

1892.

NEW ZEALAND.

PUBLIC ACCOUNTS COMMITTEE.

“THE CONSOLIDATED STOCK ACT, 1884”

(REPORT ON THE WORKING AND OBJECTS OF).

Brought up 17th August, 1892, and ordered to be printed.

REPORT.

THE Public Accounts Committee have made inquiry into the working and objects of “The Consolidated Stock Act, 1884,” and have examined Mr. Heywood, Secretary to the Treasury, and Mr. Gavin, Assistant Controller and Auditor, thereon, and have the honour to report the information contained in the attached printed paper.

17th August, 1892.

A. R. GUINNESS,
Chairman.

APPENDIX.

STATEMENT BY THE SECRETARY TO THE TREASURY IN REFERENCE TO “THE CONSOLIDATED STOCK ACT, 1884:” ITS SCOPE AND THE WORKING, SO FAR AS IT RELATES TO THE SINKING FUND ACCRETIONS OF THE PUBLIC DEBT.

THE provisions of this part of the Act have probably been less understood than those of any other financial measure which has passed the Legislature. Its principal feature is the providing of relief to the taxpayer from the burden of finding year after year the necessary funds for the payment of sinking funds agreed to be paid when the loans were originally raised.

Sir Julius Vogel, when indicating the scheme in his Financial Statement, and again when explaining the provisions of the Bill to the House, in 1884, stated, *inter alia*, that “Sinking Funds were condemned by experience and by all modern writers and financiers,” and that “the colony was not called upon to make these yearly payments whilst, at the same time, for other purposes, it was borrowing money.” He pointed out two ways by which relief could be obtained: (1) By not having to pay Sinking Fund; (2) By a reduction of the rate of interest by the process of conversion: and to effect both these results the Act under consideration was framed.

Of course, it must be understood that, having entered into a contract with the bondholders to pay a sinking fund, that part of our engagements has to be absolutely carried out. But the Act affords relief in this way: After the increases which will reach the hands of the Sinking Funds Trustees have been ascertained each year, an equivalent amount of money is raised by the issue of debentures under the Act, and is paid into the Consolidated Fund, by which process the taxpayer is saved from having to find the required amount during the year. The effect of this operation is this: the debt (as regards loans having Sinking Funds) of 1884 has remained stationary for, by just as much as the yearly Sinking Fund increments have been ascertained, a precisely similar amount of stock, or rather debentures, has been created, so that the moneys which are accumulating in reduction of the debt are met and counterbalanced by the creation of the new stock or debentures, and the original debt remains as it was on the 31st March, 1884. As an illustration, say that the debt was £7,500,000. Now, the Sinking Fund accretions since 1884 amount to £2,117,000; the debt would therefore be lowered to £5,383,000; but debentures under the Stock Act have been issued during the same period amounting to £2,117,000, and, adding this to the reduced sum of £5,383,000, brings back the amount of the debt to the original sum of £7,500,000, and in the meantime the Government have been relieved from the anxiety, and the country from the burden, of having to provide yearly some £260,000 extra revenue for the last eight years.

The Act does not interfere with the ordinary ultimate use of the accrued Sinking Funds, which may be devoted to the extinguishment of the debt in respect of which they were paid; but it provides the alternative plan of “conversion,” whereby the Sinking Funds become released, and are applied to pay off the debentures or stock which had been created for the purpose of affording relief in the payment of the Sinking Fund.

Let me again illustrate the working of the Act either way. There are two loans of a million each, having sinking funds, existing on the 31st March, 1884. The eight years’ accretions of Sinking Fund to the 31st March, 1893, we will say, amount to £170,000. Debentures under the Act have been created for this £170,000, and are of course outstanding. On the 31st March, 1893, £85,000 worth of debentures of each loan fall due, and it is decided to pay off one out of the

accrued Sinking Fund, and to convert the other into stock. By the first process the original debt is lessened by £85,000, but the same amount represented by debentures issued in respect of the accretions of Sinking Fund since 1884 is left outstanding. By the second process, the original debt being converted to the extent of £85,000, a similar amount of Sinking Fund becomes released, and is applied to pay off the same amount of debentures raised to provide for the accretions; so that the old debt remains, under a new name, and the new debt is extinguished. We therefore revert in both cases to the *status quo ante*, thus:—

