the market. During the year a large amount of money has been offered in fairly large sums for investment from beyond the Dominion at 4 per cent. par, and in each instance I declined them. I had an offer for £400,000 3½-per-cent. stock at £103 for every £100, which I accepted. It was not until April of this year that I was able to place our loan on the market; the general election in the Old Country, and other reasons over which we had no control, prevented our doing so before. The results of the flotation of a 3½-per-cent. loan of £1,850,000 were most satisfactory. The money was raised at £98½ under five-years convertible debentures, holders to have the option of converting their holdings into 3½-per-cent. inscribed stock at the rate of £102 of stock for every £100 of scrip or debentures. The loan was underwritten, but the underwriters had only to retain 17 per cent. of the loan. Even this, in comparison with other loans raised about the same time, was most gratifying: Ceylon issued a 3½-per-cent. loan at 98½, and the underwriters had to take 90 per cent. of it; while of an Indian 3½-per-cent. loan, issued at 96, the underwriters had to retain 50 per cent. In financial circles the result of our loan was considered as very good indeed.

The present high position of the Dominion's credit is shown by the result of this loan.

There has been a large increase in the deposits in the Post-Office Savings-Bank, for which investments had to be found, and I have been able to provide sufficient moneys from that source to lend to local authorities at 3½ per cent., brokerage and other loan charges being saved by this transaction. I have therefore not found it necessary so far to go on the London market for moneys for the State-guaranteed Advances Department. There can be no safer or better way for using these funds. The money belongs to our own people and the interest remains in the Dominion.

The amounts borrowed under the State-guaranteed Advances Act between the date of coming into operation of that measure on the 2nd February and the 31st March amounted to £475,000. They are not shown in Table No. 4. That table includes moneys borrowed before the coming into operation of the Act only.

RAILWAY CONSTRUCTION AND IMPROVEMENT.

The expenditure under this heading was again somewhat heavy, having amounted to over a million and a quarter, made up as under:—

	£
Railway-construction	786,947
Additions to open lines	316,464
Wellington and Hutt Railway and Road Improvement Account (railway expenditure only)	30,813
Railways Improvement Account	81,249
Wellington and Manawatu Railway Purchase Account	39,991
	£1,255,464

The whole length of the Riversdale to Switzers Branch line was opened for traffic during the year, and also sections of the North Auckland, Hokitika-Ross, and Orepuki-Waiau Railways, while sections of several other lines were sufficiently advanced to admit of goods-trains being run. I direct the attention of honourable members to the large expenditure upon railways, and I trust they will recognise the activity in this respect such figures imply, which should satisfy the most fastidious that the Government is fully alive to the all-important work of railway-construction.

ROADING.

One of the most important factors in connection with the land-settlement in the Dominion is the construction of roads and bridges. The construction of railways has rendered large areas of land available for settlement purposes, but for the furtherance of closer settlement it is essential that facilities for transport to and from the railway of produce and material must be provided. Consequently, the construction of roads, more particularly in the backblocks or more recently settled localities, is a matter of the greatest importance to a large portion of our population.