

population is increasing rapidly has been given first consideration, and these activities absorbed a large proportion of the funds available last year. Nevertheless, a good deal was accomplished in the way of remodelling schools with a view to providing separate class-rooms for each teacher, and incorporating in the buildings more effective lighting, ventilation, and heating. In addition, a few buildings of different open-air types have been erected with a view to discovering whether such buildings are suitable to the climatic conditions of the different parts of the country. Large sums have been required in recent years to provide additional accommodation in our secondary and technical schools, and the past year was no exception to the rule. It is the intention of the Government to proceed with the improvement of school-buildings as fast as financial considerations will permit. It is highly desirable that the children attending school should be housed in well-ventilated, well-lighted, and comfortable schools.

The expenditure on irrigation and rivers improvement comprises £58,697 for irrigation in Otago, mostly on the Hawkdun and Arrow schemes, £91,304 for grants and subsidies to Drainage Boards and various river-protection works, and £132,805 for large drainage schemes being carried out by the State. **Irrigation and rivers improvement.**

The final item for other public works includes £50,266 for immigration, and the balance of the votes of the Public Works Fund not included in the special items to which I have just referred. Immigration with State assistance was restricted during the year to separated families, single women, domestic servants, and juveniles. The Government proposes to continue the restrictions on immigration until such time as our own unemployment difficulties have been overcome. **Immigration.**

The Government is being urged to undertake the construction of a bridge across the Auckland Harbour as a national work. Apart from the debatable question of it being a national work the undertaking is a very large one and calls for serious consideration. The Government, however, will provide £1,000 towards the work of exploration and, if required, the advice of the technical officers of the State will also be available in this connection. **Auckland Harbour Bridge.**

### LONDON LOAN, 1929.

In order to provide additional capital for public works, and particularly the acceleration of railway-construction in accordance with the Government's policy, a further loan of £7,000,000 was successfully floated in London on the 8th January last. The issue price of the loan was £95 per cent. with interest at  $4\frac{1}{2}$  per cent. The loan matures on the 1st March, 1958, but the right is reserved to redeem it at par at any time after the 1st March, 1948, on giving three months' notice to holders of the stock. Over the full period the yield to investors with redemption of the discount is £4 16s. 5d. per cent., as compared with £4 19s. 8d. per cent. for the shorter-dated loan issued last year. The cost of the new loan to the State, allowing for the redemption of the discount and expenses over the full period, is £5 0s. 1d., which is cheaper than the cost of any other loan raised by the Dominion for some years. The issue was very favourably commented upon in the London financial papers, and in the light of subsequent events in the money-market the Dominion is undoubtedly fortunate in having obtained a loan on these terms, which are better, and in most cases considerably better, than those obtained by other borrowing States. The result is further proof of the confidence that London investors have in the financial strength of New Zealand, and shows that this great financial centre has not been misled by the mistaken propaganda concerning the Government's borrowing-policy. **London Loan, 1929.**

Normally a New Zealand issue for the then current year does not appear on the London market until about May, but, in view of the information forwarded by our financial advisers in London as to the general financial outlook for this year, I deemed it advisable to make a departure from the usual practice and go on the market for our