

1883.
NEW ZEALAND.

THE ONE MILLION LOAN

(PAPERS RELATING TO THE RAISING OF).

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

The Hon. the COLONIAL TREASURER to the LOAN AGENTS.

GENTLEMEN,—

Treasury, Wellington, New Zealand, 5th October, 1882.

I have the honour to inform you that His Excellency the Administrator of the Government has appointed you agents for the purpose of raising a loan of £1,000,000, being a portion of a sum of £3,000,000 authorized to be raised by an Act passed in the recent session of Parliament.

I accordingly transmit to you herewith copies of "The New Zealand Loan Act, 1882," and an Order in Council under the hand of the Administrator of the Government authorizing the raising of £1,000,000, and appointing you Agents for that purpose.

I also enclose a separate Order in Council empowering you to raise £1,000,000 by the issue of short-dated debentures; but this authority is only to be used in the event of your considering it desirable, owing to the state of the money market, or for other reasons, to borrow for a short term, pending the raising of the amount authorized to be raised by the issue of long-dated debentures.

You will observe that, by the Order in Council first mentioned, you are empowered to prescribe the mode and conditions of the repayment of the money to be borrowed, the term of such repayment, and the rate of interest thereon; also to agree that debentures issued by you shall be converted into stock created or issued under "The New Zealand Consolidated Stock Act, 1877." The distance of the colony from the money market makes it a matter of necessity that the Agents appointed to raise its loans should be clothed with considerable discretionary powers; but I desire to say that the Government would much prefer a 4 per cent. loan raised under the provisions of "The New Zealand Consolidated Stock Act, 1877." For the reason referred to, however, they leave at your discretion the mode of raising the loan, and, within the prescribed limit of 5 per cent., the rate of interest it shall bear; so also with regard to the price at which each £100 of debentures or stock shall be sold; the Government having full confidence in your judgment, and in your desire to do the best for the interests of the colony.

The Audit Officer of the colony resident in London has been appointed by the Controller and Auditor-General, under the provisions of the 13th section of the Act, to countersign debentures, scrip, or other securities issued thereunder.

I have, &c.

Sir P. G. Julyan, K.C.M.G., C.B.,

H. A. ATKINSON.

Sir F. D. Bell, K.C.M.G.,

Agents, New Zealand Loan, 1882, London.

No. 2.

ORDER IN COUNCIL APPOINTING Sir P. G. JULYAN AND Sir F. D. BELL AGENTS TO RAISE £1,000,000, AND WITH POWER TO CONVERT IT UNDER CONSOLIDATED STOCK ACT.

JAMES PRENDERGAST, Administrator of the Government.

ORDER IN COUNCIL.

At the Government House, at Wellington, this third day of October, 1882.

Present: HIS EXCELLENCY THE ADMINISTRATOR OF THE GOVERNMENT IN COUNCIL.

WHEREAS, by "The New Zealand Loan Act, 1882" (hereinafter called "the said Act"), it is enacted that it shall be lawful for the Governor in Council to appoint any two or more persons he may think fit to be Agents for the purpose of raising and managing the loan authorized to be raised under the said Act, and in their appointments to define the relative powers of such Agents, and that such Agents shall have full power and authority to borrow and raise in Great Britain or elsewhere, by bonds, debentures, scrip, or otherwise, such sum or sums not exceeding three million pounds sterling in the whole as the Governor in Council may from time to time or at any time direct or

determine, for all and any of the purposes expressed in the Schedule thereto, or the payment or repurchase of short-dated debentures issued under the said Act, or any other purposes authorized by the said Act, provided that no greater sum than one million pounds sterling of the said three million pounds sterling shall be raised in any one year, commencing with the year one thousand eight hundred and eighty-three; and that such Agents shall have full power and authority to prescribe the mode and conditions of repayment of such loan, and the time of such repayment, and the rate of interest thereon, and the time and place or places when and where such principal and interest shall be made payable; and the annual charge to be imposed on the consolidated revenue under the provisions of the said Act shall not exceed for interest and sinking fund (if any) the sum of five pounds for every one hundred pounds expressed to be borrowed; and that all the powers which may be vested in any Agents appointed under the said Act may by such Agents be wholly or partly delegated to any two or more other Agents, subject to such conditions as the Agents delegating such powers shall think fit: And whereas it has been deemed expedient that a portion of the said loan so authorized to be raised should be raised under the said Act for the purposes therein mentioned, and that Agents should be appointed for that purpose as hereinafter provided:

