

1895.
NEW ZEALAND.

PAYMENT OF INTEREST BY THE NEW PLYMOUTH HARBOUR BOARD

(FURTHER CORRESPONDENCE RELATING TO).

[In continuation of B.-13, 1893.]

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

No. 1.

The CHAIRMAN, New Plymouth Harbour Board, to the COLONIAL TREASURER.

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 the 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 the 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 not only to pay current interest but also to nearly pay off all 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 much 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 then 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 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 pay their liabilities.

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

I have, &c.,

R. Cock,

Chairman, New Plymouth Harbour Board.

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