

amount as before; but, so far as the “net debt” in respect of loans with sinking funds was concerned, the effect of such annual growth was to be counterbalanced by borrowing year by year a sum of money equal in amount to the growth of the sinking funds for the year.

The accompanying tables are designed to show the result of the working of the Act to the 31st March, 1892, solely with regard to the aid to revenue afforded by its provisions.

Table No. 1 shows the sinking funds in hand at the 31st March, 1884; the additions thereto during the eight years ended the 31st March, 1892; the amounts applied to the redemption at due date of debentures held by the public; the amount released under the provisions of “The Public Debts Sinking Funds Act, 1868,” and “The Consolidated Stock Act, 1884,” respectively; and the balance of the sinking funds in the hands of the Trustees on the 31st March, 1892.

Table No. 2 shows the accretions of the sinking fund of each loan in each of the eight years ended the 31st March, 1892.

Table No. 3 shows the amount of the debentures issued by the Treasury from year to year against the annual accretions of sinking funds; the amount of such debentures redeemed out of the sinking funds “set free;” and the balance outstanding. It is unnecessary to explain how the amount of debentures issuable is determined, or what are sinking funds “set free,” as the Consolidated Stock Act itself affords all the information needed.

Table No. 4 shows the sources whence were derived the accretions of sinking funds for these years.

Table No. 5 shows the amount of the interest charged upon the Consolidated Fund in each year since 31st March, 1884, in respect of the debentures issued against the accretions of the sinking funds.

Table No. 6 shows the “net debt” at 31st March, 1884, in respect of loans with sinking funds, viz., £7,854,850 15s. 8d; but as a portion of the sinking funds then in the hands of the Trustees was subsequently released to the amount of £476,190 16s. 2d., and became applicable to the services of the Government, that amount must be added to the “net debt” as at 31st March, 1884, making a total of £8,331,041 11s. 10d. Of the amount released, £129,793 8s. was paid into the Consolidated Fund, and became revenue of the years in which it was so paid.

							£	s.	d.
1885-86 ...	...	...	...	...	...	...	25,000	0	0
1886-87 ...	...	...	...	...	...	...	104,749	6	7
1888-89 ...	...	...	...	...	...	...	44	1	5
							£129,793	8	0

These moneys were released and paid to revenue under section 18 of “The Public Debts Sinking Funds Act, 1868,” because they were respectively found to be in excess of the sum required at the time to be held by the Trustees, which, invested at compound interest, together with future periodical contributions from the Consolidated Fund similarly invested, would yield an amount sufficient to redeem at maturity the bonds in respect of which the sinking funds were created. The remainder of the amount referred to in table No. 6 as released became payable into the Public Works Fund, under section 9 of “The Consolidated Stock Act, 1884.” In 1886-87 there was paid £8,311 17s. 9d.; in 1891-92, £316,532 8s. 5d.; and since 31st March last £3,900, making together £328,744 6s. 2d. In addition to which there are Waitara Harbour Board securities of the nominal value of £17,653 2s., which were transferred to the Treasury by the Commissioners of the Public Debts Sinking Funds, making in all £346,397 8s. 2d. carried into the Public Works Fund from this source.

Table No. 7 shows the net debt at 31st March, 1892, which it will be seen equals the net debt at 31st March, 1884, in the preceding table; thus exemplifying the result contemplated at the time of the introduction of the Consolidated Stock Bill in the House of Representatives by the Hon. the Colonial Treasurer, Sir Julius Vogel.

Having thus referred to the accompanying tables, I shall briefly state the result of the operations under the Act. During the past eight years the revenue has been aided by money borrowed from time to time, to the extent of £2,117,784, at a total charge for interest of £241,737 16s. 3d.; but, through the conversion of loans with sinking funds into consolidated stock, sinking funds have been set free, thereby enabling the Treasury, in accordance with the provisions of the Act, to repay £1,261,371 of the amount so borrowed, leaving a debt of £856,413, which, unless further releases take place, will constitute part of the permanent debt of the colony. Should no further releases take place the sinking funds will, of course, be applied to paying off the loans to which they relate; but should the loans be converted the sinking funds will be set free, and, as provided by law, the debentures issued as against the “increases” will be the first charge thereon. Any excess of sinking fund in that case will pass into the Public Works Fund, the effect being an increase of net debt to the amount of the excess so paid.

With regard to the extent to which debentures may be issued in future against increases of the sinking funds, I have prepared a further statement showing the outstanding amount of each loan at 31st March, 1892, for redemption of which at maturity a sinking fund has been provided; the due date of the debentures; and the rate per cent. of the annual contribution to the sinking fund from revenue. Until these loans respectively mature or are converted, the sinking funds will grow year by year, and, to the extent of such growth, the power to borrow in each year may be exercised; always, of course, with the result that the “net debt” will remain unaltered. I need hardly say that, should further conversions of outstanding loans take place, the issue of debentures for increases of the sinking funds will be diminished more or less according to the extent of the conversions. I should add that until the “drawing” loan of 1867 is finally paid off—probably about 1903—there will always be an amount of sinking fund “set free” annually, equal in amount to the converted bonds of that loan held by the Government which may happen to be drawn in each year. The amount so set free will be applicable to the redemption of debentures issued against the additions of the sinking fund.

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