

Post Office 5-per-cent. inscribed stock, I decided to make available to the public securities to the extent of £2,000,000, with a currency of ten years, bearing interest at 5 per cent., which is not free of income-tax. The money so raised is to be applied for public-works purposes, including railways improvements and hydro-electric supply.

Under the prospectus which was issued on the 1st June, 1920, investors are given the option of taking up debentures or inscribed stock. In order to encourage small investors to participate, bonds are issuable for sums of £50. Holders of bonds under this loan will have the option of converting such bonds into 5-per-cent. inscribed stock on any due date of interest.

#### TO BE PROVIDED BY LOANS.

I submit hereunder a table which indicates generally the amounts required to be raised by way of loan during the twelve months commencing 1st July, 1920; also the unexhausted authorities for borrowing already provided or to be provided.

FOR YEAR ENDING 30TH JUNE, 1921.

Requirements.	Amount.	Unexhausted Authority and New Authority at 30th June, 1920.
	£	£
Discharged Soldiers Settlement Account	5,000,000	Discharged Soldiers Settlement Loans Act, 1919, section 3
Land for Settlements Account (on account of discharged soldiers)	2,500,000	Discharged Soldiers Settlement Loans Acts, 1916 and 1919
Public Works Fund ...	3,000,000	Finance Act, 1919, section 5
Electric Supply Account ...	650,000	Aid to Water-power Act, 1910
Education Loans Account ...	500,000	Electric-power Works Loan Act, 1919, section 2
Housing Account ...	1,000,000	Education Loans Act, 1919
Railways Improvement Authorization Act Account	450,000	Housing Act, 1919 ...
Nauru and Ocean Islands Account	600,000	Railways Improvement Authorization Act, 1914
		Nauru and Ocean Islands Act, 1920
Total ...	13,700,000	

In addition to the above the Treasury will be required to provide approximately £1,000,000 for other developmental services and State activities, and, as previously pointed out, £10,105,457 for loans falling due.

#### COMPULSORY LEVY.

In view of the necessity of providing money for such urgent public requirements as housing, discharged soldiers settlement, and loans-redemption, you will be asked to grant authority for a compulsory levy should the appeal for voluntary subscriptions at fair and reasonable rates of interest result in a deficiency.

I trust, however, that the Government will not find it necessary to make such a levy, and that those who have loanable capital available and whose wealth has so largely increased during recent years will freely recognize that the claims of the State should be met.

#### BANKING.

Important legislation in connection with the banking business of the Dominion, and the intimate relationship of the Government thereto, will be submitted this session for your consideration.