

Of the total amount of local bodies' debts inscribed to the 1st February last, the following figures will show the amounts and rates at which the loans were granted :—

Loans at 5-per-cent. rate	....	....	....	£	48,890
" 4½	"	....	....	....	1,061,157
" 4	"	....	....	....	200,760
" 3½	"	....	....	....	976,297
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					£2,287,104

This system of providing cheap money for local bodies in carrying out their works is undoubtedly of great benefit to the community, and that the advantages are understood and appreciated is shown by the steady increase in the loans applied for and granted.

I am glad to say that the payments of the half-yearly instalments of interest on the inscribed debts continue to be punctually paid.

#### LOANS MATURING.

On the 1st June last the million loan authorised by the Immigration and Public Works Loan Act of 1870 fell due. This loan was guaranteed by the Imperial Government, and its debentures are commonly known as the Imperial guaranteed debentures. As honourable members are aware, only £200,000 of these debentures were issued to the public, the balance, £800,000, being in the hands of the Government. Provision was made for the redemption of this loan by a sinking fund, the annual contribution to which was originally fixed at £20,000 per annum, but on the representation of the Imperial authorities was raised in 1887 to £24,000. The sinking funds, which have been managed by special trustees, were invested by them, and have reached the sum of £965,000, consisting principally of securities. These funds were released on the 1st June last, and handed over to the Government in exchange for the debentures. The sum of £200,000 which was in the hands of the public has been arranged for by conversion, and the sinking fund will be devoted to the extinction of the £800,000 debentures, and the redemption of the debentures issued against the accretions as provided by "The Consolidated Stock Act, 1884."

In addition to the above there are other loans falling due during the current year amounting to £1,532,900. I am keeping these obligations well in mind, and will at the proper time make satisfactory arrangements to meet them, either by way of redemption or otherwise, so that the high position which the credit of New Zealand holds may be maintained.

#### LAND AND INCOME TAX.

The receipts from land-tax exceeded the estimates by £42,342, and were £61,586 in excess of the actual amount collected in the previous year. The income-tax receipts show an increase on the estimates of £15,866, and an increase on the revenue of the previous year of £16,051. The total revenue from both taxes therefore produced £58,208 more than was estimated, and £77,638 more than the revenue of the previous year.

The substantial increase in the land-tax revenue, notwithstanding purchases of estates by the Government, and the steady increase in the income-tax revenue afford very gratifying testimony to the continued prosperity of the country.

#### EXHIBITION.

The International Exhibition, which closed in April last, proved to be the most successful ever held in New Zealand or Australia. It stands first in point of attendance, and in excellence and variety of exhibits has never yet been surpassed by any Exhibition held south of the Equator. The advantages to the colony of this great Exhibition were threefold—first, educational and social; secondly, financial; and thirdly, advertising advantages.