

1894.

NEW ZEALAND.

NEW PLYMOUTH HARBOUR BOARD.

(CORRESPONDENCE RELATING TO THE BOARD'S PROPOSAL TO THE GOVERNMENT TO
GUARANTEE A CONVERSION LOAN.)*Laid upon the Table by Leave of the House.*

SIR,—

Wellington, 15th August, 1894.

I have been requested by the New Plymouth Harbour Board to bring under your consideration the financial condition of the Board, and the difficulties under which the Board, and the settlers within the rating-area of the Board, labour in consequence of the heavy liabilities they have to meet in paying interest on the loan, and providing a sufficient harbour staff, and endeavouring to provide some money to make necessary repairs to the harbour-works in charge of the Board.

I enclose two statements, marked "A" and "B" respectively. "A" shows the state of the sinking fund in the hands of the Sinking Fund Commissioners, and "B" the rateable value of the occupied portion of the rating-area, the rate collected, and the land revenue from 1887 to 30th June, 1894.

From paper "A" you will see that there is a sum of £30,146 14s. 11d. in the hands of the Sinking Fund Commissioners, or due to them by the Board for interest on the bonds held by the Commissioners, and the Board has in its Trust Account, for the payment of interest, the sum of £6,573 2s., which will be increased by the sum of £1,500 before 1st November, making a total of £8,073 2s. to meet the sum of £6,000 due on the 1st May, and the balance will be remitted on account towards interest due on 1st November, which will make an estimated default of £4,000 on 1st November. As the Board was at one period two years' interest in arrear, you will see that the revenue has rapidly increased to enable it not only to pay current interest, but also to nearly pay off old arrears. This has been done at the cost of great sacrifices by the settlers rated, and also at great cost to the harbour-works, as the Board was obliged to unduly reduce the staff and put off such needed repairs to the breakwater until the financial position improved; and, in fact, had to appeal to the public for subscriptions in order to avert a danger that threatened extensive damage to the breakwater.

You will thus see that, so far as paying interest on loan, the revenue of the Board is sufficient to meet it, but there is not sufficient after paying 6 per cent. to sufficiently provide for staff, dredging, and repairs in the shape of a rock-apron to protect the sea-face of the breakwater.

The Board therefore appeal to the Government to assist them to reduce the annual charge on interest account, either by guaranteeing a loan for, say, £172,000 at 4 per cent., to enable it to convert the 6-per-cent. bonds, or with the consent of the House of Representatives to lend Government trust funds to effect the same operation. That is, that the Government purchase the bonds not in the hands of the Sinking Fund Commissioners, amounting to about £172,000.

The Board is of opinion that these bonds can be purchased for that sum; but, if it is found that the holders will not part with them for that sum, the sinking fund might be utilised to make up the difference. The Board is advised that the holders would take 4-per-cent. Government bonds in exchange at par; it may therefore be assumed that they would also take cash. If, therefore, the Government agreed to this course, and charged the Board 4 per cent., the relief would be great, as the Board would also be relieved of the cost of remitting money, and the result would be a relief to the ratepayers, and would enable the Board to properly carry out its functions.

You will find by reference to Paper "B" that the Government will incur no risk in lending trust funds for this purpose. The rateable value of the occupied rating-area has increased from £1,355,092 in 1886 to £2,336,556 in 1891, and the next valuation will increase this last sum by 25 per cent. In addition to this, the land revenue for the first half of the year is £3,944. With such ample security, I venture to hope that the Government will afford relief to the settlers of Taranaki, who have made great sacrifices to meet their liabilities.

I shall be very happy to afford you any further detail information that is in my power to give.

I have, &c.,

The Hon. J. G. Ward,
Colonial Treasurer.

R. Cock,
Chairman New Plymouth Harbour Board.

A.

SINKING FUND COMMISSIONERS' ACCOUNT.

Office of the New Plymouth Harbour Board, Brougham Street,
11th August, 1894.

