

and that debentures amounting to £178,925, issued in respect of the accretions of the sinking funds of these loans, are now outstanding. It is fair to assume that the accumulated sinking funds will at least equal in amount the loans for which they were created; we may therefore safely calculate upon receiving more than £300,000 into the Public Works Fund, without taking into consideration the profit derived from the sale above par of the sinking fund securities which have been mainly invested in our 4-per-cent. Inscribed Stock.

I propose later on to show how £100,000 of this amount may be specially applied to discharge an obligation, thus leaving a balance of £200,000 this year available for public works, the appropriation of which will be fully explained by my colleague in his Statement. It will be seen that we have not estimated for receiving a larger amount of released sinking fund from the conversion operations than will be actually available in the present year; but, if the operations extend to loans falling due in future years, the sum receivable will be proportionately increased.

Of course, in stating these figures honourable members will understand that the conversion scheme embraces the substitution of 3½-per-cent. Inscribed Stock for the unconverted portions of the loans as they fall due, whereby the whole of the accumulations of sinking fund are set free, and become available under the provisions of "The Consolidated Stock Act, 1884."

GOVERNMENT LOANS TO LOCAL BODIES.

There has been £300,000 borrowed up to the 31st March last for the purpose of making loans under "The Government Loans to Local Bodies Act, 1886," and £25,000 for the purpose of transfer to the Public Works Fund, in part realisation of the asset of £87,974 1s. 3d. of the fund payable under section 31 of the Act in respect of converted debentures originally issued under "The Roads and Bridges Construction Act, 1882."

Up to the 31st March, 1890, £248,200 had been paid over to local bodies, and during the past year £47,164 had been further advanced, making a total of £295,364 paid over to the 31st March last, leaving a balance of £4,636 available.

The engagements of the Treasury in respect of these loans amounted on the 31st March last to £41,018, and further applications had been received for £36,588 which had been granted provisionally. At the 1st February, 1891, the amount of debt standing inscribed in the Treasury register, including the equivalent of the converted debentures of "The Roads and Bridges Construction Act, 1882," was £380,463. Between the 1st February and the 31st March last further payments to the amount of £10,235 had been made. These, with interest thereon, will be added to the registered debt on the 1st February next.

The Act provides (section 45) that an annual appropriation for a sinking fund shall be made, but nothing has been done up to the present in this direction. I have, however, determined that 1 per cent. per annum, including arrears from 1st February, 1888, shall be set aside for the purpose of providing a sinking fund, to comply with the terms of the Act, and I have accordingly placed upon the Estimates a sum sufficient to cover arrears and for the current year.

CONSOLIDATED FUND.

ORDINARY REVENUE ACCOUNT.—EXPENDITURE OF 1891-92.

For the year ending 31st March, 1892, I have had very careful Estimates prepared, and they will be presently laid before you. The expenditure as proposed will be found to amount to £4,155,105. Under the head of Interest and Sinking Fund there is an increase of £34,687, mainly arising from an abatement last year of £15,750 from the amount payable on the new 3½-per-cent. Inscribed Stock on account of overlap of interest on the ten-forty debentures paid off. A new item of £8,856 has been provided for sinking fund at 1 per cent. on the amount borrowed under "The Government Loans to Local Bodies Act, 1886," in order to carry out the provisions of the Act. The appropriations are increased also under the head of "Special Acts." For the first time we have had to provide a sum of £21,000 for payment of our contribution towards the maintenance of the Australian naval squadron. An increased sum of £8,000 has been

£100,000 to be applied in reduction of debt.

Sinking fund accumulations set free.

£300,000 borrowed under the Act to make loans, and £25,000 for transfer to Public Works Fund.

£295,364 paid over to local bodies; balance available, £4,636.

Engagements, 31st March, 1891 £41,018 absolute, and £36,588 provisional.

Provision made for sinking fund at 1 per cent.

Table No. 8.

Estimates for 1891-92. Ordinary Revenue Account, £4,155,105.