TRANSFERS FROM THE CONSOLIDATED FUND.

Authority was obtained in the Appropriation Act of 1912 for payment out of the Consolidated Fund of the losses made in connection with the business of the Advances to Local Authorities Branch of the State Advances Office and previously referred to. As the amount was not paid over during the year, I propose to transfer a similar sum from the balance remaining in the Consolidated Fund at the 31st March last.

The balance in the Consolidated Fund at the 31st March, 1913, was £709,508, and it is proposed to deal with this as follows:—

	£
Transfer to the Public Works Fund	675,000
Transfer to Advances to Local Authorities Branch, being loss incurred in 1910–11 and 1911–12	22,557
Total	£697,557

The position of the Consolidated Fund for the current year may thus be summarized:—

	£
Balance after transfer to Public Works Fund and to Advances to Local Authorities Branch....	11,951
Estimated revenue	11,789,602
	£11,801,553
Estimated expenditure	11,679,674
Balance available for supplementary estimates	£121,879

LOAN FOR PUBLIC WORKS.

I have shown that at the beginning of the current year a sum of £1,621,515, less £249,776 for redemption of debentures, was available for public works, and to this must be added £675,000, the contribution from the Consolidated Fund. I have also shown that at the same date there were liabilities to the extent of £673,933. From these figures it is obvious that the Public Works Fund will require to be replenished during the current financial year, and I propose to ask Parliament to authorize a loan of £1,750,000 to be raised in London.

Last year I considered it my duty to call the attention of honourable members, and of the people of this country, to the necessity for more self-reliance. The huge demands for public works and State aid have made it necessary for Governments of late years to raise much larger loans annually than was the custom some years ago. These demands up to last year were to a considerable extent supplied from our own resources, but the activity in trade and the high interest obtainable, have for the time being, tapped the local available capital. I am not saying that this use of our own resources in aid of the rapid development which is going on is an evil, but it has curtailed the power of the Government to borrow locally, and this fact, coupled with the heavy liabilities and commitments left to the Government on taking office, rendered it necessary to rely to a considerable extent on loans secured in London.

During the next eighteen months, in addition to the ordinary requirements for the year, short-dated loans amounting to over £8,000,000 must be repaid, and to do this an equivalent amount will have to be borrowed in London. It seems to me that both sides of the House should assist in inculcating into the minds of our people, especially at a time like the present, the virtue of self-reliance. The Government has determined on a policy of progressive development of the Dominion's resources, and will not fail to make provision for the necessities of settlers, workers, local authorities, and public works generally; but