Now, therefore, I, Sir James Prendergast, the Administrator of the Government of the Colony of New Zealand, in exercise and pursuance of the powers and authorities vested in me by the said in part recited Act, and by and with the advice and consent of the Executive Council of the said colony, do hereby direct and determine that the sum of one million pounds sterling (being a part of the said loan of three million pounds sterling authorized to be raised under the said Act) shall be borrowed and raised under the provisions of the said Act; and in further exercise and pursuance of the powers and authorities aforesaid, and with the like advice and consent as aforesaid, I do hereby appoint Sir Penrose Goodchild Julian, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, and a Companion of the Most Honourable Order of the Bath, late one of the Crown Agents for the Colonies, and Sir Francis Dillon Bell, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, the Agent-General for the Colony of New Zealand, to be Agents for the purpose of raising and managing the portion of the said loan hereby ordered and determined to be raised, with full power and authority to such Agents, in and during the year one thousand eight hundred and eighty-three to borrow and raise by bonds, debentures, scrip, or otherwise, the said sum of one million pounds sterling as aforesaid, and with full power and authority to such Agents to prescribe the mode and conditions of the repayment of such sum, and the time of such repayment, and, subject to the provisions of the said Act, the rate of interest thereon, and the time and place or places when and where such principal and interest shall be made payable, and with full power and authority to such Agents to agree, as often as occasion may require, that debentures issued by them shall be converted into stock created or issued under "The New Zealand Consolidated Stock Act, 1877," and either to specify the terms of such conversion or arrange that such terms shall be subsequently agreed upon, and also with full power and authority to such Agents to delegate wholly or partly to any two or more other Agents the powers hereby and by the said Act vested in the said Agents, subject, however, to such conditions as the Agents delegating such powers shall think fit, and generally to have, hold, and exercise all such powers and authorities as by the said Act may be had, held, and exercised by the Agents appointed thereunder in respect of the moneys hereby authorized to be borrowed and raised.

No. 3.

ORDER IN COUNCIL AUTHORIZING THE AGENTS TO RAISE MONEY ON SHORT-DATED DEBENTURES.
JAMES PRENDERGAST, Administrator of the Government.

ORDER IN COUNCIL.

At the Government House, at Wellington, this third day of October, 1882.

Present: HIS EXCELLENCY THE ADMINISTRATOR OF THE GOVERNMENT IN COUNCIL.

WHEREAS by the sixth section of "The New Zealand Loan Act, 1882" (hereinafter called "the said Act"), it is enacted that, pending the raising of moneys thereinbefore authorized to be raised under the said Act, it shall be lawful for the Governor in Council to appoint any two or more persons he may think fit to be Agents, and in their appointments to define the relative powers of such Agents, who shall have full power and authority from time to time to borrow and raise, or obtain as an advance, such sum or sums of money as the Governor in Council may from time to time direct and determine, and to take up the same sum or sums of money from time to time, by the sale, hypothecation, or mortgage of debentures (thereinafter and hereinafter referred to as short-dated debentures), as such Agents may deem expedient: And whereas, by the seventh section, it is also enacted that every such short-dated debenture shall bear interest after such rate, and be for such sum and in such form, and with or without coupons attached, and, subject to the said Act, shall be signed on behalf of the colony, and be transferable and negotiable in such manner as such Agents shall prescribe; and by the eighth section it is also enacted that the interest and principal of every such short-dated debenture shall be payable at such times and places as such Agents shall prescribe, provided that the principal moneys secured by any such debenture shall not be made payable at a later period than seven years after the date of issue thereof:

Now, therefore, His Excellency the Administrator of the Government of the Colony of New Zealand, in exercise and pursuance of the power conferred upon him by the sixth section of the said Act, and with the advice and consent of the Executive Council of the said colony, doth hereby appoint Sir Penrose Goodchild Julian, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, a Companion of the Most Honourable Order of the Bath, late one of the Crown Agents for the Colonies, and Sir Francis Dillon Bell, a Knight Commander of the Most Distinguished Order of Saint Michael and Saint George, the Agent-General for the Colony of

