,100	..
			102,340	17,849
Total .. .. .	6,528,600	6,444,109	84,491	..

Table No. 9.

STATEMENT showing the Amount charged to "UNAUTHORISED" in each Financial Year from 1st July, 1875, to 31st March, 1903.

FINANCIAL YEAR.	CONSOLIDATED FUND.—REVENUE ACCOUNT.						OTHER ACCOUNTS.	PUBLIC WORKS FUND.	TOTAL.			
	Services not provided for.		Excess of Votes.		Total.							
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1875-76 .. ..	13,167	4	8	19,195	17	1	32,363	1	9	3,155	9	2
1876-77 .. ..	18,397	17	1	13,398	7	0	31,796	4	1	3,490	6	1
1877-78 .. ..	19,079	12	6	58,709	17	2	77,789	9	8	653	6	5
1878-79 .. ..	11,413	16	1	47,466	4	5	58,880	0	6	3,938	14	8
1879-80 .. ..	5,818	9	9	18,466	2	1	24,284	11	10	1,005	3	10
1880-81 .. ..	6,151	13	9	37,825	6	6	43,977	0	3	13,443	11	3
1881-82 .. ..	3,899	16	3	38,474	18	9	42,374	15	0	13,590	6	10
1882-83 .. ..	4,473	15	8	64,631	0	2	69,104	15	10	12,343	2	2
1883-84 .. ..	7,293	9	9	45,284	2	6	52,577	12	3	9,003	18	7
1884-85 .. ..	5,981	17	8	39,039	17	11	45,021	15	7	7,163	15	3
1885-86 .. ..	9,337	11	2	47,106	10	3	56,444	1	5	13,965	10	1
1886-87 .. ..	14,337	19	7	38,117	13	5	52,455	13	0	6,212	16	7
1887-88 .. ..	7,303	17	10	42,104	15	10	49,408	13	8	27,821	16	11
1888-89 .. ..	3,521	18	2	35,157	16	5	38,679	14	7	13,506	2	8
1889-90 .. ..	4,412	5	3	43,257	1	0	47,669	6	3	23,631	7	1
1890-91 .. ..	10,610	1	0	76,778	5	11	87,388	6	11	5,459	18	11
1891-92 .. ..	2,288	3	2	21,026	16	4	23,314	19	6	9,183	10	6
1892-93 .. ..	1,741	7	10	28,233	15	11	30,025	3	9	4,754	17	10
1893-94 .. ..	2,350	7	0	7,376	7	4	9,726	14	4	522	12	2
1894-95 .. ..	8,985	3	7	9,148	0	5	18,133	4	0	1,890	7	5
1895-96 .. ..	22,422	16	10	16,229	5	9	38,652	2	7	16,995	9	9
1896-97 .. ..	3,188	17	7	24,195	2	9	27,384	0	4	24,726	3	6
1897-98 .. ..	2,258	19	7	39,314	13	4	41,573	12	11	4,743	17	10
1898-99 .. ..	3,305	15	11	36,468	0	10	39,773	16	9	2,304	8	10
1899-1900 .. ..	11,187	13	8	60,652	13	7	71,840	7	3	..	..	..
1900-1901 .. ..	26,367	18	6	62,788	3	2	89,156	1	8	662	7	7
1901-1902 .. ..	3,836	7	0	68,866	10	9	72,702	17	9	253	8	10
1902-1903 .. ..	9,027	5	4	101,076	10	4	110,103	15	8	200	0	0
										12,837	3	6
										123,140	19	2

Table No. 10.

STATISTICS FOR 1883, 1892, 1902.

Population :—					Per Cent.	As compared with
1883	...	...	540,877			
1892	...	...	650,433	...	Increase	1883
1902	...	...	807,929	...	"	1892
Imports and Exports :—			£			
1883	...	...	15,070,037			
1892	...	...	16,477,907	...	Increase	1883
1902	...	...	24,973,700	...	"	1892
Imports, Total Value :—						
1883	...	...	7,974,038			
1892	...	...	6,943,056	...	Decrease	1883
1902	...	...	11,326,723	...	Increase	1892
Exports, Total Value :—						
1883	...	...	7,095,999			
1892	...	...	9,534,851	...	Increase	1883
1902	...	...	13,646,977	...	"	1892

Table No. 11.

VALUE OF SOME OF THE PRINCIPAL EXPORTS.

	1883.	1892.	1902.
	£	£	£
Wool ... ..	3,014,211	4,313,307	3,354,563
Grain ... ..	1,286,724	816,272	786,548
Frozen meat ... ..	118,328	1,033,377	2,718,763
Butter ... ..	42,020	227,162	1,205,802
Cheese ... ..	6,892	99,626	163,539
Flax, New Zealand ... ..	36,761	214,542	534,031
Gold ... ..	892,445	951,963	1,951,426
Gum, Kauri- ... ..	336,606	517,678	450,223

Table No. 12.

