

# SUPPLEMENTARY ORDER PAPER.

## HOUSE OF REPRESENTATIVES.

Monday, the 28th Day of October, 1895.

### APPROPRIATION BILL.

Hon. Sir R. Stout, in Committee, to move the following new clause:—

Whereas provision was made by "The Consolidated Stock Act, 1884," for,—

- (1.) The conversion of certain loans mentioned in the Schedule to the said Act; and
- (2.) The issuing of debentures from year to year against the sinking funds of the said loans that might accrue during the year:

And whereas by the said Act it was also provided that if any error shall be made in computation for any year the same shall be adjusted in the year in which such error is ascertained:

And whereas an Act was passed in the year one thousand eight hundred and eighty-six, intituled "The Government Loans to Local Bodies Act, 1886," in which provision was made for the granting of loans to local bodies on the terms, *inter alia*, that the local body to whom the loan was issued should pay five pounds per centum per annum on the amount issued for the period of twenty-six years, and that thereafter all payments by the local body should cease:

And whereas it was declared that a sinking fund should be established to repay such loans at maturity:

And whereas the moneys advanced to the said local bodies were borrowed by the Crown at the rate of four pounds per centum per annum: And whereas by "The Consolidated Stock Act, 1891," provision was made for the conversion of all loans issued under "The Government Loans to Local Bodies Act, 1886," and all provisions of "The Consolidated Stock Act, 1884," were to apply to such conversions:

And whereas at that time no sinking fund had been created under "The Government Loans to Local Bodies Act, 1886," and no mention was expressly made of issuing debentures against any sinking fund under the said "Government Loans to Local Bodies Act, 1886," in the said "Consolidated Stock Act, 1891":

And whereas, a statute was passed in the year one thousand eight hundred and ninety-two, intituled "The Government Loans to Local Bodies Act Amendment Act, 1892":

And whereas provision was, *inter alia*, made in that statute to create a sinking fund at the rate of two pounds per centum per annum, by one and a half per centum being taken from the consolidated revenue and one-half per centum from the Land Assurance Fund:

And whereas, under the provisions of the said Act, a large sum of money, to wit, sixty-five thousand pounds or thereabouts, has been accumulated as a sinking fund for the purposes of the last-mentioned Act:

And whereas a large sum of money, to wit, twenty thousand pounds or thereabouts, will be payable during the financial year ending the thirty-first day of March, one thousand eight hundred and ninety-six, to the credit of the said sinking fund :

And whereas there has been or will be issued debentures under "The Consolidated Stock Act, 1884," against such sinking fund, with the result that the debt of the colony will be increased by the amount of the said sinking fund, and if such a practice continues the usefulness of maintaining a sinking fund will be destroyed, and it would have been better that the provisions of "The Government Loans to Local Bodies Act Amendment Act, 1892," had never been enacted :

And whereas it was stated in the Budget of the year one thousand eight hundred and ninety-one that it was proposed by the Government to create a sinking fund to repay these loans at maturity: And whereas it was the intention of Parliament that a sinking fund should be maintained, so that at the end of the period of twenty-six years, the period for which the loan was issued, the liability of the colony as well as of the local bodies should cease :

And whereas grave doubts have been expressed as to the legality of the issue of such debentures :

BE IT THEREFORE ENACTED as aforesaid that the sinking fund of the loans issued under "The Government Loans to Local Bodies Act, 1886," shall be maintained, and all debentures issued under the presumed authority of "The Consolidated Stock Act, 1891," shall be redeemed by the Treasury out of funds voted or hereafter to be voted for such a purpose.