	£	£	£
Debt in 1884 (£85,000 due 31st March, 1893) ...	1,000,000		
" (£85,000 due 31st March, 1893) ...	1,000,000		
		2,000,000	
Sinking Funds accrued to 31st March, 1893 ...		170,000	
			1,830,000
Debentures created under Act ...			170,000
Debt in 1893 ...			£2,000,000
Debt in 1893 ...	1,000,000		
Less amount due paid out of accrued Sinking Funds ...	85,000		
			£915,000
Amount of debentures (part of £170,000) raised under the Act, equivalent to the accretions ...			85,000
Debt as in 1884 ...			£1,000,000
Debt in 1893 ...	1,000,000		
Less amount due 31st March and converted ...	85,000		
			915,000
New loan, represented by conversion ...			85,000
			£1,000,000
Amount of debentures (part of £170,000) ...		85,000	
Less amount paid off out of Sinking Funds set free ...		85,000	
Debt as in 1884 ...			£1,000,000

I hope that these examples will enable my meaning to be understood.

The estimate of Sinking Fund accretions for the year ending the 31st March, 1893, amounts to £283,354, subject to a deduction of £3,054 to adjust over-estimates of previous years. The net estimate for the year is therefore reduced to £280,300.

The estimated accretions are thus made up:—

	£
Contributions of Sinking Fund ...	104,018
Interest on foreign investments ...	14,526
Interest on Government securities ...	164,810
	£283,354

These accretions must steadily increase year after year: First, by the natural process of the investment of the Sinking Fund and of the interest on these investments; secondly, by the increased amount of "drawn" converted bonds belonging to the Consolidated Loan, 1867. I may explain, in connection with this "drawing" loan of 1867—the feature of which is that Government shall go on paying 5 per cent. interest and 1 per cent. sinking fund on the original loan of £7,283,100 until the debt is extinguished—that £4,252,500 of the bonds have been converted into debentures, and interest at 5 per cent. on these new debentures is charged under "The Consolidated Stock Act, 1884;" but, as these converted bonds are drawn from time to time, they revert back to and again form part of the amount on which the interest chargeable under "The Consolidated Loan Act, 1867," is payable. In other words, the interest on these drawn converted bonds is an additional contribution of sinking fund of this loan. As more than half of the original loan has been converted, and there had been £1,510,600 of bonds drawn to 31st March, 1884, it follows that the remaining portion of the loan to be drawn must largely consist of the converted bonds, and the amount of these that are annually drawn must necessarily increase year by year. This increase will best be seen by the subjoined table:—

	Converted.	Unconverted.
	£	£
1885 "Drawing" ...	72,400	77,400
1886 " ...	107,400	49,100
1887 " ...	122,800	42,400
1888 " ...	131,600	40,900
1889 " ...	133,400	48,600
1890 " ...	144,000	47,600
1891 " ...	146,600	54,500
1892 " ...	158,300	52,200

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
							<hr/>		
							£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.

JAMES C. GAVIN,
Assistant Controller and Auditor.

TABLE No. 1.

TABLE showing the Accumulated Sinking Funds at 31st March, 1884, and the Accretions thereof to the 31st March, 1892; also the Amount applied by the Trustees to the Redemption of Debentures at their due Date, the Amount released under "The Public Debts Sinking Funds Act, 1868," and "The Consolidated Stock Act, 1884," respectively, and the Balance remaining in the hands of the Trustees on 31st March, 1892.

