

£99 8s. 2d.; Adelaide, £99 5s. 6d.:" so that we were nearly a fifth per cent. better than Victoria, an eighth per cent. better than South Australia, and more than two per cent. better than Queensland. It is right, however, to say that the Victorian loan was larger in amount, and that during the few days interim the market had somewhat improved. Still, we cannot avoid seeing that we are fortunate in the judgment of our Loan Agents, and in the great strength of the immediate issuer of our loans—the Bank of England. In relation to the prices for colonial stocks that ruled during a portion of last year, honourable members should recollect that there was a considerable fall in the value of colonial securities after the failure of Mr. Childers's scheme to convert consols became evident.

LOAN CONVERSIONS.

The loan-conversion transactions during the year comprise, amongst others, the paying off the unconverted balance of 5 per cent. 5-30s—£745,600.

We have also converted £3,642,100 of consolidated drawing debentures; but, before I refer to this operation, I should like to say a few words concerning the Consolidated Stock Act of last session under which it was effected. It will be remembered that this Act, which had for its objects the facilitating the conversion of loans, and the saving the country the burden of the sinking funds whilst contemporaneous fresh loans were being issued, met with considerable opposition. There was at first great difficulty in making its operation understood. I have seen it stated in newspapers in the colony since last session that we had stopped paying the sinking fund. A very general statement has also been made that we were using the accruing sinking fund, and I need not remind you of the unkind anticipations which were indulged in that the credit of the colony would be injured by it. I claim a triumphant answer to all the opposition the Bill met with, in the brilliant success of its operations, and in its having entirely failed to do any injury to the credit of the colony. Do not let it be supposed that it escaped criticism: some active enmity survived the session. A cablegram was even sent out from England, which appeared in all the newspapers in the colony, that the Stock Exchange objected to the Act. On what this cablegram was founded I have not been able to discover. I have heard of no objection taken by the Stock Exchange, nor by any prominent members thereof. But the Act was well considered at Home, and full explanation of it made to the Bank of England, through which great institution we emit our loans and conduct our conversion operations, subject to the directions of the Loan Agents. The Agent-General also, in the statistical paper with which it is usual to accompany a loan, elaborately explained the effect of the Act on the sinking funds.

That the Act and the operations proposed under it did not injure our credit is shown by the negotiation of the loans to which I have already referred. That it has been a splendidly useful Act is proved by the fact that through its agency we have converted £3,642,100 of the £5,772,500 of consolidated (drawing) debentures left undrawn. This was the immediate action of the measure, for which I had to undertake an amount of personal responsibility last session which at times almost frightened me, thoroughly convinced though I was of its value. The majority of honourable members whom I address are aware of the effect of the Act of last session. They know that it neither suspended the payment of sinking funds which we had engaged to pay, nor enabled us to use accrued sinking funds until thorough provision was made for the loans to which they belonged. The Act simply provided that we might create debentures to an amount commensurate with the growth of the sinking funds from and after the end of March, 1884—those debentures to be extinguished by the proceeds of the sinking funds when they came to be realized. Thus, if the sinking funds increased by a quarter of a million during the year 1884-85 we were to create debentures to that amount. It could not be said that the creation of these debentures increased our indebtedness—it left it precisely where it was—and this was to be continued in anticipation of conversions. If we issued under the provisions relating to sinking funds a million of new bonds, a million, in addition to the accumulations to the end of March, 1884, would have to stand to our credit in the sinking funds. During the year past we issued debentures for £247,700,