

Honourable members will have noticed that large parcels of debentures are falling due during the current year. Those of the loans of 1860 and 1863 are included in the conversion operations, and will be duly provided for by conversion of such debentures as are sent in, and by creation of $3\frac{1}{2}$ -per-cent. stock to pay off the balance. As to the debentures issued under "The Public Revenues Act, 1886," amounting to £150,000, falling due on the 10th October next, the Government propose to ask Parliament to amend the Schedule to "The Consolidated Stock Act, 1884," so as to include these debentures in its provisions. As regards the short-dated debentures issued under that Act, due on the 28th November next, amounting to £1,314,084, the sum of £146,600 has since the close of the financial year been written off the public debt by the application of sinking funds set free at the last drawing of "Consols" in London; the balance unredeemed will be renewed for a brief term within the provisions of the Act.

Loans falling due during current year.

THE PRESENT CONVERSION OPERATIONS.

Papers will be laid before honourable members showing what has been done and what is contemplated with respect to the conversion of the remaining portion of our high-interest-bearing loans, amounting to £868,900.

Contemplated conversion of loans amounting to £868,900.

Debentures surrendered for conversion of the loan of 1863 due on the 15th March last had to be deposited at the Bank of England not later than the 14th March, and all other debentures on or before the 15th June instant. The Government have reserved the right to convert into $3\frac{1}{2}$ -per-cent. Inscribed Stock (with the assent of holders) any debentures not brought in for conversion, on terms to be notified from time to time at the Bank of England. The Stock Agents have been able to make exceedingly satisfactory arrangements with the Bank of England, whereby the success of the conversion will be assured, and I need scarcely point out the saving which will be effected.

Loans to be converted into $3\frac{1}{2}$ -per-cent. Inscribed Stock.

I take this opportunity of recognising the eminent services of the Stock Agents, particularly in the difficult negotiations respecting this conversion business, for which, I think, they deserve the thanks of the colony.

Services of Stock Agents acknowledged.

I am indebted to the Assistant Controller and Auditor for an interesting and exceedingly valuable statement of our conversion operations since the passing of "The New Zealand Consolidated Act, 1877," which I append to this Statement.

Table No. 4.

PUBLIC WORKS FUND.

PART I.

The balance at credit of this account on the 31st March, 1890, including an asset of £87,974 1s. 3d. under "The Government Loans to Local Bodies Act, 1886," was £233,675 11s. 10d. During the year it became necessary to issue £25,000 of debentures on account of the asset above mentioned. Some miscellaneous recoveries were also received, amounting to £5,781 4s. 8d. The expenditure during the year amounted to £128,810 18s. 9d., thus leaving at the close of the year an available balance of £110,645 17s. 9d. The outstanding liabilities are returned at £96,608 3s. 10d.

Table No. 1.

Available balance on 31st March, 1891, £110,645 17s. 9d.

Table No. 6.

Liabilities, £96,608 3s. 10d.

PART II.

NORTH ISLAND MAIN TRUNK RAILWAY LOAN.

The balance to commence the year was £386,985 9s. The expenditure during the year amounted to £30,878 9s., thus leaving an unexpended balance of £356,107, subject to £44,902 19s. for outstanding liabilities. The allocations of this balance are as follows: For railway purposes, £232,424; for roads to give access to railway, £34,652; purchase of Native land, £83,831. The liabilities against the railway amount to £26,103, and against roads, £18,799.

Table No. 1.

Available balance on 31st March, 1891, £356,107.

Table No. 6.

Liabilities, £44,902 19s.

PART III.

At the beginning of the year the balance was £426,805 15s. 4d. During the year the expenditure amounted to £175,462 7s. 6d. The balance at the close of the year was £251,343 7s. 10d., and the outstanding liabilities £98,875 19s. 3d.

Table No. 1.

Available balance on 31st March, 1891, £251,343 7s. 10d.

Table No. 6.

Liabilities, £98,875 19s. 3d.