Face-value of bonds held	...	...	...	...	£	s.	d.
Cash in Bank of New Zealand	...	...	...	...	28,050	0	0
1st May, 1894, coupons owing	...	...	...	...	413	14	11
1st November, 1894, coupons when due	...	...	...	...	841	10	0
					841	10	0
					<hr/>		
					£30,146	14	11

* Trust Account in hand £6,573 2 0

* This will pay the May, 1894, coupons in full and costs of remitting to London.

C. RENNELL, Secretary.

B.

NEW PLYMOUTH HARBOUR BOARD.—MEMORANDUM FOR CHAIRMAN.

		Rateable Value, New Plymouth Harbour Rating District.		Rate produced.
		£		£ s. d.
Valuation roll, 1886	...	1,355,092	...	4,234 13 3*
Valuation roll, 1889	...	1,997,320	...	6,241 12 6*
Valuation roll, 1891	...	2,336,556	...	7,301 14 9†

* Including Crown and Native lands rates. † Without Crown and Native lands rates (since withdrawn).

LAND REVENUE.

Year.	Rates collected.	March Quarter.	June Quarter.	September Quarter.	December Quarter.	Totals.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
1887	2,759 7 2	1,498 13 9	451 4 0	1,288 10 4	810 9 9	4,048 17 10
1888	7,485 4 8*	1,675 16 5	520 15 11	994 13 5	640 5 3	3,831 11 0
1889	7,285 12 2†	995 12 10	436 14 10	1,381 6 8	397 0 11	3,180 15 3
1890	5,129 9 6	989 16 6	767 14 9	1,074 12 6	894 4 8	3,726 8 5
1891	5,912 19 8†	1,237 19 8	1,179 1 10	1,776 18 9	1,124 7 7	5,318 7 10
1892	6,202 14 6	2,196 15 1	1,213 3 11	2,591 1 7	1,179 4 0	7,180 4 7
1893	7,078 1 6	1,943 18 9	853 19 4	2,136 19 10	1,432 13 4	6,367 11 3
1894	...	2,600 14 7	1,343 6 7	...	...	3,944 1 2
...	...	13,109 7 7	6,736 1 2	11,244 3 1	6,478 5 6	37,597 17 4

* Including £2,230 16s. 5d., Crown and Native lands rates.

† Including £2,200, Crown and Native lands rates.

† Including £746 18s. 4d., Crown and Native lands rates.

13th August, 1894.

C. RENNELL,
Secretary, New Plymouth Harbour Board.

The SECRETARY to the TREASURY to the CHAIRMAN, New Plymouth Harbour Board.

SIR,—

Wellington, 31st August, 1894.

I have the honour, by direction of the Colonial Treasurer, to acknowledge the receipt of your letter of the 15th instant, representing the financial difficulties under which your Board is labouring, and applying to the Government to assist them to reduce the annual charge for interest, either by guaranteeing a 4-per-cent. conversion loan, or by lending trust funds to effect the same operation, purchasing the outstanding bonds not held by the Sinking Fund Commissioners.

In reply I am to inform you that your representations have been carefully considered by the Government, who, it must be remembered, are placed in a very responsible position in connection with local authorities who ask for assistance, inasmuch as it is manifestly impossible for the Government to take upon itself the enormous existing liabilities of many kindred Boards, and it would be invidious to assist any particular body while refusing assistance to other bodies having equally strong claims upon the Government.

While, therefore, fully recognising the earnest endeavours made by your Board to provide remittances of interest for the London bondholders, the Government regret they cannot see their way to give effect to the proposals of the New Plymouth Harbour Board.

The Chairman, New Plymouth Harbour Board,
New Plymouth.I have, &c.,
JAS. B. HEYWOOD,
Secretary to the Treasury.*Approximate Cost of Paper.*—Preparation, not given; printing (1,350 copies), £1 11s.

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