

connection with the Ida Valley scheme, the financial returns from which have maintained the steady increase which has been evident ever since water was turned on.

The rate of progress so far, and the proposals for the future, are such that the present loan authorities will not be sufficient, and necessary financial proposals will be submitted for your consideration in due course.

The expenditure for the year was largely increased in order to provide a substantial measure of relief in connection with the unemployed difficulty. I propose to supplement the Public Works and Development Accounts by transferring £1,250,000 of the accumulated surpluses, and thus effect a saving of £25,000, including sinking-fund and flotation charges.

TREASURY BILLS.

As a large portion of our revenue, especially the land and income tax, does not come in until the end of each financial year, special arrangements have to be made to meet current requirements when the expenditure is in excess of the receipts.

In the year just ended Treasury bills amounting in the aggregate to £1,155,453 were issued in anticipation of ordinary revenue and loan-moneys, upon receipt of which they were duly redeemed. The rates of interest varied from $3\frac{1}{2}$ to 5 per cent. No Treasury bills were outstanding at the 31st March, nor have any been issued since, although, for the reason stated, it will probably be necessary to anticipate receipts in this manner before the 31st March next.

By the use of Treasury bills in preference to the sale of Imperial securities held by the different investment accounts a saving of at least £93,000 was effected, as Imperial 5-per-cent. stock purchased at £95 was quoted at a much lower price when the bills were floated.

TREASURY.

Although the financial and administrative work of the Treasury has not diminished in importance or complexity, especially as regards the management of the large portion of the public debt domiciled in New Zealand, the effect of the reduced activities of the various Departments has been reflected in the business transacted, and it has been found possible to dispense with the temporary staff.

The transfer to the Pensions Department of the administrative work connected with the payment of Imperial pensions and the after-care and treatment of ex-Imperial soldiers in the Dominion has resulted in the reduction of the departmental expenditure by £1,300.

In consequence of a readjustment of fees and an increase in transactions connected with the management of the New Zealand inscribed stock, the revenue from this source increased over that of the previous year by £576.

The reductions in the staff towards the end of the financial year, and the curtailment of other expenditure, resulted in a net saving of £6,200 in the departmental vote, whilst the fees increased by £700.

REDEMPTIONS AND RENEWALS.

The loans which matured during the year amounted to £7,704,990, to which must be added £42,740, matured loans for which debentures were not presented up to the 31st March, 1921, making a total of £7,747,730. Of this sum, debentures amounting to £3,244,430 were redeemed, and £4,496,625 renewed at rates of interest varying from $4\frac{1}{2}$ to 6 per cent. Moneys for redemption purposes were obtained as follows: £560,011 from Consolidated Fund, £2,683,130 subscriptions from the public and other sources, and £1,289 from sinking funds set free.

Matured debentures amounting to £6,675 remained unrepresented at the 31st March, 1922.

CONVERSIONS.

As the advantages of inscribed stock over bearer bonds become more appreciated by investors, the conversions into stock tend to increase, as the following statement will show: 1920-21, amount converted, £499,700; 1921-22, amount converted, £749,100.