TRADE EXCHANGE BETWEEN NEW ZEALAND AND OTHER COUNTRIES.

Imports from	1883.	1892.	Increase or Decrease as com- pared with 1883.	1902.	Increase or Decrease as com- pared with 1892.
<i>Imports.</i>					
	£	£	Per Cent	£	Per Cent.
United Kingdom ... ..	5,241,847	4,767,369	Decrease 9·1	6,851,452	Increase 43·7
Australia ... ..	1,576,183	1,112,099	" 29·4	1,715,295	" 54·2
South Africa* ... ..	1,254	25	...	997	...
India and Mauritius ... ..	466,265	239,534	Decrease 48·6	437,299	Increase 82·6
European countries ... ..	30,997	120,723	Increase 289·5	394,887	" 227·1
United States of America ... ..	419,250	381,627	Decrease 9·0	1,318,937	Increase 245·6
Other places ... ..	238,242	321,679	Increase 35·0	607,856	" 89·0
Totals ... ..	7,974,038	6,943,056	Decrease 12·9	11,326,723	Increase 63·1
<i>Exports.</i>					
Exports to					
United Kingdom ... ..	5,346,893	7,483,618	Increase 40·0	9,450,648	Increase 26·3
Australia ... ..	1,109,813	1,367,314	" 23·2	2,684,350	" 96·3
South Africa* ... ..	36,163	4,378	...	754,059	...
European countries ... ..	...	9,701	...	16,061	Increase 65·6
United States of America ... ..	430,989	520,797	Increase 20·8	489,964	Decrease 5·9
Other places ... ..	172,141	149,043	Decrease 13·4	249,895	Increase 67·7
Totals ... ..	7,095,999	9,534,851	Increase 34·4	13,644,977	Increase 43·1

\* The trade having been insignificant until 1902, the percentages have not been worked out.



Table No. 16.

STATEMENT showing TOTAL SHIPMENTS to SOUTH AFRICAN PORTS by SUBSIDISED STEAMERS from November, 1902, to 14th July, 1903.

		Quantity.	Value.		
<i>Frozen cargo,—</i>					
253,322	carcases mutton	141,086,032 lb.	£	s.	d.
7,413	" lamb	333,505 lb.	126,661	0	0
41,665	quarters beef	7,499,700 lb.	2,965	4	0
25	packages beef	1,000 lb.	93,746	5	0
5,775	sides pork	866,250 lb.	12	10	0
24,128	boxes butter	1,351,168 lb.	18,046	17	6
100	crates rabbits	400 dozen	67,558	8	0
5,498	cases meat sundries	1,231,552 lb.	120	0	0
2,602	crates poultry	62,448 birds	15,394	8	0
552	cases fish	61,824 lb.	7,806	0	0
202	sacks hams	2,020 hams...	772	16	0
155	cases milk	...	1,010	0	0
			174	7	6
			<u>£334,267 16 0</u>		
<i>General cargo,—</i>					
175,969	sacks oats	703,876 bushels	64,521	19	4
250	" wheat	...	187	10	0
4,744	" bran...	...	2,846	8	0
158	" barley	...	118	10	0
20	" seed...	67 bushels	13	8	0
134	" pollard	13 tons 8 cwt.	67	0	0
20	" peas...	40 bushels	8	0	0
31	" oatmeal	3 tons 2 cwt.	32	11	0
2,823	cases potatoes	141 tons 3 cwt.	776	6	6
534	sacks potatoes	53 tons 8 cwt.	293	14	0
13	cases onions	13 cwt.	3	18	0
30	casks tallow	9 tons	270	0	0
43	bundles leather	172 cwt.	344	0	0
60	casks fruit-pulp	300 cwt.	495	0	0
204	crates box timber	...	102	0	0
42	packages agricultural machinery	...	500	0	0
41	packages ale	328 dozen	65	12	0
35	cases apples	...	8	15	0
1,786	" preserved meats	400,064 lb.	5,000	16	0
337	crates cheese	67,400 lb.	1,685	0	0
379	packages sundries	...	1,000	0	0
			<u>£78,340 7 10</u>		
<i>Live-stock,—</i>					
5	horses	...	150	0	0
8	yearling cattle	...	80	0	0
12,634	sheep	...	9,475	10	0
11	lambs	...	6	12	0
105	rams	...	210	0	0
			<u>£9,922 2 0</u>		
			<u>£422,530 5 10</u>		
<i>Summary.</i>					
Frozen cargo	...	...	£	s.	d.
General cargo	...	...	334,267	16	0
Live-stock	...	...	78,340	7	10
Total	...	...	9,922	2	0
			<u>£422,530 5 10</u>		

Table No. 17.