New Zealand, to be Agents, with full power and authority for them in and during the year one thousand eight hundred and eighty-three to borrow and raise or obtain as an advance the sum of one million pounds sterling, and to take up the same sum in short-dated debentures from time to time, either by the sale, hypothecation, or mortgage of such short-dated debentures as the said Agents shall deem expedient, and with all the powers and authorities conferred on or vested in such Agents by the said Act for the purposes aforesaid, so far as respects the said sum of one million pounds sterling; and, with the like advice and consent as aforesaid, doth hereby direct and determine that the sum of one million pounds sterling shall be borrowed and raised, or obtained as an advance, under the sixth section of the said Act.

No. 4.

The AGENT-GENERAL to the Hon. the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 17th November, 1882.

I received last night your letter of the 5th October, addressed to Sir P. Julian and myself, informing us that we had been appointed Agents for the raising of loan of £1,000,000, and enclosing the Order in Council authorizing the issue of the loan, together with another Order in Council providing for the creation, in case of need, of short-dated debentures in anticipation of the issue of long-dated bonds.

The formal acknowledgment from Sir P. Julian and myself will go by next mail, but you will desire to know by the earliest opportunity of the safe arrival of the above instruments.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

No. 5.

The Hon. the PREMIER to the AGENT-GENERAL.

OFFER loan as soon as market favourable. Julian and yourself have been appointed Agents. Delay after January seriously retard public works.

Wellington, 17th November.

No. 6.

The AGENT-GENERAL to the Hon. the PREMIER.

SIR,—

7, Westminster Chambers, London, S.W., 17th November, 1882.

I received at 10 a.m. this morning your cablegram, dated Wellington, 17th November, 12.20 p.m., instructing me that the million loan was to be offered as soon as the market was favourable, as any delay after January would seriously retard public works. I am now consulting with Sir Penrose Julian on the subject, and you will have the result through the cable in a day or two.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

No. 7.

The LOAN AGENTS to the Hon. the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, 28th November, 1882.

We have the honour to acknowledge the receipt of your letter of the 5th October last, transmitting to us copies of "The New Zealand Loan Act, 1882," and of the Order in Council authorizing the raising of £1,000,000 sterling, and appointing us Agents for that purpose; together with the further Order in Council empowering us to raise £1,000,000 by the issue of short-dated debentures, such power, however, to be only used in case of necessity.

We have devoted ourselves to the consideration of the steps necessary to give effect to these commands, and we fully recognize the great responsibility placed upon us by the discretionary powers which the Government have been pleased to confide to us. We may say at once that, in the present state of the money market, and bearing in mind that the credit of the colony stands fairly well with the British public, we fully concur in the preference expressed by you for borrowing on 4-per-cent. stock, rather than on any other form of security; and we shall avail ourselves of the first favourable moment that offers to invite public tenders for a million of such stock, through the Bank of England.

Irrespective of the importance of maintaining perfect uniformity in New Zealand stocks, the adoption of any rate of interest that would have the effect of raising the issue price to an appreciable premium would diminish the chance of a successful operation by rendering the loan less popular both with investors and with speculators—neither of whom can be with advantage dispensed with—to the former, because they would sustain an ultimate loss of capital; and to the latter, because premium-bearing securities do not so certainly find a market, and command comparatively lower rates. In the long run, the results would be disadvantageous to the borrowers, although, for the moment—without incurring a greater nominal amount of debt—they would find themselves in possession of a somewhat larger amount of cash.

The partial failure last week on the part of the Government of South Australia to place a million of 4 per cents on this market at a net price of 99½, and the knowledge that Victoria is also

about to raise four millions more on similar securities, are circumstances which do not tend to heighten our expectations in regard to the terms which New Zealand stock may command; but you may rest assured that we shall leave nothing undone that can possibly contribute to the success of the operation.

We note that the Audit officer has been appointed to countersign debentures should they be issued.

We have, &c.

P. G. JULYAN.

F. D. BELL.

The Hon. the Colonial Treasurer, Wellington.

No. 8.

The AGENT-GENERAL to the Hon. the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 1st December, 1882.