Loans having Sinking Funds.	Sinking Funds at 31st March, 1884.	Accretions from 31st March, 1884, to 31st March, 1892.	Total.	Applied by the Trustees to the Redemption of Debentures due, and held by the Public.	Released.						Balances of Sinking Funds at 31st March, 1892.
					Under the Public Debts Sinking Funds Act, 1868, and paid into Consolidated Fund.	Under the Consolidated Stock Act, 1884.		Payable into the Public Works Fund.			
						£	s. d.		£	s. d.	
New Zealand Loan of 1856 ..	£ 481,406 2 11	£ 48,743 0 10	£ 530,149 3 9	£ 450,000 0 0	£ ..	£ 25,149 3 9	£ ..	£ 55,000 0 0	£ s. d.		
New Zealand Loan of 1860 ..	79,005 18 2	38,326 6 1	117,332 4 3	..	25,000 0 0	38,304 0 0	53,924 9 3	108 15 0	£ s. d.		
New Zealand Loan of 1863 ..	585,867 16 7	328,971 5 11	915,839 2 6	..	104,749 6 7	179,248 11 8	284,161 1 2	347,680 3 1	£ s. d.		
New Zealand Consolidated Loan of 1867 ..	106,804 3 11	1,412,771 8 0	1,519,575 11 11	501,900 0 0	..	1,016,500 0 0	..	1,173 11 11	£ s. d.		
New Zealand Immigration and Public Works Loan of 1870 ..	71,153 0 8	220,460 7 4	291,613 8 0	..	..	..	..	291,613 8 0	£ s. d.
Auckland Loan of 1863 ..	13,147 9 3	12,187 16 1	25,335 5 4	..	..	..	..	25,335 5 4	£ s. d.
Wellington Loan of 1866 ..	8,530 1 5	1,955 17 9	10,545 19 2	..	44 1 5	2,190 0 0	8,311 17 9	..	£ s. d.		
Lyttelton and Christchurch Railway Loan of 1860 ..	42,867 0 1	35,555 5 11	78,422 6 0	..	..	..	..	78,422 6 0	£ s. d.
Canterbury Loan of 1862 ..	3,329 1 0	3,685 1 8	7,014 2 8	..	..	..	..	7,014 2 8	£ s. d.
Otago Loan of 1862 ..	41,778 10 4	31,543 10 7	73,322 0 11	..	..	..	..	73,322 0 11	£ s. d.
Totals ..	1,434,949 4 4	2,134,200 0 2	3,569,149 4 6	951,900 0 0	129,793 8 0	*1,261,391 15 5	1846,397 8 2	879,666 12 11	£ s. d.		

* The amount actually redeemed was £1,261,371. See Table No. 2.

† The amount actually brought to account by the Treasury to 31st March, 1892, was Add securities of the Waitara Harbour Board, forming part of the sinking funds of the New Zealand Loan of 1860, released Sinking funds of the loan of 1863 brought to account since 31st March, 1892

£	s.	d.
324,844	6	2
17,653	2	0
3,900	0	0
£346,397	8	2

TABLE No. 2.

TABLE showing the Addition to the Sinking Fund of each of the under-mentioned Loans in each Year from 1884-85 to 1891-92, both inclusive.

—	1884-85.			1885-86.			1886-87.			1887-88.			1888-89.			1889-90.			1890-91.			1891-92.			Total.			
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	
New Zealand Loan of 1856 ..	10,861	1	4	19,618	5	1	Dr.	33	14	8	5,667	10	4	4,390	19	8	6,282	2	6	1,175	1	9	781	14	10	48,743	0	10
New Zealand Loan of 1860 ..	5,863	12	2	5,964	11	7	4,729	8	11	4,778	12	5	4,976	16	4	4,534	19	9	3,780	5	3	3,697	19	8	38,326	6	1	
New Zealand Loan of 1863 ..	41,261	0	4	45,373	18	8	41,563	4	6	41,011	16	3	42,771	17	4	38,653	14	8	44,078	10	11	34,257	3	3	328,971	5	11	
Consolidated Loan of 1867 ..	147,850	0	4	155,116	17	4	163,304	13	11	170,895	2	9	179,778	4	7	189,369	1	1	198,131	0	0	208,326	8	0	1,412,771	8	0	
Immigration and Public Works Loan of 1870 ..	24,102	4	6	23,482	5	5	24,442	2	11	26,251	18	6	28,719	11	11	27,924	11	3	31,750	7	10	33,787	5	0	220,460	7	4	
Auckland Loan Act of 1863 ..	1,312	11	4	1,360	14	10	1,336	4	7	1,341	3	4	1,403	2	10	1,500	3	6	2,084	15	1	1,849	0	7	12,187	16	1	
Wellington Loan Act of 1866	698	13	8	730	1	7	525	16	8	..	..	..	1	5	10	..	..	..	..	..	..	..	..	..	1,955	17	9
Lyttelton and Canterbury Railway Loan of 1860 ..	3,733	16	6	4,001	11	11	4,013	19	8	4,199	17	4	4,361	5	9	4,644	16	9	5,409	10	7	5,190	7	5	35,555	5	11	
Canterbury Loan Ordinance of 1862 ..	392	2	1	407	16	7	419	19	3	430	16	6	469	11	4	484	5	4	557	11	1	522	19	6	3,685	1	8	
Otago Loan Ordinance of 1862	3,360	1	7	3,525	4	1	3,411	2	9	3,464	5	9	3,745	6	5	3,877	4	2	5,491	6	4	4,668	19	6	31,543	10	7	
	239,435	3	10	259,581	7	1	243,712	18	6	258,041	3	2	270,618	2	0	277,270	19	0	292,458	8	10	293,081	17	9	2,134,200	0	2	

TABLE No. 3.

