

a large amount of 4½ and 5 per cent. five-thirty debentures into 4 per cent. inscribed stock at the Bank of England: the reduction in the rate of interest in respect of this portion of the debt has, however, caused a large annual saving. These increases of the public debt, amounting to £1,411,300, added to £28,384,581, give a total of £29,795,881. From this sum, however, I deduct the sinking funds accrued during the year, estimated at £220,979, leaving £29,574,903, which, as I have already stated, represents the net public debt of the colony on the 31st March, 1884.

#### LOAN OF £1,000,000 RAISED IN JANUARY, 1884.

Last year I had occasion to congratulate the Committee on the unprecedented success which had attended the negotiation of the first instalment of the loan of three millions authorized in 1882. That loan, as honourable members are aware, was offered to the public, through the Bank of England, in the form of a 4 per cent. inscribed stock, at a minimum of £98 10s., the average price at which it was placed being £98 12s. 5d. The second instalment of one million was raised in January of this year. Sir P. G. Julyan and Sir F. D. Bell again acted as Agents, and the loan was offered to the public in the same form as on the former occasion, and at the same minimum—£98 10s. The tenders received at the Bank of England were 607 in number, amounting in the aggregate to £5,073,000, at prices varying from the minimum of £98 10s. up to £100 16s. 6d. The average price obtained was £100 6s. 6d., being no less than £1 14s. 1d. in advance of the price obtained for the first million. There is, therefore, still greater room for congratulation on the present occasion at this renewed expression of confidence in the resources of the colony, and at the prospect which the state of our credit affords of our being able, if we continue to manage our affairs with prudence, to obtain the necessary loans for our public works upon very favourable terms. Papers relating to the negotiation of the loan will, as usual, be laid before Parliament at an early date.

#### COLONIAL INSCRIBED STOCK.

As I have already stated, the loan authorized by "The Colonial Inscribed Stock Loan Act, 1882," was raised last year. It was taken up by the Postmaster-General at par as an investment on account of the Post Office Savings Bank, and it bears interest at the rate of 5 per cent. per annum. The proceeds were, in accordance with the Act, paid into the Public Works Fund.

It was found, when preparations were being made for offering the stock to the public, that the Act would require amendment in certain directions to render it workable; and, as it was proposed to offer the stock through the medium of the Post Office, the whole of the loan has been temporarily taken up by the Postmaster-General until the Act can be amended and a favourable opportunity arises for disposing of the stock to the public.

#### CONVERSION OF DEBENTURES.

Last year—in adverting to the Treasury Bills, amounting to £1,832,000, exchanged on the 31st December, 1882, for debentures having a currency of three years, issued under the Treasury Bills Acts of 1879 and 1880, to be afterwards converted into 4 per cent. inscribed stock—I stated with reference to the proposed conversion that circumstances had not proved sufficiently favourable for a successful operation, but that the Government intended to inscribe the debentures as soon as a fitting opportunity offered.

The desired opportunity presented itself last year, and, under the wise and skilful management of Sir P. G. Julyan and Sir F. D. Bell, the Stock Agents under the Act of 1877, the operation has been carried to a successful issue.

It was not, however, restricted to the conversion of the debentures for £1,832,000. Honourable members who are familiar with the form and currency of our debentures will recollect that a portion of them was issued with a currency of thirty years, redeemable at the pleasure of the Government in any year after the fifth year from the date of issue, on the Government giving six