

returns estimated, but it is difficult to exactly determine the amount of stamps sold for postal and for other purposes. The augmented business of the post and telegraph offices, notwithstanding the large use of delayed telegrams, is one of the most satisfactory features of the year. The depasturing licenses yielded £6,266 more than was anticipated. The miscellaneous revenue shows a large excess on the estimate—no less than £101,231. It arose in this way. The accumulated sinking funds on some of the English loans were much above what was required to meet the respective debts to which they belonged. I asked the Agent-General to call the attention of the Trustees of the Sinking Funds of the loan of 1863 to the fact, and they, in conformity with the law, released £104,749 under the Act of 1868, being the excess accumulated up to 1884, and they released £39,755 under the Act of 1884 on account of the excess since that period. The amount set free under the Act of 1868 reverts to the consolidated revenue; that belonging to the subsequent period is applicable to paying off the debentures created in the colony, and the amount has accordingly been so applied. Some doubt is felt in the Treasury as to whether £9,000 released under the Act of 1868 should not have come under the later Act. I have called the attention of the Agent-General to the circumstance, and possibly the sum in question may have to be transferred. It is perhaps right to add that I have no official control whatever over the Trustees of the Sinking Fund in England. They released the amount under the authority of an Act passed nearly twenty years since—in fact, a year before I first took office. My part in the matter, therefore, consisted of bringing it under their notice and accepting the transfer. As regards the debentures created here on account of the accrued Sinking Fund, I am pleased to be able to state that out of the amount already mentioned as released under the Act of 1884, and from the result of the drawings of the bonds we hold by conversion, we have paid off no less than £302,600 of the debentures created. Out of a total of £750,900 created since 1884, we have paid off already no less than £343,400.

Efforts are so frequently and perseveringly made to discredit the operation by which the revenue is put in funds to the extent of the accruing Sinking Fund that it is desirable I should specially refer to the subject. Statements have been put forth to the effect that New Zealand securities have fallen in value because of what has unwarrantably been termed the seizure of the Sinking Fund. There is not a particle of truth in the allegation. The plan, after it became law in 1884, was explained by the Agent-General to the London market, and did not affect either the loan then negotiated or a subsequent one. To suppose that it affected the third loan is absurd. There is no necessity to justify to this Committee a measure which, in the face of opposition, and after abundant discussion, was accepted and became law by the authority of the present House. As long as it is correctly described, frequent reference to it is immaterial, for no one is justified in taking exception to it. I venture to place the matter once more before you in its true light. Parliament in 1884, having its attention called to the fact that the accumulations of the Sinking Fund were so large as to practically amount to yearly paying off a considerable portion of the public debt, decreed that the consolidated revenue should be recouped by the issue of fresh debentures to the extent of the fresh accumulations of the Sinking Fund. There is no more impropriety in doing this than there is in reborrowing to pay off a loan which is about to fall due. As by the operation of conversions portions of the Sinking Fund have been set free, debentures issued on account of the increases in the fund have been paid off, and the result of three years is that only £407,500 remain outstanding. If the process is truthfully described, it may be proclaimed from the housetops without injuring the credit of the colony.

When account is taken of the Supplementary Estimates brought down after the Financial Statement last year was delivered, my expectations amounted to a small surplus of £1,500. I greatly regret there is instead a deficiency, but, considering the fears which have been expressed of its amounting to a very large sum, honourable members will, I believe, be glad to learn that it