THE PUBLIC DEBT.

Irrespective of the accumulated Sinking Funds, the public debt on the 31st March, 1891, was £38,830,350, in respect of which the charge on the Consolidated Fund for the year 1891–92 was £1,892,929. On the 31st March, 1892, the debt stood at £38,713,068, being £117,282 less than it was on the 31st March, 1891, and the charge on the consolidated revenue for the current year is estimated at £1,835,770. Debt on 31st March, 1892, £38,713,068.

I think it will be agreeable to honourable members if I restrict myself to as brief a description as possible of the nature of the operations which have brought about the above results. The tables accompanying this Statement will give full information to those who desire to go more fully into the subject. Table No. 3.

First as to the reduction of the debt by £117,282. By means of the Sinking Funds set free by the conversion of a portion of the debt, I have been enabled, under the provisions of "The Consolidated Stock Act, 1884," to redeem debentures to the amount of £350,671. I have also redeemed from the same source, in accordance with my promise last year, a further amount of £100,000, making in all £450,671; and, as I have previously stated, the debt has been further reduced by £100,000 out of the surplus of the year 1890–91. Debt reduced by £117,282.

The debt under "The Consolidated Loan Act, 1867," has been also reduced by £54,500, being the amount of the bonds of that loan held by the public in England drawn for redemption at the March, 1891, drawing. The debt under "The New Zealand State Forests Act, 1885," has been reduced by £1,000, and the whole of these debentures are now paid off. Consolidated Loan, 1867, and State Forests Act, 1885, debentures reduced.

These reductions amount in the whole to £606,171. £606,171 reductions.

The additions made to the debt during the year have now to be taken into account. £282,300 of debentures, under "The Consolidated Stock Act, 1884," were issued for the estimated increases of the Sinking Fund of the year; and £157,000 was raised under "The Government Loans to Local Bodies Act, 1886." By the recent conversion operations the debt has been increased by £49,589. Debt increased by £49,589, conversion operations.

These additions amount to £488,889, which, deducted from the amount paid off—namely, £606,171—leaves a net reduction of the public debt of £117,282 on the 31st March last, as compared with the amount on the 31st March, 1891. Additions to debt, £488,889.

Other transactions took place, arising out of the renewals of debentures falling due; but as these operations were effected at par they did not alter the amount of the public debt, although advantage was taken at the time to reduce the rate of interest being paid. Debt not altered by renewals effected at par.

As I have just stated, the public debt on the 31st March, 1892, in respect of which we are paying interest, was £38,713,068; but, as the accumulated Sinking Funds are estimated at £1,035,449, the net debt at that date is stated at £37,677,619. Sinking Fund and net debt.

CONSOLIDATED FUND.

Ordinary Revenue Account: Expenditure of 1892–93.

Table No. 7.

The estimates for the year ending 31st March, 1893, have been prepared with great care, and will be presently laid before you. The expenditure proposed amounts to £4,161,397. Under the heading of "Interest and Sinking Fund" there is a saving upon actual expenditure of last year of £57,159, partly arising from the conversion operations of previous years, and the fact of a half-year's interest only coming to charge in the present financial year in respect of some four millions of debentures convertible into 4-per-cent. stock. Another saving has been effected by reducing the interest paid for the use of trust funds from 5 per cent. to 4½ per cent., the Government believing that, taking into account the rate of interest prevailing in the London market, 4½ per cent. is sufficient to pay the various departments in the colony for the use of these moneys. Under the head of "Special Acts" there is an increase of £11,000, due principally to having to provide for the full payment of members' honorarium, as against the lesser amount paid last year in consequence of a second session. Proposed expenditure, 1892–93, £4,161,397.

There are increases in certain departments. In the Post and Telegraph Department the increase is £5,208, principally due to the operation of the Classification Act. In the Education Department the increase arises from the estimate of the augmented school-attendance for the year, and amounts to £13,813. Table No. 8. Increases in certain departments.