Referring to the joint letter from Sir Penrose Julyan and myself, dated the 28th ultimo, on the subject of the million loan, it seems to me that I ought not to omit mentioning an important point, though I think it can hardly have been overlooked at the Treasury when the Hon. the Premier sent me the order of the 17th November to take the first favourable moment for issuing the loan.

The proviso to section 3 of "The Loan Act, 1882," declares that "no greater sum than one million shall be raised, commencing with the year 1883." This, of course, precludes us from making an actual operation in raising money before the new year; but I was under the impression for some time that it would not preclude the announcement of the loan being made in December. As you are aware, our wish is not to be forestalled in the market by the Victoria loan of four millions; and if we could have announced our own million during December, naming one of the first days of January for the receipt of subscriptions, we might perhaps have made that object safe. Upon carefully reading the Act again, however, I have come to the conclusion that even that announcement would be such a commencement of the raising as would come within the meaning of the limitation in the proviso, and that therefore it will not be possible for us even to take that step until the new year has actually come.

I have, &c.,

F. D. BELL.

The Hon. the Colonial Treasurer, Wellington.

No. 9.

The AGENT-GENERAL to the Hon. the PREMIER.

LOAN announced to-night. Bank of England. Four per cent. Minimum, 98½. Tenders, January 11. Prospects good. Victoria also announced four millions. Minimum, 100.

London, 3rd January.

No. 10.

The AGENT-GENERAL to the Hon. the PREMIER.

VICTORIA has sold only £500,000.

London, 9th January.

No. 11.

The AGENT-GENERAL to the Hon. the PREMIER.

TENDERS at ninety-eight eleven shillings received four-fifths; and four hundred and fifty thousand allotted above.

London, 11th January.

No. 12.

The AGENT-GENERAL to the Hon. the PREMIER.

TENDERS for a million and a half. Particulars will be telegraphed to-morrow.

London, 11th January.

No. 13.

The Hon. the PREMIER to the LOAN AGENTS.

THANKS. Result loan highly satisfactory.

Wellington, 16th January.

No. 14.

The AGENT-GENERAL to the Hon. the PREMIER.

SIR,—

7, Westminster Chambers, London, S.W., 30th November, 1882.

I transmit to you herewith a copy of a paper which I read the other night at the Royal Colonial Institute on the Public Debt of the Australasian Colonies,

You will, of course, perceive that my object in the paper was to influence opinion in favour of the financial strength and stability of the Southern Colonies, with especial reference, of course, to our own million loan. I considered that I should be doing better for the loan if I made the paper one of a general character, rather than one specially devoted to New Zealand; but, if you should take the trouble to read it, you will see that I brought in some particulars (in a promiscuous way) which were not without their use in promoting confidence in our own resources.

There was so much inquiry, after I had read the paper, for copies of it, that I deemed it advisable to print it in pamphlet-form for circulation among bankers and investors; and I was the more induced to do so, because I have been asked to read the paper at Edinburgh, and shall probably be asked to repeat it at other places. My chief object in preparing the paper being to help in floating our loan, I shall charge the cost of printing it to that head, which, perhaps, you will approve.

The Hon. the Premier, Wellington.

I have, &c.,

F. D. BELL.

No. 15.

The PREMIER to the AGENT-GENERAL.

SIR,—

Government Offices, Wellington, 26th January, 1883.

I have the honour to acknowledge the receipt of your letter No. 282, of the 30th November, enclosing copy of a paper read by you at a meeting of the Royal Colonial Institute on "The Public Debt of Australasia."

2. My colleagues agree with me in a very high appreciation of the ability shown throughout the paper, and in approval of the mode in which you have dealt with the important subjects of the indebtedness of these colonies, their resources, and the application of the moneys raised in England.

3. The Government thank you heartily for the opportuneness of your work in this matter, as well as for its force and its consequent value to New Zealand as one of the Australasian Colonies.

4. Your proposal to charge the cost of printing the paper to the expenses of negotiating the £1,000,000 loan is approved of.

I have, &c.,

Sir F. Dillon Bell, K.C.M.G., Agent-General, &c.

FRED. WHITAKER.

No. 16.

The AGENT-GENERAL to the Hon. the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 4th January, 1883.

I transmit to you herewith twelve copies of the prospectus issued by the Bank of England for the million loan, and the statement prepared by me respecting the financial condition of the colony. I shall address you in a separate letter with information respecting the loan.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

F. D. BELL.

Enclosure 1 in No. 16.

