The operation recently effected by the Bank of England for the New Zealand Government, in the conversion of more than five millions of the debenture debt, bearing 4½ per cent. and 5 per cent. interest, into 4-per-cent. Inscribed Stock, has been eminently successful. The Government were unwilling to exercise their power of paying off the debentures commonly known as the "Five-thirties," without giving an opportunity to exchange the same for stock on terms favourable to the bondholders. These terms were: to give £103 10s. of stock for a £100 5-per-cent. Bond, and £103 for a £100 4½-per-cent. Bond. Holders availed themselves of the conversion to the extent of nearly £5,400,000. The financial value of the operation to the colony was investigated by the well-known actuaries, Mr. A. H. Bailey and Mr. Ralph P. Hardy, who made an actuarial computation of the same. This computation shows that the net annual saving to the colony is £29,669. The annual charge prior to the conversion was £247,992; it will now be only £218,253. The total of the savings in yearly outlay will amount in all to £303,778, and the present value capitalized of these savings is £175,557. After making complete provision for the redemption of the slight increase in the capital of the debt caused by the terms offered to the holders, the balance in favour of the conversion is £108,298.

II. The Revenue.

In the same Financial Statement (27th June, 1883) the Treasurer stated that the ordinary revenue of the financial year ending 31st March, 1883, exclusive of land sales, had amounted to £3,470,250, being £76,750 above the estimate. The revenue from land sales was £272,305. The total revenue of the year, ordinary and territorial, adding the surplus of 1882, amounted to £3,957,599. The net revenue from the railways was £360,000. The surplus on the 31st March, 1883, was £122,000, after remitting taxation to the extent of £80,000, charging £75,000 to revenue for defence purposes, which had been formerly paid out of loan, providing for £96,000 of increased charges for education and interest, and contributing £270,000 out of revenue to the Sinking Funds of the debt.

The ordinary revenue, exclusive of land sales, has risen as follows since 1871: For the financial year 1871, £936,000; 1874, £1,420,000; 1878, £2,328,000; 1883, £3,470,000. In the first three years it had risen £480;000, in the next four years £900,000, in the last five years £1,140,000; it is now £2,500,000 a year more than it was twelve years ago, when immigration was renewed and the railways were begun.

III. Application of the Loan.

The total loan authorized by the New Zealand Government is for £3,000,000, but to be only raised and expended at the rate of £1,000,000 a year. The first million was raised in January, 1883.

The application of the money is strictly limited to certain specific purposes named in the Act, and its schedule defines these appropriations as follows: (1) Railways, £1,650,000; (2) purchase of Native lands, £200,000; (3) public buildings, £300,000; (4) immigration, £200,000; (5) roads and bridges, £400,000; (6) gold fields, £100,000; (7) harbour works, £100,000; (8) telegraph extension, £50,000: total, £3,000,000.

IV. Statistics.

The following information will be found of interest:—

(i.) *Population.*

The population of New Zealand at the census of 1874 was 342,000 (exclusive of Maoris); in 1878, 432,000; and on the 30th September, 1883, 532,000, or 100,000 more. Counting the Maoris, who numbered 44,000 at the census of 1880, and adding emigrants who have gone out since September, the total present population is about 580,000.

(ii.) *Railways.*

The total length of Government railways open for traffic to June, 1883, was 1,370 miles, of which 459 miles were in the North Island, and 911 miles in the Middle Island. There were about 80 miles of private lines worked by the Railway Department, bringing up the total to 1,443 miles of railway open for traffic.

The total expenditure in building the railways has been about £11,000,000. The revenue of the past financial year, notwithstanding large reductions in the tariff (the change in the rate for grain alone making a difference of £90,000), exceeded the estimate, owing to a considerable increase in both passenger traffic and tonnage of goods, as well as a large live-stock traffic from the activity of the new refrigerated meat trade. The gross railway revenue increased from £892,000 in 1882, to £953,000 in 1883: the increase in passengers being 372,000, and in goods carried 127,000 tons. The increased expenditure, however, absorbed the increased revenue, chiefly for maintenance of permanent way consequent on the growth of the traffic.

The net railway revenue of the North Island, on a capital expenditure of £3,475,000 was £2 1s. 1d. per cent.; of the Middle Island, on a capital expenditure of £7,000,000, £4 2s. 6d. per cent. In 1880 the railway revenue was only £762,000, and the expenditure £580,000; in 1883 the revenue had grown to £953,000, while the expenditure had only grown by £12,800, although the lines were doing 50 per cent. more work.

(iii.) *Frozen Meat.*

This trade is assuming dimensions which were hardly foreseen by any one. In 1882 not so many as 9,000 sheep were sent home in the refrigerators of the various ships: in 1883 more than 120,000. For 1884 contracts have already been entered into by the New Zealand Shipping Company to bring over 220,000 sheep, and by the Shaw-Savill-Albion Company 200,000; this will be