

Report of Committee appointed by H. of R. on 23/6/1867.
to enquire into the

New Zealand.

HOUSE OF REPRESENTATIVES.

REPORT OF THE COMMITTEE OF THE HOUSE OF REPRESENTATIVES ON THE PUBLIC DEBTS OF NEW ZEALAND.

The Committee of the House of Representatives appointed "to enquire and report as to all debts (except the debt of the New Zealand Company) charged upon the public revenue of New Zealand, and the best means of providing for the same," having taken evidence and attentively considered the subject, report as follows.

Debenture Debt.

Your Committee have not been able to obtain sufficient evidence to enable them to decide, and satisfactorily to report, upon the first formation of this debt, incurred at different periods from 1843 to 1845. They therefore omit any observations upon matters that occurred in relation thereto, antecedent to the Ordinance of 11th October, 1847, when an account was taken of the Debentures in circulation at that time, and by such Act they were legalized as a charge upon the Public Revenue.

The following statement shows the present position of those Debentures; how much of them have been redeemed or converted, and the balance which now remains unsatisfied.

Debenture Ordinance (11th October, 1847), to secure payment of certain Government Debentures out of the General Revenue of the Colony.

	£	s.	d.
1.—Debentures of 5s. and 10s. each, not bearing Interest, £237. Redeemed, £152. Outstanding Debenture Certificates, according to priority of dates, £1273 15s. 1d.—Rate of Interest, 5s. 6d.	85	0	0
2.—Debentures of £1 and £5 each—£2928. Rate of Interest, 5s. 6d. Redeemed, £1301 5s. Exchanged £1387 15s. Outstanding	9	19	4
4.—Special Debentures according to priority of claim issued at 5s. 6d. interest.	239	0	0
5 per cent, but converted by the Ordinance to 8 per cent.			
No. 3.—April, 1843, £2000 at 8 per cent.	2000	0	0
No. 1.—Nov. 1843, £753 14s. 4d., at 8 per cent.	753	14	4
No. 4.—April, 1844, £250 at 8 per cent.	250	0	0
No. 2.—May, 1844, £100, bearing interest after 1st October, 1847	100	0	0
5.—Debentures issued previous to Government Notice of 24th November, 1845	1150	0	0
“ issued subsequent to, and in terms of said Notice (24th November, 1845)	21679	7	9
	£ 26,267	1	5

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£30,371 17s. 2d.

TOTAL amount of Debentures legalized by this Ordinance now in circulation
 No. 3.—Proportion of Debentures as above £2928, originally bearing 5 per cent, converted into 8 per cent in the year 1848

	£	s.	d.
Amount outstanding on 11th October, 1847, not included in the Debenture Ordinance	26267	1	5
Debentures in satisfaction of Land Claims at Auckland issued under Ordinance J. 4, at 5 per cent.	1301	5	0
Debentures in satisfaction of Land Claims at Wellington issued by Governor Grey in	£27,568	6	5
	19	4	9
	911	8	9
	3675	16	0
	£32,174	15	11

In regard to Debentures issued subsequent to the Ordinance 11th October, 1847, viz., £911 8s. 9d., in satisfaction of land claims at Auckland, under Ordinance J. 4,—and £3675 16s., issued at Wellington, in satisfaction of land claims there, but upon what authority your Committee has no information. It seems clear that the former should be borne exclusively by the Auckland settlement. A question in regard to the latter arises as to whether the debt should be borne by the Province of Wellington, or by the New Zealand Company. There appears to have been a correspondence between the Colonial Secretary of Wellington, and the agent of the Company in January, 1851, suggesting that the opinion of the Crown Lawyers in England should be taken upon the subject, pending which the Debentures were issued; but no conclusion, as far as your Committee can ascertain, has been arrived at. The correspondence is appended hereunto. (No. 1.)

