

CHARGES FOR INSCRIPTION OF STOCK.

The charges made by the Bank of England for the management and inscription of our stock in London amount to close on £20,000 per annum.

Prior to the 1st May, 1908, a sliding scale of charges had been agreed upon with the bank under which the charges diminished as the quantity of the inscribed stock increased. On the date mentioned, however, a new arrangement was entered into, and a fixed rate per million of stock was agreed upon.

The change brought about savings in the charges which were temporary only, and by 1914, assuming that the two loans coming due in that year are replaced by stock, the annual saving will be converted into an annual loss, which will progress at a yearly increasing amount as our national debt increases.

I approached the Bank of England when in London with a view of obtaining a reconsideration of the charges, but so far no definite conclusion has been arrived at.

PROCEEDS OF LAND SALES.

It will be remembered that section 5 of the Land Laws Amendment Act, 1912, provided, amongst other things, that from the 1st April, 1913, all proceeds of sales of land should be credited to the Land for Settlements Account, instead of to the Consolidated Fund. These moneys will for the future, therefore, be devoted to the purchase and settlement of other lands.

POST OFFICE SAVINGS-BANK.

With a view of bringing the rates of interest payable to depositors in the Post Office Savings-bank more into line with the current market rates, it was decided to increase the amount of interest to depositors from $3\frac{1}{2}$ to $3\frac{3}{4}$ per cent. from the 1st May, 1913, in respect of sums not exceeding £300. In consequence of this increased rate payable to depositors by the Post Office it became necessary for the Treasury to increase the rate payable in respect of debentures issued to the Post Office for the investment of its funds. The rate payable by the Treasury was accordingly raised from $3\frac{3}{4}$ per cent. to 4 per cent. from the 14th May, 1913.

The following table will show the relative sums borrowed by the Treasury from the Post Office for each of the years ending the 31st March, 1912 and 1913 :—

COMPARISON OF POST OFFICE INVESTMENTS IN NEW ZEALAND GOVERNMENT SECURITIES DURING THE YEARS ENDED 31ST MARCH, 1912, AND 31ST MARCH, 1913, RESPECTIVELY, SHOWING PURPOSES TO WHICH MONEY WAS APPLIED.

Fund or Account.	1912.	1913.
	£	£
Consolidated Fund (Treasury bills)	500,000*	175,000*
State Coal-mines Account	20,000	25,000
Scenery Preservation Account	5,000	15,000
Public Works Fund	76,750	49,000
Aid to Water-power Works Account	..	50,000
Irrigation and Water-supply Account.. .. .	..	10,000
Railways Improvements Account	10,000	15,000
Loans to Local Bodies Account	50,000	..
Land for Settlements Account	525,850	125,300
Native Land Settlement Account	254,500	80,000
New Zealand State-guaranteed Advances—		
Advances to Workers	425,000	..
" Local Authorities	222,000	261,000
Guaranteed Mining Advances	5,000	..
	2,094,100	805,300

* These amounts were repaid during the respective financial years.