

The British Government recently offered an inducement to holders to convert this 5-per-cent. stock into 4½-per-cent., maturing in 1943, but after considering the advantages of retaining the present holding, which earns about £5 5s. per cent. until maturity in 1929, it was decided not to apply for conversion.

NEW ZEALAND INSCRIBED STOCK IN LONDON AND LOAN CHARGES.

I referred last year to a reduction in the Bank of England charges for the management of New Zealand inscribed stock in London dating as from 1913, and that a refund of £30,676 would be made, but subject to Imperial taxation paid by the bank amounting to £14,383. Representations were made as to a remission of this taxation, and I have since been advised that altogether £23,293 has been refunded.

As regards loan expenses, further minor reductions in charges should result in a saving of £3,750 on the last loan.

PURCHASE OF NEW ZEALAND STOCK.

A purchase was recently effected, at a profitable discount, of our 4-per-cent. stock maturing in 1929. An amount of £250,000 was secured for cancellation in terms of section 24 of the Finance Act, 1921–22. The transaction will represent a saving over the period of five years of about £60,000 in premium and interest.

1924 LOAN.

Although I was able to finance the last year and provide additional large sums for the Advances Office without outside borrowing, I decided in May to place a loan of £5,000,000 in London, £3,000,000 of which was for public works, £1,000,000 for advances to settlers, and £1,000,000 for advances to workers. The issue was 4½ per cent. at £95, and I am pleased to state that the loan was subscribed fourfold, and, moreover, immediately went to a small premium.

The interest-yield of the loan to investors is £4 14s. 9d. per cent. per annum. To assist in meeting the heavy demands that have been made, I have arranged to obtain some additional capital on the same terms for State-advances purposes.

The following table of comparison with recent issues of other Dominions indicates the high credit of New Zealand in London:—

Date.	Borrower.	Amount of Loan.	Rate per Cent.	Date Maturing.	Issued at	Interest Return per Cent.
1924.		£				£ s. d.
February 26 ..	South Africa ..	4,000,000	5	1933–43	99	5 1 0
March 11 ..	New South Wales ..	16,419,000	5	1935–55	97½	5 2 7
„ 25 ..	South Australia ..	1,650,300	5	1932–42	98	5 2 0
April 4 ..	Queensland ..	12,700,000*	5½	1926–29	99½	5 10 7
May 8 ..	New Zealand ..	5,000,000	4½	1944	95	4 14 9
„ 19 ..	Commonwealth of Australia	10,000,000	5	1935–45	100	5 0 0
„ 29 ..	New South Wales ..	10,000,000	5	1935–45	95	5 5 3

* Approximate.

PUBLIC WORKS FUND.

The expenditure on public works was practically the same as that for the year 1922–23, and amounted to £3,749,160—the bulk being for railway-construction, additions to open lines, roads, &c., and telegraph-extension. My colleague the Honourable the Minister of Public Works will at a later date submit important proposals making for continued progress with developmental works, and you will be asked to provide by legislation for next year's expenditure.

I propose to meet the requirements of the current year with £3,000,000 of the loan recently raised in London, and to supplement this amount by again transferring the sum of £1,000,000 from surplus revenue.