

1895.
NEW ZEALAND.

NEW ZEALAND GOVERNMENT LOAN OF £1,500,000

(CIRCULAR ISSUED BY THE AGENT-GENERAL RELATIVE TO).

Laid on the Table by the Hon. Mr. Ward, with the Leave of the House.

“THE GOVERNMENT ADVANCES TO SETTLERS ACT, 1894.”

THE proceeds of this loan will be applied towards providing funds for advances to *bonâ fide* settlers in New Zealand on the security of their landed property, such property to be free of all encumbrances, liens, and interests, other than leasehold interests. The granting of the advances is under the direct control of the non-political Board which has hitherto most successfully controlled the investment of the funds of the Government Insurance and Public Trust Departments. Under the Act no advance can be granted for an amount exceeding three-fifths of the value of the security, and provision is made for repayment of a portion of the principal in each year.

With respect to the present issue, although charged on the consolidated revenue, and ranking as regards security *pari passu* with the colony's public liabilities, the money raised will not impose any actual additional burden on the revenue of the colony, as its annual interest charge will be provided for out of the interest received from those to whom the advances will be made. The colony, in adopting this mode of providing advances for settlers at a low rate of interest, stands between the investors in this country and those to whom the money is advanced, thus guaranteeing to the investors, without any risk or trouble on their part, the punctual payment of interest and principal.

Financial Position of New Zealand.

Opportunity is taken of presenting the following figures, as regards the public finance of the colony:—

The balances of revenue over expenditure for the last five years are as follows:—

1890-91	...	...	...	...	...	...	£143,965
1891-92	...	...	...	...	...	...	195,573
1892-93	...	...	...	...	...	...	483,780
1893-94	...	...	...	...	...	...	550,458
1894-95 (the financial year just ended)	...	...	...	...	...	...	430,000

In 1890-91, £78,600 of revenue was taken for the purpose of paying off the balance of the deficit at the 31st March, 1888.

In 1891-92 £30,000 of revenue was applied in the construction of roads and bridges, and a further sum of £100,000, also out of revenue, was used towards paying off the deficits of previous years.

In 1892-93 a further sum of £200,000 out of revenue was applied in the construction of roads and bridges and other works of a similar description. In 1893-94, a further sum of £250,000, and in 1894-95, the financial year just closed, another sum of £250,000 from the same source were contributed towards the same objects.

Thus within four years the aggregate amount of upwards of three-quarters of a million out of revenue has been applied in the permanent improvement of the national landed estate.

Public Debt.

New Zealand has not raised any loan in this country (excepting those for conversion purposes) since 1888. The gross amount of the public debt on the 31st March, 1889, was £38,375,050, and the annual interest-charges thereon amounted to £1,646,318; while on the 31st March, 1894, the gross amount was £39,826,415, with an annual interest-charge of £1,603,467. Although, therefore, the nominal amount of the public debt has increased, the annual interest-charge has been considerably reduced.

The increase in the gross amount of the debt is due principally to the operations under which debenture loans have been converted into inscribed stock bearing a reduced rate of interest, the remainder of the increase being represented by loans to local bodies and purchase of Native and other lands for settlement, upon which direct returns more than equal to that which is paid out are being paid into the Treasury.

It is right also to state that included in the gross amount of the public debt as stated above are £800,000 4-per-cent. debentures, guaranteed by the Imperial Government, which are still in possession of the Government, being deposited in London to the order of the Agent-General to meet any possible unexpected financial contingency. These debentures, if issued at the present time, would realise quite a million of money. New Zealand has always stood in an exceptionally strong financial position by the fact that these debentures are thus held.

It should also be remembered that over £15,000,000 of the New Zealand public debt is represented by the Government railways of the country, which earn over 3 per cent. per annum on their cost, a fact which is often lost sight of when comparing the colony's public debt with those of the United Kingdom and other countries, such as Canada. The capital represented by the railways of the United Kingdom is now approaching, if it does not already exceed, £1,000,000,000's of money: add that amount to the national debt of this country, and the comparison between it and the New Zealand debt can then be made on more equal grounds.

Conversions and Sinking Funds.

It has been represented that the present New Zealand Government have adopted the policy of releasing the sinking fund of the public debt and applying the proceeds to ordinary revenue purposes. But such an assertion is entirely contrary to the facts of the case.

The policy which provided for the release and disposal of the sinking funds was deliberately adopted by the New Zealand Legislature in 1884, and the mode in which any released sinking fund is applied is regulated by statute, and under such regulation no part of the sinking fund can possibly be used for ordinary revenue purposes.

This is a fact which ought to be understood by every one interested in the finance of the colony, and it has been more than once fully set forth in the official statements made by the representative of the New Zealand Government in London, and freely circulated in this country, notably in the statements issued by the late Agent-General (Sir F. D. Bell) in January, 1885, and again in May, 1888.

The conversion of the public debt into stock bearing a lower rate of interest than that charged on the original debt has been successfully effected to a very considerable amount, and the result has been advantageous to the colony, inasmuch as it has largely reduced the amount of interest payable thereon.

Progress of the Colony.

It is only necessary, in order to produce satisfactory evidence of the progress of the colony, to call attention to the statistics given below. These statistics for the most part speak for themselves. Special attention is, however, called to those relating to the postal service of the colony, the very large increases in the number of letters and telegrams received and despatched affording striking evidence of the commercial progress of the colony.

It is also worthy of special remark, as regards the exports of the colony, that during the time when there has been a continuous fall in the prices of produce yet the value of the exports are still on the increase, showing that the increase in actual amount of produce exported is much larger than would at first sight have been supposed, judging from the small increase of value.