NEW ZEALAND GOVERNMENT 4-PER-CENT. CONSOLIDATED STOCK.—Second Issue.—£1,000,000.—Minimum price of issue, £98 10s. per cent.—First Dividend, being Six Months' Interest, payable 1st May, 1883.—Authorized by "The New Zealand Loan Act, 1882," for Public Works and Immigration and other Purposes.

THE Governor and Company of the Bank of England give notice that, on behalf of the Agents appointed for raising and managing the loan under the above Act (Sir Penrose Goodchild Julian, K.C.M.G., C.B., and Sir Francis Dillon Bell, K.C.M.G.), they are authorized to receive tenders for £1,000,000 New Zealand Government 4-per-cent. Consolidated Stock, repayable at par on the 1st November, 1929. This stock will be in addition to, and will rank *pari passu* with, the New Zealand 4-per-cent. Consolidated Stock previously created and issued. The interest will be payable half-yearly at the Bank of England on the 1st May and 1st November in each year, and six months' interest, calculated upon the nominal amount of stock, will be payable on the 1st May next. The books of the stock are kept at the Bank of England, where all assignments and transfers are made; and holders of the stock are able, on payment of the usual fees, to take out stock certificates to bearer with coupons attached, which certificates may be reinscribed into stock at the will of the holder. All transfers and stock certificates are free of stamp duty. Dividend warrants are transmitted by post if desired.

The loan is secured on the Consolidated Fund of the Colony of New Zealand, which includes the revenue derived from the railways and from the sales and leases of public lands. By the Act 40 and 41 Vict., ch. 59, the revenues of the Colony of New Zealand alone will be liable in respect of the stock and dividends thereon, and the Consolidated Fund of the United Kingdom and the Commissioners of Her Majesty's Treasury will not be directly or indirectly liable or responsible for the payment of the stock or of the dividends thereon, or for any matter relating thereto.

Tenders may be for the whole or any part of the stock, and must state what amount of money will be given for every £100 of the stock. Tenders for other than even hundreds of stock, or at a price including fractions of a shilling other than sixpence, will not be accepted. Tenders are to be delivered at the Chief Cashier's Office, Bank of England, before 2 o'clock, on Thursday, the 11th January, 1883. Tenders at different prices must be on separate forms. The amount of stock applied for must be written on the outside of the tender.

A deposit of 5 per cent. on the amount of stock tendered for must be paid at the same office at the time of the delivery of the tender, and the deposit must not be enclosed in the tender. Where no allotment is made the deposit will be returned, and in case of partial allotment the balance of the deposit will be applied towards the first instalment.

The dates at which the further payments on account of the said loan will be required are as follows: On Tuesday, the 16th January, 1883, so much of the amount tendered and accepted as, when added to the deposit, will leave £75 (sterling) to be paid for each £100 of stock; on Thursday, the 15th February, 1883, £25 per cent.; on Thursday, the 15th March, 1883, £25 per cent.; on Monday, the 16th April, 1883, £25 per cent.

The instalments may be paid in full on or after the 16th January, 1883, under discount at the rate of 3 per cent. per annum. In case of default in the payment of any instalment at its proper date, the deposit and instalments previously paid will be liable to forfeiture. Scrip certificates to bearer will be issued in exchange for the provisional receipts. The stock will be inscribed in the bank-books on or after the 16th April, 1883, but scrip paid up in full, in anticipation, may be inscribed forthwith. In the event of the receipt of tenders for a larger amount of stock than that proposed to be issued at or above the above minimum price, the tenders at the lowest price accepted will be subject to a *pro rata* diminution.

Applications must be upon the printed forms, which, together with a statement showing the condition and prospects of the colony, may be obtained at the Chief Cashier's Office, Bank of England; of Messrs. Mullens, Marshall, and Co., 4, Lombard Street; of Messrs. J. and A. Scrimgeour, 18, Old Broad Street; and at the office of the Agent-General of New Zealand, 7, Westminster Chambers, S.W., where also copies of the Act authorizing the loan may be seen.

Enclosure 2 in No. 16.

NEW ZEALAND GOVERNMENT 4-PER-CENT. LOAN OF £1,000,000.

