

The Government does not approve of the issue of short-dated debentures for this country's loans, and is of opinion that a comprehensive scheme for converting them into stock is very necessary. At present there are three kinds of stock—4 per cent., maturing in 1929; $3\frac{1}{2}$ per cent., maturing in 1940; 3 per cent., maturing in 1945. The Government proposes to provide for the short-dated debentures soon to become due by creating a further issue of stock at $3\frac{3}{4}$ per cent., maturing in not less than twenty years' time.

TRANSFERS FROM CONSOLIDATED FUND TO PUBLIC WORKS FUND.

The total amount transferred since 1891 and up to 31st March, 1911, from Consolidated Fund to Public Works Fund was £8,030,000. Details of these transfers were given in B.-6, 1911. During last year a further sum of £500,000 was so transferred, bringing the total up to £8,530,000. This large amount has not been allotted to any particular class of expenditure. It seems to me advisable that this should be done, and inquiries will be made to ascertain if such definite allotment can be made.

PUBLIC ACCOUNTS COMMITTEE.

I have for some time felt that under the order of reference guiding its proceedings in the past the Public Accounts Committee has not been able to render that service to Parliament and the country which a responsible body of men like those constituting that Committee might have rendered. I am pleased to say that the Government will amend the order of reference, so as to give to the Public Accounts Committee the power to call for persons and papers. The order of reference with the above addition will be sufficiently wide to enable the Minister of Finance to submit to the Committee the estimates of revenue and expenditure, both for the Consolidated Fund and the Public Works Fund, for its advice. Indeed, it is the wish of the Government that the Public Accounts Committee should have much more responsibility than in the past. I have no doubt the members will accept this proposal in no party spirit, and that they will by their advice render material assistance in the economical administration of the country's finances.

The Union of South Africa has adopted the principle of submitting a section of the estimates for consideration by the Public Accounts Committee. In his Budget speech during the session of 1912, the Finance Minister, the Hon. Mr. H. C. Hull, states, "I viewed with some misgivings the adoption last year of this practice of interposing a parliamentary Select Committee between the Government and the House in matters of public expenditure, which are essentially the most important of any Government's responsibilities. But my experience of the working of this system in practice has caused me to modify my views very considerably, and I cordially acknowledge the value of the Committee's work, which I can see is destined to prove a source of strength to the Treasury in its efforts to check extravagance of public money."

DETAILS OF PUBLIC ACCOUNTS.

The members of the present Government, when in opposition, realized the necessity for placing before members of Parliament every possible detail of public expenditure. I am pleased to say that the late Government made a commencement with this policy. The details of the public expenditure are now in the hands of the Printer, and as soon as they are available they will be laid before honourable members.

LOCAL GOVERNMENT BILL.

During the course of three weeks, and with so much to do, the Government has not had time to go into the details of a Local Government Bill. The measure drafted by the previous Administration has many good points, but there are practical difficulties which prevented its adoption.

During the recess it is intended to go carefully into the many difficult questions which must arise in the preparation of a well-thought-out scheme, and it is hoped that next year a satisfactory measure dealing with local government will be introduced.