

this decision they were supported by the advice of the most competent financial authorities. The opportunity occurred upon the arrangements to hold a Congress being concluded, when subscriptions to the Loan were opened. Upon the intimation of Mr. Larnach that the Government were desirous to try a new source of issue for the loan, Sir P. Julyan made proposals to the Bank of England, who are bankers to the Crown Agents' Department; and, an agreement was made that the Bank should undertake the issue for a commission of $\frac{1}{2}$ per cent.—terms which must be considered favourable. As the Agents desired to be assured in advance of at least a major portion of the loan being subscribed, a fixed price at par was adopted, with a 5 per cent. rate of interest. The result was an entire success, the total amount subscribed being about $8\frac{3}{4}$ millions. I think the Committee will concur in the expression of opinion that the Agents deserve the thanks of the colony for the judgment and zeal they displayed under unusually adverse circumstances.

The amount raised was three and a half millions, one million under the Loan Act of 1876, to meet the advance on short-dated debentures falling due at the end of this and the beginning of next year; and two and a half millions under the Loan Act of last Session. The net amount of the loan available for public works is £2,200,000, £300,000 being apportioned to Provincial Liabilities. The Guaranteed Debentures released we propose shall, as in the past, remain available as a security on which to obtain temporary advances in London.

THE PUBLIC WORKS ACCOUNT.

I have now to state the position of the Public Works Account. The amount appropriated for Public Works and Immigration last session was £2,293,740 9s. 9d., and the expenditure £1,167,583 5s. 6d., showing a balance unexpended of £1,126,157 4s. 3d. The amount unexpended out of that appropriated may appear large, but the circumstances causing the delay in raising the loan would probably have justified the Government in restricting the expenditure to a greater extent than they have done. Table M.

The funds brought to the credit of the Account consist of the following items:—Balance from previous year, £652,989 13s. 1d.; temporary advance on security of Guaranteed Debentures, £275,000; transfer from Loan of 1876, £48,051 3s. 11d.; sales of allotments of land, £1,641 7s.; the account closing with a nominal overdraft of £200,051 5s. 6d., which is in reality covered by proceeds of the Loan not yet brought to account. Table C.

The several items just quoted make up a total of £1,177,733 9s. 6d., which has been expended on public works and immigration during the year.

It will be interesting to know the position of the Public Works Account, dating from its commencement in the year 1870. The total amount of the Loans raised for Immigration and Public Works, including the Loan recently announced, is £13,700,000. This amount has been supplemented by a moiety of stamp duties, £264,657 16s. 4d., and contributions and transfers amounting to £75,963 1s. 3d., showing a total of £14,040,620 17s. 7d. The expenditure up to the end of the financial year was £12,038,472 3s. 1d., reducible by a sum of £54,791 13s. 4d. repayable to the account, and leaving a balance of £2,056,940 7s. 10d. available for appropriation. Table O.

DEBT OF THE COLONY.

The gross debt of the colony on the 30th June, including the loan just raised, but exclusive of the guaranteed debentures, was £22,491,111. The Sinking Fund accrued amounted to £1,584,992 6s. 1d., and if we deduct this from the gross debt, we have a net indebtedness of £20,906,118 13s. 11d., the annual charge on the 30th June, for interest and sinking fund, being £1,195,318 11s. 10d. Table A.

TREASURY BILLS.

The Committee would, no doubt, like to be informed of the position of the securities existing in the form of Treasury bills. The total issue outstanding of these securities amounts to £832,000. Of this, the Commissioners of the different