TABLE showing the Accretions of Sinking Fund in each Year from the 31st March, 1884, to the 31st March, 1892, together with the Amount of Debentures issued in each Year under Section 6 of "The Consolidated Stock Act, 1884," and the Amount of such Debentures redeemed out of Sinking Funds set free by the Operation of the Act.

Financial Year.	Accretions of Sinking Fund.	Debentures issued.	Debentures redeemed.
	£ s. d.	£ s. d.	£ s. d.
1884-1885	239,435 3 10	247,700 0 0	.. .. .
1885-1886	259,581 7 1	252,200 0 0	179,300 0 0
1886-1887	243,712 18 6	251,000 0 0	164,100 0 0
1887-1888	258,041 3 2	258,184 0 0	.. .. .
1889-1889	270,618 2 0	263,200 0 0	131,600 0 0
1889-1890	277,270 19 0	275,200 0 0	133,400 0 0
1890-1891	292,458 8 10	288,000 0 0	144,000 0 0
1891-1892	293,081 17 9	282,300 0 0	350,671 0 0
Totals	2,134,200 0 2	2,117,784 0 0	1,103,071 0 0

Total amount of debentures issued during the eight years ended the 31st

March, 1892 £ 2,117,784

Debentures actually redeemed as above £1,103,071

Redeemed early in 1892-93 out of sinking funds set free before the 31st

March, 1892 158,300

1,261,371

Remaining outstanding

£856,413

TABLE No. 4.

SOURCES whence were derived the Accretions of Sinking Fund, amounting to £2,134,200, during the Eight Years ended the 31st March, 1892 (approximate).

	Contributions of Sinking Fund from Revenue.	Produce of Investments in New Zealand Government Securities.	Produce of Investments in Bonds of other Colonies, &c.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New Zealand Loan of 1856 .. .. .	.. .. .	28,582 13 11	20,160 6 11	48,743 0 10
New Zealand Loan of 1860	9,101 0 0	22,570 8 2	6,654 17 11	38,326 6 1
New Zealand Loan of 1863	126,304 0 0	202,055 2 7	612 3 4	328,971 5 11
New Zealand Consolidated Loan of 1867	582,648 0 0	818,920 0 0*	11,203 8 0	1,412,771 8 0
New Zealand Immigration and Public Works Loan of 1870	178,000 0 0	.. .. .	42,460 7 4	220,460 7 4
Auckland Loan of 1863	5,056 0 0	5,459 15 6	1,672 0 7	12,187 16 1
Wellington Loan of 1866	675 0 0	1,042 11 5	238 6 4	1,955 17 9
Lyttelton and Christchurch Railway Loan of 1860	12,370 0 0	17,302 16 4	5,882 9 7	35,555 5 11
Canterbury Loan of 1862	1,795 0 0	1,603 10 5	286 11 3	3,685 1 8
Otago Loan of 1862	9,336 0 0	16,029 6 4	6,178 4 3	31,543 10 7
Totals	925,285 0 0	1,113,566 4 8	95,348 15 6	2,134,200 0 2

* This item requires explanation: it can hardly be called the produce of investment in New Zealand securities, for the reason that the bonds upon which the amount is computed are cancelled and cannot be sold. The scheme of the loan, which originally amounted to £7,233,100, is this: There is an annual charge of 6 per cent. per annum, out of which is first paid 5 per cent. to the bondholder; what is left constitutes the drawing fund for the year; or, put in another way, the drawing fund is composed of the fixed annual charge of 1 per cent. on the original amount of the loan added to 5 per cent. on the total amount of drawn bonds for the time being, which, of course, increases yearly, until all the bonds are drawn and the debt extinguished. The drawn bonds now amount to £2,939,800.

TABLE No. 5.

STATEMENT showing the Interest paid in each Year since "The Consolidated Stock Act, 1884," came into Operation in respect of Debentures issued under the Provisions thereof to an Amount equal to the "Increases" of the Sinking Funds, during the Period from the 31st March, 1884, to the 31st March, 1892.