STATEMENT showing SHIPMENTS to WESTERN AUSTRALIA by SUBSIDISED STEAMERS from November, 1902, to 14th July, 1903.

—	Quantity.	Value.
<i>Frozen cargo,—</i>		
7,979 carcasses mutton ... ..	...	£ 3,989 10 0
1,200 " lamb ... ..	...	480 0 0
400 boxes butter ... ..	22,400 lb. ...	1,120 0 0
70 cases fish ... ..	7,840 lb. ...	98 0 0
5 " milk... ..	...	5 12 6
		£5,693 2 6
<i>General cargo,—</i>		
3 sacks seed ... ..	...	1 10 0
1,361 " bran... ..	...	816 12 0
50 cases champagne ... ..	...	300 0 0
20,155 superficial feet timber ... ..	...	141 1 9
106 cases cheese ... ..	21,200 lb. ...	530 0 0
2,391 sacks oats ... ..	9,564 bushels	876 14 0
11 packages sundries ... ..	...	100 0 0
		£2,765 17 9
<i>Live-stock,—</i>		
99 sheep ... ..	...	£74 5 0
<i>Summary.</i>		
Frozen cargo ... ..	...	£ 5,693 2 6
General cargo ... ..	...	2,765 17 9
Live-stock ... ..	...	74 5 0
Total ... ..	...	£8,533 5 3

Table No. 18.

TABLE SHOWING THE INCREASES IN THE UNDERMENTIONED INDUSTRIES FOR THE YEARS 1885 TO 1900.

Industry.	1885.	1900.	Increase.
Meat freezing and preserving and boiling-down works... ..	£ 543,878	£ 3,834,891	£ 3,291,013
Tanning, fellmongering, and wool-scouring ... ..	634,915	1,888,107	1,253,192
Butter and cheese factories... ..	43,094	1,535,150	1,492,056
Sawmills and sash and door factories	1,177,713	1,268,689	90,976
Iron and brass foundries, boiler-making, machinists, &c. (not including Government railway workshops) ...	368,919	924,171	555,252
Clothing and boot and shoe factories...	514,506	858,280	343,774
Printing establishments (not including Government Printing Office) ...	273,886	704,285	430,399
Breweries and malthouses ... ..	421,197	659,298	238,101
Woollen-mills ... ..	194,311	359,382	165,071
Gasworks ... ..	194,653	290,567	95,914
Furniture and cabinetmaking ...	162,375	241,024	78,649
Coach building and painting works ...	128,346	216,077	87,731
Flax-mills ... ..	20,059	203,492	183,433
Biscuit-factories ... ..	47,784	197,989	150,205
Chaff-cutting works ... ..	54,440	169,313	114,873
Bacon-curing ... ..	58,799	159,564	100,765
Soap and candle works ... ..	130,745	158,649	27,904
Aerated-water factories ... ..	94,098	151,811	57,713
Agricultural-implement factories ...	111,823	138,094	26,271
Brick, tile, and pottery works ...	91,797	122,230	30,433
Spouting and ridging works ...	25,478	112,691	87,213
Tinware-factories ... ..	8,500	98,587	90,087
Sugar-boiling and confectionery works	17,130	88,580	71,450
Rope and twine works ... ..	56,413	87,863	31,450
Cycle-factories ... ..	1,301	65,047	63,746
Chemical-works ... ..	34,283	64,834	30,551
Fruit-preserving and jam-making works	32,292	58,092	25,800
Lime and cement works ... ..	16,928	45,142	28,214
Sail, tent, and oilskin works ...	25,574	44,854	19,280
Bone-mills and other manure-works ...	8,337	40,298	31,961
Cooperages ... ..	11,862	37,521	25,659
Hosiery-factories ... ..	6,200	31,265	25,065
Sauce and pickle works ... ..	3,145	31,258	28,113
Hat and cap factories ... ..	13,695	25,641	11,946
Fish curing and preserving works ...	12,182	25,173	12,991
Brush and broom factories ... ..	7,786	21,131	13,345
Baking-powder factories ... ..	4,120	18,163	14,043
Basket and perambulator factories ...	4,375	17,942	13,567
Venetian-blind factories ... ..	6,470	13,233	6,763
Colonial-wine works ... ..	3,626	10,330	6,704

Table No. 19.

POST AND TELEGRAPH DEPARTMENT.

Comparison of Business for the Decennial Periods 1882-1892 and 1892-1902.

