

£25 per cent. on 21st February, £25 per cent. on 21st March, and £20 per cent. on 21st April, 1902. The instalments might, however, be paid in full on or after the 6th December, 1901, under a discount at the rate of £3 per cent. per annum.

The Government were disappointed that the public applications did not fully cover this loan. The causes, however, are not far to seek. The times were dull, and the money-market was loaded with undigested stock of other colonies, in addition to which the Imperial Government were issuing loans, and the money-market was holding off for bargains. The chief consideration with us, however, was to secure the best price, and it was felt that the underwriters would take care to see that the *bonâ fide* investing public would apply as freely as possible. Having regard to all the circumstances telling against a successful flotation, the colony is, I think, to be congratulated at obtaining such a price as 94, for I am able to say that had the money-market been approached in the usual manner the issuing-price which would have been named, even with easy terms as regards payment of instalments, would have been not much, if at all, over 92. Although the public did not come in and take up the whole loan, it is satisfactory to know that there were no less than 519 applications, all from *bonâ fide* investors—a result which compares very favourably with previous loans.

“The Aid to Public Works and Land Settlement Act, 1901,” authorised the raising of £1,250,000, of which £1,000,000 were raised in London, as I have just described. With regard to the remaining £250,000, my colleague was advised to offer it for Treasury over-counter sales at 4 per cent., making the currency three years. This method of issue proved very popular, and was availed of to the extent of thirty applications, extending over a period of five months. As in the case of the local half-million loan issued under the Act of 1900, purchasers had the option of having the debentures domiciled either in this colony, Sydney, Melbourne, or London. Five parcels were made payable in Sydney, three in Melbourne, and two in London. The largest amount purchased was £150,000, and the smallest £100.

The Government having decided to acquire large areas of land during the year for close settlement under the provisions of “The Land for Settlements Consolidation Act, 1900,” it became necessary to finance in advance so as to have funds available for the purchase of estates in spot cash as soon as the conditions of purchase became completed. Treasury over-counter sales being successful, it was determined to issue three-years debentures at the rate of 4 per cent. per annum from date of lodgment of the purchase-money, the debentures having similar provisions respecting domicile of principal and interest to the debentures issued under the Act of 1901. These over-counter sales continued throughout the year, and have been largely taken advantage of. We sold £879,150 of debentures by this means without commission, advertising, or other usual flotation expenses. Fifty-six purchases were made, in sums ranging from £125,000 to £100; four parcels being made payable in London, eight in Sydney, and nine in Melbourne; sales being at par, except in one case, where one-quarter per cent. premium was paid by the purchaser.

With the advent of peace I anticipate a much easier money-market. Prices of our stock in London have already gone up appreciably, and when the Imperial authorities have placed their next loan I am of opinion that rates for money will drop. Under these circumstances I have discontinued the issue of 4-per-cent. debentures for these over-counter sales, and am substituting a 3½-per-cent. rate instead. Of course, this rate of interest will not be so popular, and diminished sales may possibly result.

GOVERNMENT ADVANCES TO SETTLERS OFFICE.

The business done during the past year was a little less in volume than in the previous year.

For the sixth year in succession the Department is able to say that on the 31st March last no sum of either principal or interest was outstanding in respect of the year ended 31st March previous; and on the same date (31st March last) it had no properties on its hands.