	£ s. d.
1885-86	10,133 7 0
1886-87	21,898 10 3
1887-88	29,976 6 11
1888-89	35,442 19 4
1889-90	41,170 19 5
1890-91	48,135 14 6
1891-92	54,979 18 10
Total	<u>£241,737 16 3</u>

TABLE No. 6.
DEBT at 31st MARCH, 1884.

Loans with Sinking Funds.	Debt at 31st March, 1884.			Adjusted.	
	Gross Debt.	Sinking Funds in hand.	Net Debt.	Add for Sinking Funds subsequently released.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
New Zealand Loan of 1856 ..	500,000 0 0	481,406 2 11	18,593 17 1	..	18,593 17 1
New Zealand Loan of 1860 ..	93,100 0 0	79,005 18 2	14,094 1 10	78,924 9 3	93,018 11 1
New Zealand Loan of 1863 ..	1,519,400 0 0	586,867 16 7	932,532 3 5	388,910 7 9	1,321,442 11 2
N.Z. Consolidated Loan of 1867	5,915,000 0 0	106,804 3 11	5,808,195 16 1	..	5,808,195 16 1
New Zealand Immigration and Public Works Loan of 1870	1,000,000 0 0	71,153 0 8	928,846 19 4	..	928,846 19 4
Auckland Loan of 1863 ..	31,600 0 0	13,147 9 3	18,452 10 9	..	18,452 10 9
Wellington Loan of 1866 ..	13,500 0 0	8,590 1 5	4,909 18 7	8,355 19 2	13,265 17 9
Lyttelton and Christchurch Railway Loan of 1860 ..	77,700 0 0	42,867 0 1	34,832 19 11	..	34,832 19 11
Canterbury Loan of 1862 ..	22,800 0 0	3,329 1 0	19,470 19 0	..	19,470 19 0
Otago Loan of 1862 ..	116,700 0 0	41,778 10 4	74,921 9 8	..	74,921 9 8
Totals ..	9,289,800 0 0	1,434,949 4 4	7,854,850 15 8	476,190 16 2	8,331,041 11 10

TABLE No. 7.
DEBT at 31st MARCH, 1892.

Loans with Sinking Funds.	Balance of Old Debt at 31st March, 1892.	Sinking Funds in hand at 31st March, 1892.	Net Old Debt at 31st March, 1892.	Old Debt converted.	Debentures for increases of Sinking Funds outstanding at 31st March, 1892.	Total.
	£ s. d.	£ s. d.	£ s. d.	£	£ s. d.	£ s. d.
New Zealand Loan of 1856 ..	50,000	55,000 0 0	Cr.5,000 0 0	..	23,593 17 1	18,593 17 1
New Zealand Loan of 1860 ..	..	103 15 0	Cr. 103 15 0	93,100	22 6 1	93,018 11 1
New Zealand Loan of 1863 ..	878,800	347,680 3 1	531,119 16 11	640,600	149,722 14 3	1,321,442 11 2
N.Z. Consolidated Loan of 1867	1,160,800	1,175 11 11	1,159,624 8 14	4,252,300	396,271 8 0	5,808,195 16 1
New Zealand Immigration and Public Works Loan of 1870 ..	1,000,000	291,613 8 0	708,386 12 0	..	220,460 7 4	928,846 19 4
Auckland Loan Act of 1863 ..	19,800	25,335 5 4	Cr.5,535 5 4	11,800	12,187 16 1	18,452 10 9
Wellington Loan Act of 1866 ..	..	..	..	13,500	Cr.234 2 3	13,265 17 9
Lyttelton and Christchurch Railway Loan of 1860 ..	71,500	78,422 6 0	Cr.6,922 6 0	6,200	3,685 1 8	34,832 19 11
Canterbury Loan Ordinance of 1862 ..	17,000	7,014 2 8	9,985 17 4	5,800	35,555 5 11	19,470 19 0
Otago Loan Ordinance of 1862..	92,000	73,322 0 11	18,677 19 1	24,700	31,543 10 7	74,921 9 8
Totals ..	3,289,900	879,666 12 11	2,410,233 7 15	5,048,000	*872,808 4 9	8,331,041 11 10

* It is not strictly correct to say that this amount was outstanding, because, while the Treasury might have issued debentures for £2,134,200 0s. 2d. (see Table No. 1), it only issued £2,117,784. Deducting the difference between these two amounts from £872,808 4s. 9d., there remains £86,392 4s. 7d., which, on the other hand, has to be increased by the following small sums released, but not applied by the Treasury in 1866-67, £17 11s. 8d.; in 1891-92, £3 3s. 9d. These being added, the result is £86,413, as stated in Table No. 2.

