

the Act, the Loan Agents appointed under the Act proceeded to issue a prospectus calling for tenders for one and a half millions of 3-per-cent. inscribed stock, to be lodged at the Bank of England on or before Friday, 3rd May, 1895. The minimum price of issue was fixed at £90 per cent. Instalments were made payable by 5 per cent. deposit; 25 per cent. on the 13th May; 35 per cent. on the 1st July; and 35 per cent. on the 1st August, 1895. Instalments paid in full on or after the 13th May, 1895, were to be subject to a discount at the rate of £1 per cent. per annum. The stock will be inscribed in the books of the Bank of England on or after the 1st August next; but scrip paid up in full was to be forthwith inscribed. The nominal amount of stock was to carry six months' interest, payable on the 1st October, 1895.

On opening the tenders at the Bank of England the result was found to be eminently satisfactory. In respect of one million and a half, applications for £5,960,400, at prices varying from £100 to £90, were sent in; and, of these, about 33 per cent. of the tenders at £94 8s. were accepted, those above that price being allotted in full.

The average price realised was £94 8s. 9d., and the amount payable was £1,416,601 2s.

The full accounts connected with this operation have not yet been received from the Loan Agents, so I am unable to state the exact amount of expenses incurred. I may, however, say that no portion of the loan was underwritten, or any expense incurred in this respect. An offer to underwrite was made and declined. Correspondence relating to this loan operation will be shortly placed before you.

Now, honourable gentlemen may think that, as the raising of this loan was attended with so much success, the operation itself was of a simple character; but I can assure you that such was by no means the case. In the first place, the determination to fix a lower rate of interest for our new loan caused, as you may imagine, great anxiety, and was only decided upon after the most careful consideration; and I shall not, I hope, be accused of divulging matter of a confidential nature, when I assure the House that some of the highest financial authorities in London were of opinion that a 3-per-cent. loan would not be likely to prove successful. It is my pleasurable duty to state that our Loan Agents were indefatigable and untiring in their exertions to insure the success of the loan, after we had decided upon the rate and the minimum price of issue, and in connection with the splendid result I am not desirous of taking to myself any credit which properly belongs to them. I have also to thank the Governor of the Bank of England for his valuable advice and assistance. To the general manager of the Bank of New Zealand, then in London, and to the local manager, I am also indebted for the courtesy and information they so willingly extended to me.

The Queensland and Western Australian Governments came out with 3½-per-cent. loans immediately before our own 3-per-cent. loan was announced; and I have had some calculations made comparing the results of the average prices of their loans with our own. I may here mention that the Western Australian loan was issued with an alternative currency—namely, twenty or forty years; while the Queensland and our own carry a fifty years' currency. The average annual charge per £100 of stock on each of these loans (of course, leaving out of consideration the expenses of floating), is as follows:—

Queensland Loan, which averaged £101 12s. 7d., gives an annual charge of £3 8s. 7d. per cent.

The Western Australian Loan, which averaged £103 1s. 4d., gives an annual charge of £3 7s. 2d. per cent. for a forty years' currency; £3 5s. 10d. for a twenty years' currency; and £3 7s. 4d. for a fifty years' currency.

New Zealand 3-per-cents, which averaged £94 8s. 9d., gives an annual charge of £3 4s. 6d. per cent.

And now, applying these figures to the one million and a half loan, I find that, notwithstanding the prices over par obtained by the 3½-per-cent. loans of Queensland and Western Australia, the price our own loan realised, although under par, effects a saving to our taxpayers, as compared with Queensland, of £3,062 10s. per annum, or £153,125 for the full period of fifty years. And, com-