Notwithstanding the low price of produce, and the depression caused thereby all over the world, New Zealand, by reason of its superior climate, its fertility of soil, and its great agricultural, pastoral, and mineral resources, holds its own in favourable contrast with other countries.

NEW ZEALAND—TABLE OF STATISTICS, SHOWING THE PROGRESS OF THE COLONY.

POPULATION.					POSTAL.					
Years.					Letters.					
					Received.				Despatched.	
1854	88,554	1855	..	..	254,605	228,251
1867	260,668	1867	..	..	2,408,331	2,402,909
1878	456,412	1878	..	..	8,236,062	7,288,699
1888	649,380	1886	..	..	19,896,448	18,188,144
1894	728,221	1893	..	..	27,650,272	27,132,287
PUBLIC REVENUE.					Newspapers.					
Years.				£	Years.	Received.			Despatched.	
1853	146,855	1858	..	..	346,603	337,745
1858	341,125	1867	..	..	1,670,520	1,390,368
1867	1,787,314	1878	..	..	5,097,907	4,312,459
1878	4,167,889	1886	..	..	7,479,209	6,844,838
1888	3,859,000	1893	..	..	10,699,299	8,856,731
1894	4,368,537	Telegraphs.				
SAVINGS-BANK DEPOSITS.					Years.	Miles of Line.			Number of Messages.	
Years.				£	1866	..	..	699	27,407	
1858	7,862	1871	..	..	1,976	312,874
1868	243,615	1874	..	..	2,530	752,899
1878	1,043,204	1882	..	..	3,974	1,570,189
1887	2,407,776	1887	..	..	4,646	1,835,394
1893	3,241,998	1893	..	..	5,513	2,069,691

NEW ZEALAND—TABLE OF STATISTICS—continued.

EXPORTS (OF ALL DESCRIPTIONS).					KAURI-GUM EXPORTS.				
Years.	..	..	..	£	Years.	..	..	..	Value.
1841	..	..	..	17,717	1853	..	..	..	15,972
1851	..	..	..	84,160	1858	..	..	..	20,037
1858	..	..	..	458,023	1864	..	..	..	60,530
1861	..	..	..	1,370,247	1871	..	..	..	167,958
1874	..	..	..	5,251,269	1878	..	..	..	132,975
1881	..	..	..	6,060,866	1881	..	..	..	253,788
1888	..	..	..	7,767,325	1886	..	..	..	257,653
1894	..	..	..	9,239,277	1888	..	..	..	380,933
					1893	..	..	..	510,775
IMPORTS (OF ALL DESCRIPTIONS).					BUTTER AND CHEESE EXPORT.				
Years.	..	..	..	£	1884.				
1841	..	..	..	13,358					
1851	..	..	..	349,540					
1858	..	..	..	1,141,273					
1861	..	..	..	2,493,811					
1874	..	..	..	3,121,812					
1881	..	..	..	7,457,045					
1888	..	..	..	5,941,900					
1894	..	..	..	6,788,863					
HEMP EXPORTS.					1888.				
(N.Z. Flax or <i>Phormium tenax</i> .)									
Years.	..	..	..	£		
1864	..	..	..	170					
1867	..	..	..	4,256					
1871	..	..	..	90,611					
1874	..	..	..	37,690					
1881	..	..	..	27,699					
1888	..	..	..	76,232					
1893	..	..	..	219,375					
RAILWAYS.					1894.				
<i>Length of Line opened.</i>									
Years.	..	..	..	Miles.					
1873	..	..	..	145					
1878	..	..	..	1,078					
1881	..	..	..	1,333					
1888	..	..	..	1,910					
1894	..	..	..	1,948					
<i>Cost of Construction.</i>					COAL.				
£15,137,036.									
WOOL EXPORTS.					Years.				
Years.	..	..	..	Value.	Raised.				
				£ <th colspan="5">Tons.</th>	Tons.				
1858	..	..	..	254,025	Imported.				
1861	..	..	..	532,728	Tons.				
1867	..	..	..	1,580,608					
1874	..	..	..	2,834,695					
1881	..	..	..	2,909,760					
1886	..	..	..	3,072,971					
1888	..	..	..	3,115,008					
1893	..	..	..	3,774,738					
1894	..	..	..	4,834,740					
GOLD EXPORT.					Total output, up to 31st December, 1893 :—				
Years.	..	..	..	£	8,496,849 tons.				
1857	..	..	..	40,422	FROZEN-MEAT EXPORTS.				
1864	..	..	..	1,857,847	Years.				
1878	..	..	..	1,244,190	Value.				
1888	..	..	..	914,309	£				
1893	..	..	..	915,921	Nil.				
1894	..	..	..	887,865	1881				
Total value exported from 1857 (gold first discovered) to 31st March, 1894, £49,566,878.					1882				
					1883				
					1884				
					1885				
					1886				
					1887				
					1888				
					1894				
					LIVE-STOCK.				
					Years.				
					Horses.				
					Cattle.				
					1843				
					1858				
					1867				
					1878				
					1886				
					1891				
					1894				
					Sheep.				
					1843				
					1858				
					1867				
					1878				
					1886				
					1891				
					1894				

	1867.	1878.	1888.	1894.	Average Yield per Acre, 1888.
Land under—	Acres.	Acres.	Acres.	Acres.	Bushels.
Crop and sown grasses	676,900	3,523,277	7,284,752	8,698,197	..
Wheat	47,786	264,861	357,359	242,737	26.37
Oats	101,563	327,345	336,474	376,600	31.24
Barley	13,136	28,666	27,912	28,800	27.26

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