TABLE No. 8.

Loans with Sinking Funds.	Debentures outstanding at 31st March, 1892.	Due Date of Debentures.	Rate of Sinking Fund per cent.	Sinking Fund accrued at 31st March, 1892.	Debentures issued for Estimated Accretions for 1892-93.
	£			£ s. d.	£ s. d.
New Zealand Loan of 1856 ..	50,000	July 1, 1894..	*	55,000 0 0	..
New Zealand Loan of 1863 ..	378,800	July 15, 1914..	1	347,680 3 1	17,610 0 0
New Zealand Loan of 1863 ..	500,000	Nov. 1, 1915..	*		
New Zealand Consolidated Loan of 1867	1,160,800	Annual drawing	†	1,175 11 11	218,615 0 0
New Zealand Immigration and Public Works Loan of 1870 ..	1,000,000	June 1, 1907..	2.4	291,613 8 0	29,920 0 0
Auckland Loan of 1863 ..	19,800	June 1, 1896..	2	25,335 5 4	2,155 0 0
Lyttelton and Christchurch Railway Loan of 1860 ..	71,500	1893-96 ..	2	78,422 6 0	5,800 0 0
Canterbury Loan of 1862 ..	17,000	1915-16 ..	1	7,014 2 8	560 0 0
Otago Loan of 1862 ..	92,000	July 1, 1898..	1	73,322 0 11	5,640 0 0
Totals ..	3,289,900	..	..	879,562 17 11†	280,300 0 0

* Trustees have dispensed with further contributions from the Treasury.

† The contribution from the Treasury annually is 1 per cent. on the amount of the original loan—£7,283,100, and 5 per cent. on the amount of the drawn bonds; the amount, including £210,500 drawn in March last, is now £2,939,800.

‡ Exclusive of £103 15s. belonging to loan of 1860, matured.

STATEMENT showing Conversion Operations, 1891 (furnished at the request of the Committee).

No.	Due Date.	Description.	Amount for conversion.	Amount converted.	Rate.	Converted into 3½ % stock.		Sinking Funds.				Increase of Public Debt by conversions.
						By Holder.	By Govern-ment.	Accrued.	Released.	To be released.	Balance.	
			£	£		£	£	£	£	£	£	£
1	Mar.-Dec., 1891	Part of 1863, 6 % loan ..	417,000	417,000	104-110	68,768	365,818	424,782 1 2	2424,782 1 2	..	..	17,586
2	1 July, 1891	Part of 1860, 6 " ..	74,100	74,100	104	7,072	69,992	92,228 9 3	74,575 7	317,653 2 0	..	2,964
3	1 Jan., 1893	Consolidated Stock, 1867, 5 % loan	64,000	..	..	..	..	..	..	..	..	..
4	1893/97	Lyttelton and Christchurch Railway, 6 % loan	77,700	6,200	103-115	6,878	..	78,422 6 0	..	6,200 0 0	72,222 6 0	678
5	15 April, 1894	Westland, 5 % loan ..	50,000	50,000	107½	..	53,750	..	..	..	..	3,750
6	1 June, 1896	Auckland, 6 " ..	31,600	11,800	114	13,452	..	25,335 5 4	..	11,800 0 0	13,535 5 4	1,652
7	Mar., 1896	Nelson, 7 " ..	15,000	..	..	..	..	..	..	..	..	..
8	1 July, 1898	Otago, 6 " ..	116,700	24,700	116½-117½	29,015	..	73,322 0 11	..	24,700 0 0	48,622 0 11	4,315
9	1915/16	Canterbury, 6 " ..	22,800	5,800	136	7,888	..	7,014 2 8	..	5,800 0 0	1,214 2 8	2,088
		Stock created to pay expenses of conversion (estimated)			..	..	16,556	..	..	..	..	16,556
		Total ..	868,900	589,600	..	133,073	506,116	701,104 5 4	499,357 8	566,153 2 0	135,593 14 11	49,589

ROBERT J. COLLINS, Accountant to the Treasury.
JAMES B. HEYWOOD, Secretary.

The Treasury, 25th July, 1892.

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