

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 *bond 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.