

sequence of this, it followed that the loans authorized to carry out the Public Works and Immigration scheme had to be placed upon the market at much shorter intervals than was originally intended, and as a matter of course we have had to pay more for our money and for our works than if the latter had been carried on as first proposed. Of the total colonial loans authorized between June 1870 and June 1874, amounting to seven and three-quarter millions, honorable members have probably not realized the fact that, speaking in round numbers, two millions is still unraised; but such is the case as I shall presently show, and this fact, the Committee will shortly see, had an important bearing upon the action lately taken by Sir J. Vogel in London, in placing the whole of the Four Million Loan upon the market at one time. The expenditure out of the loans referred to during the four financial years 1870–74 amounted to £4,289,877 0s. 9d., and it was estimated that during the year 1874–75 a further sum of £3,300,000 would be required; there was at least the expenditure for 1875–76 to be provided for also, which will probably reach £2,250,000. The Committee will therefore see that over the whole period from 1870 to the end of the present financial year, the expenditure and liabilities of the colony for Public Works required that provision should be made to the extent of £9,839,877. Of this sum only £5,795,200 in all had been raised, and it became necessary without delay to provide for the difference, amounting to £4,044,677. It was therefore decided if possible to sell the whole of the Four Million Loan, and Sir J. Vogel, Sir P. G. Julyan, Dr. Featherston, and Mr. Sargeaunt were appointed Agents for the purpose. Unfortunately, grave differences of opinion arose between Sir J. Vogel and his co-agents. Sir J. Vogel wished to call for the whole amount at once through the Messrs. Rothschild, while Sir P. G. Julyan, Dr. Featherston, and Mr. Sargeaunt thought a better price might have been obtained if the requirements of the Government had permitted the loan to be sold by two instalments. Ultimately, upon his strong representation, the plan of Sir J. Vogel was adopted by his three colleagues, but apparently with considerable reluctance, and it was agreed that the whole of the loan should be called for by the Messrs. Rothschild upon the terms and conditions set forth in the contract, a copy of which has been laid upon the Table of the House. The contract, as will be seen, contains, besides the usual stipulations, a guarantee from the Messrs. Rothschild of the immediate sale of three millions, and the sale of the fourth million within one year; the selling price was to be 94, out of which a commission of 2 per cent. was to be paid to Messrs. Rothschild. The net price received by the colony, after deducting accrued interest on the deferred instalments of purchase money, was £90 19s. 7d. By the terms of this contract, honorable members will see that whether the loan had been successfully floated or not by the contractors, the colony would have obtained the necessary means to continue its public works and immigration. I particularly commend this fact to the consideration of the Committee.

Sir J. Vogel on the one part, and Sir P. G. Julyan, Dr. Featherston, and Mr. Sargeaunt on the other, made separate reports to the Government upon the transaction; and although differing materially in opinion upon some points, the Committee will be glad to learn that the last-named gentlemen, in their letter to Sir Julius Vogel of the 12th April, 1875, state—“We beg to repeat what we have already stated in our report to the Colonial Secretary, dated 19th ultimo,—‘That, considering its magnitude, the terms upon which this transaction has been carried out appear to us exceptionally favourable.’”

With all the facts of the case before them, knowing the necessities of the colony and the uncertainties of the money market, the Government are clearly and decidedly of opinion that the course pursued was the right one, and that the operation, considering the efforts made to discredit our finance, was marvellously good; and further, that to Sir J. Vogel is due the successful termination of the negotiation.

The whole of the loan was placed by the Messrs. Rothschild, and £3,167,571 12s. 4d. of the purchase money had been paid into the Bank of New Zealand to the credit of the Public Account at the date (31st May) of our last advices.

To enable the Committee to form a correct estimate of the relative price obtained for this loan, the following tabular statement, carefully prepared, shows