THE following statement as to the financial condition of New Zealand is published for the information of investors and capitalists who are disposed to subscribe for the second issue of £1,000,000 4-per-cent. stock to be inscribed at the Bank of England. The information here given is entirely taken from the Financial Statement and Public Works Statement respectively made by Ministers of the Crown in the New Zealand Parliament during the session of 1882, and from official statistics published by authority of the Government of New Zealand.

I. *The Public Debt.*

In the Treasurer's Financial Statement on the 16th June, 1882, the debt is described as follows:—

Gross total, including Treasury bills in circulation ...	£29,946,711
Less Sinking Funds accrued ...	2,266,418
Net indebtedness of the colony ...	£27,680,293

II. *The Revenue.*

In the same Financial Statement (16th June, 1882) the Treasurer stated that the ordinary revenue of the financial year ending the 31st March, 1882, exclusive of land sales, had amounted to £3,488,170, being £190,000 above the estimate. The revenue from land sales was £317,063. The total revenue, ordinary and territorial, amounted to £3,805,233. Customs duties gave £125,000 more than the estimate; property-tax, £7,500 less; stamps, £11,000 more; pastoral licenses and rents, £57,000 more; miscellaneous, £34,000 more. The net revenue from the railways, estimated at £365,000, amounted to £369,000. The net surplus on the 31st March, 1882, was £215,000.

The ordinary revenue, exclusive of land sales, has risen as follows since 1871: For the financial year 1871, £936,000; 1874, £1,420,000; 1878, £2,328,000; and 1882, £3,488,000. In the first three years it had risen £480,000, in the next four years £900,000, in the last four years £1,160,000; it is now £2,500,000 a year more than it was eleven years ago, when immigration was renewed and the railways were begun.

The receipts from land sales are now distinguished from the ordinary revenue, and are placed to a separate account; but this is merely a matter of internal account, and the land revenue continues to be part of the Consolidated Fund, liable for the charges of the public debt. The colony, however, no longer relies upon land sales in any way as a means of providing for the ordinary services of its Government. In announcing the surplus of £215,000 the Treasurer pointed to it as justifying the opinion, expressed by the Government in 1879, that the deficit then existing was temporary and remediable, and as showing that the course then determined upon, of rigid economy and sufficient taxation, had restored the finances of the colony to a thoroughly sound condition.

III. *Application of the Loan.*

The total loan authorized by the New Zealand Government is for £3,000,000, but to be only raised and expended at the rate of £1,000,000 a year. The application of the money is strictly limited to certain specific purposes named in the Act, and its Schedule defines these appropriations as follows: (1) Railways, £1,650,000; (2) purchase of Native lands, £200,000; (3) public buildings, £300,000; (4) immigration, £200,000; (5) roads and bridges, £400,000; (6) gold fields, £100,000; (7) harbour works, £100,000; (8) telegraph extension, £50,000.

IV. *Statistics.*

The following information will, perhaps, be found of interest:—

(1) *Population.*—There has been a great increase of the population of New Zealand since 1871. At the census of 1874 it was 342,000 (exclusive of Maoris); in 1878, 432,000; and on the 30th

June, 1882, 508,000. Counting the Maoris, who numbered 44,000 at the census of 1880, the total present population is about 560,000.

(2.) *Railways*.—The total length of railways open for traffic to July, 1882, was 1,333 miles, of which 458 miles were in the North Island and 875 miles in the Middle Island. The length of lines in various stages of progress was 234 miles. In the last three years the gross revenue of the railways increased from £763,000 to £892,000; while the working expenses diminished from £580,000 to £523,000, or from 76 per cent. of the revenue to less than 59 per cent., although there were nearly 150 miles more to work and maintain, and there was an increase of 30 per cent. in tonnage moved, and of 80 per cent. in parcels and live stock carried. The total expenditure on the railways has been nearly £11,000,000, which includes the cost of completed lines and plant, and of new works in progress, surveys, and harbour works in connection with the lines. Thus an expenditure of about £1,500,000 was not in a position to contribute to revenue at all during the past year. The 1,333 miles open for traffic embraced twelve distinct lines, whose cost in round numbers was £9,443,000. The net railway revenue of the last year was £369,000, giving an average net earning over all the twelve lines of £3 18s. 2d. per cent., exclusive of postal services, and £4 1s. 3d. per cent. including them. But of these twelve lines, seven were short or incomplete lines, whose united gross revenue did not amount to £37,000, and whose net earnings did not come up to 2 per cent. The cost of these seven lines was £2,249,000; and, deducting this amount from the total sum of £9,443,000 above mentioned, £7,194,000 are left as the cost of the remaining five lines. The net earnings of these five lines, including postal services, were within £15,000 of 5 per cent.; and on the longest of them (810 miles), the main line in the South Island, whose cost was about £5,500,000, the net earnings were £5 2s. 7d. per cent. exclusive of postal services. Now, at the time the five-million loan was raised, the net earnings of all the lines did not exceed 2½ per cent.

