

I subjoin a comparison of the last two loans, showing the purposes for which the moneys were, when raised, devoted.

COMPARISON OF THE LAST TWO LOANS BORROWED ON LONDON MARKET, SHOWING PURPOSES TO WHICH THE LOANS WERE APPLIED.

Loan.	Date raised.	Repayment of Advances obtained in Anticipation of Loan or in Payment of Maturing Debentures.	Expenditure in London (Naval Defence).	Balance available for Expenditure in the Dominion.
£4,500,000 loan of 1911	June 7, 1912	£ 2,785,500	£ 283,500	£ 1,431,000
£3,000,000 loan of 1912	Feb. 13, 1913	451,800	Nil	2,548,200

ALLOCATION OF £3,000,000 LOAN.

The following is the allocation showing the purposes to which the recent loan of £3,000,000 was applied:—

State Coal-mines Account	£ 50,000
Public Works Fund	1,448,200*
Advances to settlers	200,000
Advances to workers	150,000
Land for settlements	300,000
Local authorities	400,000
Redemption of debentures	451,800
	£3,000,000

* Includes £205,300 raised for redemption of debentures, but not being required for that purpose was subsequently added to the original Public Works Fund allocation.

LOANS FALLING DUE.

The loans falling due during the next seven years are as follows:—

Year ending 31st March.	London.	Australia.	New Zealand.	Total.
	£	£	£	£
1914 (from 1st July) ...	230,400	...	68,400	298,800
1915	8,145,200	352,100	1,333,565	9,830,865
1916	848,900	127,550	3,283,252	4,259,702
1917	225,200	1,087,800	572,240	1,885,240
1918	40,700	84,400	3,266,456	3,391,556
1919	134,350	60,000	1,302,465	1,496,815
1920	38,000	26,800	572,480	637,280
	9,662,750	1,738,650	10,398,858	21,800,258

The £9,830,865 due in 1915 includes the whole of the £4,500,000 loan of 1911 and £3,142,600 of the £5,000,000 loan of 1910 not converted.

It will be seen that a very large amount of loan-money has to be met during the year ending the 31st March, 1915. This matter largely occupied my attention during my recent visit to London, and I fully anticipate that satisfactory arrangements will be made when the proper time arrives for raising the money.

The reserve securities held by the Government in London amount to £800,000, and these are at the present time earning interest and are unpledged.