In regard to making provision for this debt, one mode which presents itself for reducing the interest is, that of endeavouring to raise by a new loan, at a less rate of interest, funds for taking up the present Debentures, and creating a new stock in their stead. The attempt might be made, but it is doubtful if the present state of the money market is now so favourable for such conversion as it has been for the last three years. There can be very little doubt that during a great part of that time, a loan might have been raised for the purpose either in New Zealand or Australia, at five or six per cent, if any attempt of that nature had been made. Another suggestion is, that part of the funds of the Colonial Bank of Issue might be invested in those securities, but, to enable this to be done, an Act of the Legislature would be necessary.

Public Debt.

£37,620 4s. 2d.

This is the balance of an account current with the Colonial Government of New South Wales for supplies furnished to Auckland in cash and stores, in the years 1840 and 1841, the whole amount being originally	£42,974 4 2
of which there has been paid by the Lords of the Treasury in England, as a temporary advance	5,354 0 0
	£37,620 4 2

This debt is by directions contained in Lord Stanley's despatch, No. 53, dated July 9, 1842, to be liquidated by payment from the Local Revenue of New Zealand, or from proceeds of Crown Lands.

A copy of that despatch is appended to this Report. No communication appears to have been had with the Home Government, on the subject, since that date. The despatch is marked No. 2.

It is a remarkable circumstance in connexion with this debt, that a sum of £45,539 5s. was granted to cover all debts due to the Government of New South Wales, as per Treasury Minute dated 13th March, 1843. The Auditor General reports that search will be made for this minute, but it is likely that it was destroyed in the fire at Government House.

£15,827 9s. 0d.

This sum consists of advances made by the British Treasury, on account of Immigration to Auckland in the years 1842 and 1843, including the above named sum of £5354, discharged on account of the New South Wales debt.

As far as can at present be ascertained, no demand for the repayment of this debt, has been made by the Home Government.

£2,580 0s. 0d.

This sum consists of advances made by the Government of the Cape of Good Hope, for charter of the brig 'Antilla' for Auckland, in 1841, and advances for maintenance and outfit of government officers who were wrecked in the 'Prince Rupert.'

This debt is stated by Lord Stanley in his despatch of 14th May, 1842, to be a charge against the public funds of New Zealand, subject to repayment by the Officers of any sums to which they may be entitled on account of recoveries from insurance; and Governor Hobson is directed to make enquiries into the subject. Your Committee have to remark that deductions from the salaries of those officers have been made for the liquidation of a proportion of this debt, which ought to be repaid to the Home Government.

£1,248 8s. 2d.

This debt consists of a sum due to the Post Office in England, incurred during the period when that department was under the entire control of the English authorities. It is an excess of colonial receipts over disbursements, and is now deposited in the colonial chest at Auckland, where it has remained the last four years. There appears to be no reason why it should not be remitted to its destination.

£72,996 15s. 10d.

This debt consists of a balance due for the New Zealand Pencil service established at Auckland, the whole debt incurred by the colony under this head being	£96,997 9 1
of which there has been provided by the Imperial Parliament	17887 7 10
Amount repaid from the Colonial Land Fund	6113 5 5
	<hr/>
	24,000 13 3
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	£72,996 15 10

£7620 9s. 8d.

The Auditor General reports that so late as the 10th August last, he was informed that the Home authorities had issued directions for the repayment of this sum of £7620 9s. 8d., which had been advanced from the Commissariat chest at Wellington to enable the Government to satisfy contracts lately entered into by the New Zealand Company, but for which Her Majesty's Government could admit no liability. The advance is to be reimbursed to the Commissariat chest out of the one-sixth of the Land revenue which may have accrued in the several settlements of the Company, and which may not have been absorbed by their current expenses.

As to this payment, it appears to your Committee, that so far as it was incurred in reference to the completion of engagements entered into by the Company in pursuance of their Act of 1847, the same ought to have been defrayed by the Imperial Government under the provisions of that Act; so far as it was incurred in reference to the Company's compensation transactions, it should be deducted from the New Zealand Company's debt.

The Summary of all these Debts is as follows, viz:—

Debenture Debt	£32174 15 11
New South Wales Debt .. .	37620 4 2
Immigration Debt .. .	15827 9 0
Cape of Good Hope Debt .. .	2580 0 0
Post Office Debt .. .	1248 8 2
Pensioners Debt .. .	72996 15 10
To Commissariat chest on account of the New Zealand Company	7620 9 8
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	£170,068 2 9

Land Scrip.