(3.) *Trade*.—For the twelve months ending the 30th June, 1882, the imports were £8,127,000, and the exports £6,499,000. Among the exports were 5,000 tons of flour and 5,650,000 bushels of grain, valued at £1,160,000; 63,863,000 lb. of wool, valued at £3,073,000; and 263,436 ounces of gold, valued at £1,051,000.

(4.) *Agriculture*.—The census in April, 1881, gave a total of more than 24,000 holdings, of which 16,000 were entirely freehold. The area of land under grain crop was 587,000 acres; in green crop, 331,000 acres; in artificial grasses, 3,557,000 acres. The total area of land under all crops, including sown grasses, and of land broken up but not under crop, was 4,768,000 acres. The produce of grain in 1881 was 16,271,000 bushels.

(5.) *Pastoral Industry*.—The colony contained, at the time of the latest official statistics being published, 13,000,000 sheep, 700,000 cattle, and 162,000 horses. The clip of wool, as above stated, was valued in 1882 at upwards of £3,000,000.

The preceding information is derived entirely from authentic official sources; and, although necessarily condensed for the purpose of the present statement, and confined to salient points, it may serve to show the improvement that has taken place during the last three years, and to justify a reasonable expectation of continued progress in New Zealand.

7, Westminster Chambers, 1st January, 1883.

F. D. BELL,
Agent-General.

No. 17.

The LOAN AGENTS to the Hon. the PREMIER.

SIR,—

7, Westminster Chambers, London, S.W., 12th January, 1883.

We are glad to be able to inform you that the issue of your million loan has been successfully made.

You will have learnt from the Agent-General's cablegram of the 3rd instant that we had decided to bring out the loan by tender, and not at a fixed subscription price, and that we had also decided that the minimum price of issue should be £98 10s. The tenders were opened at the Bank of England yesterday, when it was seen that about £1,530,000 had been written for, at prices varying between the minimum and par, with one or two cases beyond 100. Tenders at £98 11s. receive about 78 per cent., and £450,800 are allotted above that price.

Coming, as this success of your loan does, only two days after the failure of the Victorian loan, and in a state of the market presenting exceptional difficulties, there certainly is good reason for you to be well satisfied. We are only able to give you to-day the broad result of the operation we have just made for you. But several circumstances have happened lately in this market, having a very important bearing on the question of colonial loans, and demanding your gravest consideration, no less than that of all the Australian Governments; and we propose, at the earliest opportunity, to submit our own views to you on the subject.

We have, &c.,

P. G. JULYAN.
F. D. BELL.

The Hon. the Premier, Wellington.

No. 18.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY.

SIR,—

7, Westminster Chambers, London, S.W., 12th January, 1883.

I transmit to the Premier by this mail a joint letter from Sir Penrose Julyan and myself, reporting the successful issue of the million loan.

Since writing that letter I have learnt from the Bank of England that the average price at which the loan has been placed is £98 12s. 5d., which is satisfactory when contrasted with the subscription price of £97 10s. for the 5-per-cent. loan of 1879.

You will observe that Sir Penrose and I intend on an early day to address the Government upon several questions which have been brought into prominence by the Victorian and New Zealand loans; and I will not here anticipate what we shall say. But I should not like the first news of our success to reach you without a statement on my own part—one which, of course, we could not make jointly—that this success has been due to the sagacity and accurate gauging of the market, which Sir Penrose Julyan's unrivalled experience in the art of floating colonial loans enabled him to apply to our operation; and which were perhaps most conspicuous at the critical moment of our conference with the Bank of England, when, with a demand of four millions from Victoria before us, we had to fix the minimum price for ours.