Class.	1882.	1892.	1902.	Increase Per Cent. 1892 over 1882.	Increase Per Cent. 1902 over 1892.
Letters posted ... ..	14,998,860	25,530,804	53,278,875	70	109
Telegrams ... ..	1,570,189	1,904,143	4,559,304	21	139
Exchange subscribers ... ..	379	3,811	10,633	906	179
Money-orders issued ... ..	148,162	199,438	367,207	35	84
Postal notes ... ..	...	240,019	616,264	Inf.	157
Savings-Bank deposits ... ..	£1,325,852	£1,878,270	£5,069,619	42	170
Amount at credit of depositors	£1,470,951	£2,863,670	£6,883,787	95	140
Number of deposits ... ..	129,952	186,945	411,215	44	120
Excess of deposits over withdrawals	£183,253	£56,921	£360,848	(Dec. 69)	534
Revenue ... ..	£264,635	£318,759	£525,099	20	65
Post-offices ... ..	900	1,263	1,807	40	43
Expenditure ... ..	£254,548	£278,394	£487,814	9	75

Table No. 20.

COMPARISON OF THE RAILWAY TRAFFIC AND ROLLING-STOCK ACCOMMODATION FOR TWENTY YEARS.

	First Decade.				Second Decade.			
	1st April, 1883.	31st March, 1893.	Increase.	Increase per Cent.	1st April, 1893.	31st March, 1903.	Increase.	Increase per Cent.
Passengers ..	3,272,644	3,759,044	486,400	15	3,972,701	7,575,390	3,602,689	90
Season tickets ..	9,036	16,504	7,468	83	17,226	118,431	1,205	588
Coaching items ..	360,802	461,304	100,502	28	487,580	780,347	292,767	60
Drays ..	939	796	Dec. 143	Dec. 15	831	1,921	1,090	131
Cattle ..	29,675	33,597	3,922	13	39,223	102,461	63,238	161
Sheep ..	627,090	1,321,046	693,956	111	1,356,434	3,821,333	2,464,899	182
Pigs ..	29,522	38,814	9,292	31	38,022	61,844	23,822	63
Goods (tonnage) ..	1,700,039	2,193,330	493,291	29	2,060,645	3,730,394	1,669,749	81
Passenger revenue ..	£336,378	£390,619	£54,241	16	£402,020	£625,698	£223,678	56
Coaching revenue ..	£35,143	£44,801	£9,658	27	£45,206	£87,273	£42,067	93
Goods revenue ..	£589,783	£746,101	£156,318	26	£725,567	£1,261,067	£535,500	74
Total revenue ..	£961,304	£1,181,521	£220,217	23	£1,172,793	£1,974,038	£801,245	68
Miles operated ..	1,396	1,886	490	35	1,948	2,291	343	18
Locomotives ..	218	269	51	23	268	372	104	39
Carriages ..	450	491	41	9	496	751	255	51
Wagons and vans ..	7,076	8,357	1,281	18	8,418	12,992	4,574	54
Employees ..	4,839	4,462	Dec. 377	Dec. 8	4,920	8,875	3,955	80

COMPARISON OF THE RAILWAY TRAFFIC AND ROLLING-STOCK ACCOMMODATION IN 1895 AND 1903.

	31st March, 1895.	31st March, 1903.	Increase.	Per Cent. of Increase.
Passengers (number) ...	3,905,578	7,575,390	3,669,812	93
Season tickets (number) ...	28,623	118,431	89,808	314
Parcels ..	444,981	731,762	286,781	64
Horses ..	11,185	12,737	1,552	14
Carriages ..	750	1,646	896	119
Dogs ..	23,517	34,202	10,685	45
Drays ..	705	1,921	1,216	172
Cattle ..	40,890	102,461	61,571	151
Sheep ..	1,519,921	3,821,333	2,301,412	151
Pigs ..	43,292	61,844	18,552	43
Total tonnage ...	2,048,391	3,730,394	1,682,003	82
Total revenue ...	£1,150,851	£1,974,038	£823,187	72
Locomotives (number) ...	269	372	103	38
Passenger cars (number) ...	498	751	253	51
Brake-vans ..	204	283	79	39
Total trucks, all classes (number)	8,264	12,709	4,445	54

Table No. 21.

COMPARATIVE STATEMENT OF THE PUBLIC TRUST OFFICE TRANSACTIONS FOR THE YEAR 1882 WITH THE YEAR 1902.

	1882.	1902.
Funds invested ...	£120,000	£1,700,000
Funds on mortgage ...	£8,000	£1,120,000
Value of estates administered under wills and trusts ...	£30,000	£808,000
Intestacies ...	£36,000	£66,000
Lunacy estates ...	£4,000	£42,000
Cash receipts ...	£65,000	£645,000
New estates dealt with each year ...	217	528
Distributed to Natives ...	£4,000	£35,000
Wills of living persons on deposit ...	41	1,435
Wills deposited ...	6	285
Number of staff ...	5	50
Agencies established ...	18	38