

I feel sure there is a general consensus of opinion that it is of incalculable advantage to New Zealand to have low cable rates, both for the Press and public; and I look forward with confidence to the time when the development of commerce and the growth of the colonies will enable a further reduction to be made, so as to place the use of the cables at the command of all classes.

The later negotiations in connection with the construction of the Pacific cable I propose to deal with in another part of the Statement.

The interests of the mercantile community were further considered in connection with the proposed obligatory use of the cable-code vocabulary recently issued by the International Office at Berne. Action was taken by the Conference to enable the matter to be watched and dealt with at the proper time.

The question of the renewal of the Federal Mail-service was also debated, but the result, except that the Conference strongly expressed its disapproval of coloured labour on subsidised steamers, is of little interest to this colony.

Uniform ocean penny postage was also discussed, but the time was regarded as inopportune for making any alteration in the existing rate.

The report of the proceedings has already been laid before Parliament; but I may mention that a large number of subjects, principally of a departmental and technical nature, came before the Conference, and were fully considered and dealt with, to the common advantage of the colonies.

CONCESSION ON COST OF MANAGEMENT OF OUR INSCRIBED STOCK.

Upon assuming the position I have now the honour to hold, my attention was called to the charges made by the Bank of England in connection with the management of our inscribed stock. These charges were originally £600 per million, but after ten millions had been reached the Bank lowered the rate to £550 on the succeeding millions up to fifteen millions, and a further concession was made of £50 per million on the remainder of the amount inscribed in the Bank books.

I am aware that this matter had not been lost sight of by my predecessors, and our present Agent-General had already made strong representations to the Bank authorities to have the charges reduced, but without success. Upon my arrival in London I determined that further efforts should be made to reduce the existing charge, then amounting to over £18,000 per annum. Our Agent-General, in conjunction with the Agents-General of New South Wales and Queensland, had a few weeks before waited upon the Governor of the Bank of England and strongly urged their claims for a reduction of charges, and they discussed the matter very fully with the Bank authorities. No hopes were, however, held out to them by the Governor that their application would be favourably considered. Subsequently, the Agent-General wrote a formal application to the Bank asking for a reduction of the charges: this application was declined. I determined to personally urge our claim upon the Governor, and, accompanied by the Agent-General, I was favoured with an interview with the Governor and the Deputy-Governor, who then promised to reconsider the whole question. At a subsequent meeting, the Governor informed me that the Bank had decided to make a reduction of £100 per million per annum. The rate will now stand at £500 per million for the first ten millions, £450 per million for the succeeding five millions, and £400 per million for the amount inscribed above fifteen millions. This reduction, dating from the 1st May, 1895, upon a total of upwards of thirty-six millions of inscribed stock, represents a saving of £3,600 per annum—a valuable concession, you will admit; but I am strongly of opinion that the rate is still too high. It is right also to mention that the Bank has waived its special charge in connection with the conversion of outstanding Government debentures into inscribed stock, and is prepared to make any further inscriptions of a similar nature free of charge, out-of-pocket expenses excepted.

THE MILLION AND A HALF LOAN.

As "The Government Advances to Settlers Act, 1894," authorised the raising of three millions, in sums not exceeding one and a half millions in each financial year, subject to a limitation of two years from the date of the passing of