Sir Penrose and I have this day executed the necessary instrument for creating the million new stock, and the declaration for the Inland Revenue.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

F. D. BELL.

No. 19.

The Hon. the PREMIER to the LOAN AGENTS.

SIRS,—

Auckland, 27th March, 1883.

I have the honour to acknowledge the receipt of your Despatch No. 7, of the 12th January last, reporting the issue of the million loan. On receiving the telegraphic news I replied by telegram, "Thanks. Result loan highly satisfactory." Permit me now, in reply to your despatch of the 12th January, to convey to you, as Commissioners, the thanks of the Government of New Zealand for the highly judicious and satisfactory arrangements made by you for floating this loan, and at the same time to congratulate you on the result of your exertions, which terminated so favourably to the colony.

I have, &c.,

Sir P. Julyan, K.C.M.G., and Sir F. D. Bell, K.C.M.G., London.

FRED. WHITAKER.

No. 20.

The LOAN AGENTS to the Hon. the COLONIAL TREASURER.

SIR,—

7, Westminster Chambers, London, S.W., 22nd February, 1883.

We have the honour to enclose herewith a statement showing the sums paid into our account as Loan Agents by the Bank of England in respect of the million loan, and the sums we have paid out of the same moneys to the credit of the Public Account. You will observe that up to the present time the total sum paid to our account by the Bank is £725,000, and the total sum paid to the credit of the Public Account is £710,000. The Bank have, in accordance with our instructions, paid the composition for stamp duty to the Inland Revenue, as well as various other payments they had to make under their agreement with us for the issue of the loan; and when the last instalment is paid in April a complete statement will be rendered by the Bank, and the whole loan account be closed.

We have, &c.

P. G. JULYAN,

F. D. BELL,

Loan Agents.

The Hon. the Colonial Treasurer, Wellington.

Enclosure in No. 20.

STATEMENT showing AMOUNTS PAID to LOAN AGENTS' ACCOUNT by the BANK OF ENGLAND, in respect of the One Million 4-per-cent. Loan; also the Sums paid by the Loan Agents into the New Zealand Public Account.

<i>Amounts Paid to Loan Agents.</i>						£
January 15, 1883	...	...	...	...	...	50,000
January 18, 1883	...	...	...	...	...	330,000
January 25, 1883	...	...	...	...	...	30,000
January 27, 1883	...	...	...	...	...	30,000
February 1, 1883	...	...	...	...	...	25,000
February 7, 1883	...	...	...	...	...	10,000
February 12, 1883	...	...	...	...	...	10,000
February 14, 1883	...	...	...	...	...	30,000
February 16, 1883	...	...	...	...	...	200,000
February 20, 1883	...	...	...	...	...	10,000

£725,000

<i>Amounts Paid into Public Account.</i>						
January 19, 1883	...	...	...	...	...	375,000
January 29, 1883	...	...	...	...	...	30,000
February 6, 1883	...	...	...	...	...	25,000
February 9, 1883	...	...	...	...	...	40,000
February 16, 1883	...	...	...	...	...	40,000
February 17, 1883	...	...	...	...	...	200,000

£710,000

The LOAN AGENTS of the MILLION LOAN, in Account Current with the COLONIAL TREASURER of
NEW ZEALAND.

1883.	Dr.	£ s. d.	1883.	Cr.	£ s. d.
To account received from allottees of the loan, as shown by the Bank of England statement herewith ..			By Sundry disbursements as shown by the Bank of England statement herewith, viz:—		
986,228 14 3			Discounts allowed on investments paid in anticipation		
			Payments to brokers and others, commission on £980,800, $\frac{1}{4}$ per cent. ..		
			Payments to Receiver-General of Inland Revenue		
			Payment to the Bank of England for commission		
			13,931 2 6		
			Honorarium paid to the brokers of the New Zealand Government for confidential advice in connection with the loan		
			Payments to the Public Account at the Bank of New Zealand, as per statement herewith		
			972,192 11 9		
<u>£986,228 14 3</u>			<u>986,228 14 3</u>		

London, 26th April, 1883.

P. G. JULYAN,
F. D. BELL,
Agents.