

£1,038,180 3½-per-cent. stock inscribed.

For the complete conversion of these loans, including expenses, 3½-per-cent. stock was inscribed at the Bank of England to the amount of £1,038,180; and, upon the Half-million Guaranteed Loan becoming converted, an amount equal to over £260,000 of sinking fund was set free. This, when applied in accordance with the provisions of the law, enabled the Public Works Fund to be augmented to the extent of £163,702, thus providing substantial assistance towards the prosecution of public works and the remunerative employment of our workpeople. To effect these transactions I may briefly state that £420,000 of 3½-per-cent. stock was sold to convert the £400,000 Public Revenues debentures, £616,000 of similar stock to uplift the guaranteed half-million, and £2,180 of stock to convert the £2,000 provincial loan. The large amount of stock necessary to convert the half-million loan held by the Bank of England arose from the premium value—£85,000—assigned to these debentures by the actuaries who were asked to report upon an equitable price for their purchase.

Conversion tables prepared by Assistant Controller and Auditor.

Appended to my Statement will be found interesting and very valuable tables, prepared by the Assistant Controller and Auditor. These present an analytical history of our conversion operations under the Consolidated Stock Acts of 1877 and 1884, and I am much indebted to his courtesy in enabling me to place these tables before you.

Table No. 1.

THE LOANS TO LOCAL BODIES ACCOUNT.

Amount received and paid away to 31st March, 1894.

Up to the 31st March last the sum of £545,167 has been raised for the purpose of granting loans to local bodies, and a further sum of £67,833 has been raised for the purposes of section 2 of "The Government Loans to Local Bodies Act Amendment Act, 1891." Adding to these figures the amount (£89,800) created in respect of the debt of £89,878 8s. 9d. due to the Public Works Fund for debentures issued under "The Roads and Bridges Construction Act, 1882," afterwards inscribed, we have a total of debentures created and issued amounting to £702,800, the proceeds of which have been carried into the Loans to Local Bodies Account. The disbursements to the same date have been as follow: £544,948 has been paid over to local authorities, and £67,833 to the Lands and Survey Department; £89,800 has been transferred to the Public Works Fund: leaving a balance of £219 of cash at the close of the year.

Details of the receipts and expenditure during the year will be found attached to the usual annual statement of accounts.

Grants to local authorities for 1893-94, £87,151.

I may remark that the grants to local authorities continue to increase in the aggregate. For the year 1892-93 they amounted to £74,445, while last year they reached a total of £87,151. The necessities of new settlement in the North Island are accountable for the increase, and, as settlement proceeds apace, it follows that the local authorities will wish to avail themselves of the opportunities afforded by the Act to obtain grants for roading at a reasonable rate of interest.

Table No. 3.

THE PUBLIC DEBT.

Gross debt increased by £568,575.

The gross public debt on the 31st March last stood at £39,826,415, showing an increase of £568,575 over the amount at the close of the preceding year. But £477,466 of this increase was by special authority, and consisted of debentures issued for purposes giving immediate returns, such as issues under "The Native Land Purchases Act, 1892," for £72,000; under "The Land for Settlements Act, 1893," for £33,966; under "The Cheviot Estate Payment Act, 1893," for £250,000; and under "The Government Loans to Local Bodies Act, 1886," for £116,500. A further issue of £16,300 under "The Naval and Military Settlers' and Volunteers' Land Act, 1892," took place, and additional claims under this head will have to be provided for during the current year. As I have before mentioned, £1,038,180 of 3½-per-cent. stock have been created, and, on the other hand, £902,000 of debentures have been converted, resulting in an increase of £136,180 to the public debt. Towards the annual accretions of Sinking Fund, £284,500 of debentures under "The Consolidated Stock Act, 1884," were issued, while £266,071 of similar debentures were redeemed. And out of sinking funds provided for the purpose, £51,300 of "Consolidated Loan Act, 1867" debentures were also redeemed, together with £28,500 of "Lyttelton and Christchurch Railway Loan Act, 1860" debentures.