With respect to the issue of Land Scrip, which by its operation constitutes a primary charge on the land revenue of the colony, your Committee are wholly unable to present to you any accurate statement of the amount issued or outstanding, or on what account or on what authority. They can only refer to the evidence taken upon this subject, and to a statement prepared by the Auditor General, showing what amount is now outstanding in Auckland. The evidence and the statement will be provided in an appendix.

It is certain that Land Scrip has been issued by the Government in a very loose and irregular manner. The Committee would recommend that an address should be presented to his Excellency the Governor asking him to direct that a full report upon the subject should be laid before the House, showing the names of the parties in whose favor the Scrip was originally issued; the date and amount with references to the Land Commissioner's reports under which the Scrip was issued, and the names of the parties who have selected under such issues, and the names of parties who still make claims.

JAS. KELHAM,

Chairman.

APPENDIX.

Extract of Letter from Colonial Secretary's Office, Wellington, dated 18th Jan., 1851, to W. Fox, Esq., J.P., Wellington.

The opinion of the Crown Lawyers in England was about to be taken whether such amount as should be paid to Mr. Scott, should be defrayed by the Government or the Company.

I am now however to inform you that the Local Government would be prepared to agree to the sum proposed to be paid by you to Mr. Scott, being ultimately defrayed out of the Land Fund of the Province, interest thereon being paid from the same fund, until the discharge of the principal at the rate of 8 per cent per annum; subject however to this condition, that if the Crown Lawyers give it as their opinion that the Company and not the Crown ought to pay all compensation and charges connected with Scott's case, that then such amount and the interest thereon as it is now proposed to charge upon the land fund, should be deducted from the sum which under the Act of Parliament above alluded to, is to be paid to the Company, out of the proceeds of future land sales in this Province.

I am therefore in conclusion to acquaint you that if you will assent to such arrangement on behalf of the Company, the Government will proceed with the negotiations, with the sole view of attempting to relieve the present occupants of the land from the unfortunate position in which they are placed.

I have, &c., &c.,

A. DOMETT,

Colonial Secretary.

W. Fox, Esq., J. P., &c., &c.,
Wellington.

[No. 53.]

Downing Street, 9th July, 1842.

Sir,—With reference to my despatch No. 26, of the 15th March last, I transmit to you herewith a copy of a despatch which I have received from the Governor of New South Wales, reporting that he had drawn bills to the amount of £5354, on the Lords Commissioners of the Treasury, on account of the debt due to that government by the colony of New Zealand.

I also enclose for your information and guidance, a copy of the despatch which I have addressed to Sir George Gipps upon the subject.

No. 146. 9th
July, 1842.

I have further to intimate with reference to my despatch to you above alluded to, that in consequence of arrangements subsequently made by Her Majesty's Government, the advances from the colonial funds of New South Wales for the service of your Government, are to be liquidated by payments from the local revenue of New Zealand, or from such portion of the proceeds of sales of Crown lands within the colony as may not be specially appropriated to expense of Immigration, into the Commissariat chest on the station, and you will lose no time in taking steps for the liquidation of this debt, by paying to the officers of the Commissariat, at the end of each quarter or half year, such sums as may remain available out of the funds above mentioned, after defraying the charge of the authorized establishment and the expense of the colonial government.

No accounts have yet been received from your government of the application either of the sums advanced by the government of New South Wales to the acting Treasurer of New Zealand, or of the receipts from revenue or from land sales, and I have to call your attention to the provisions in the instructions relating to the expenditure of the local funds and the mode for accounting for them, which were transmitted to you with my predecessor's despatch, No. 11 of the 25th February, 1841, which require the transmission of the Treasurer's accounts quarterly to this country for final audit. You will take care that those provisions are duly carried into effect without delay; and you must bear in mind that the exoneration of yourself and of the Treasurer, or of any other officers concerned in the receipt or expenditure of the colonial funds from pecuniary liability will depend upon a due conformity to those instructions.

I have, &c., &c.,

(Signed)

STANLEY.

To Governor Hobson,
&c., &c.