

1895.  
NEW ZEALAND.

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MILLION-AND-A-HALF LOAN UNDER "THE GOVERNMENT  
ADVANCES TO SETTLERS ACT, 1894"

(CORRESPONDENCE RELATING TO THE NEGOTIATION OF THE).

*Laid before both Houses of Parliament by Command of His Excellency.*

No. 1.

The COLONIAL TREASURER to the AGENT-GENERAL.

(No. 116.)

SIR,—

The Treasury, Wellington, 31st October, 1894.

With reference to raising moneys under the Advances to Settlers Act of last session, I am having an Order in Council prepared appointing Sir P. Julyan and yourself as agents for the purpose of raising a loan thereunder. The Order in Council will not, however, be ready to despatch by this route, and in the meantime it has occurred to me to send you a cable asking if you would communicate with Sir Penrose to ask his consent to act as on former occasions, when his services have been so highly appreciated by the Government. Copy of cable herewith.

I have, &c.,

A. J. CADMAN,

For the Colonial Treasurer.

The Agent-General for New Zealand, London.

*Enclosure in No. 1.*

Agent-General, London.

Wellington, 1st November, 1894.

ASCERTAIN whether Julyan will act with you as Loan and Stock Agent to raise funds for cheap-money scheme.

No. 2.

GLASGOW, Governor.

ORDER IN COUNCIL.

At the Government Buildings, at Wellington, this twentieth day of November, 1894.

Present: THE HON. SIR PATRICK BUCKLEY, K.C.M.G., PRESIDING IN COUNCIL.

WHEREAS by "The Government Advances to Settlers Act, 1894" (hereinafter called "the said Act"), it is among other things 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 thereby authorised to be raised, with all such powers as may be necessary to carry into effect the purposes thereof, 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 by the issue of inscribed stock under "The New Zealand Consolidated Stock Act, 1877," or otherwise, such sum or sums, not exceeding in the aggregate one million five hundred thousand pounds in any one year, as the Governor in Council may from time to time authorise: Provided, *inter alia*, that the total amount raised under the said Act shall not exceed in the aggregate three million pounds sterling: And whereas it is expedient that the said loan so authorised to be raised should be raised under the said Act for the purposes therein mentioned, and that Agents should be appointed for the purpose as hereinafter provided:

Now, therefore, I, David, Earl of Glasgow, the Governor 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 order and determine that the sum of one million five hundred thousand pounds sterling shall be borrowed and raised under the provisions of the said Act for and in respect of the year ending on the thirty-first day of March, one thousand eight hundred and ninety-five; 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 Julyan, 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 Westby Brook Perceval, 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 said loan hereby ordered to be raised, with full power and authority to such Agents to borrow and raise by debentures or scrip, or by issue of inscribed stock under "The New Zealand Consolidated Stock Act, 1877," or otherwise, the said sum of one million five hundred thousand pounds sterling as aforesaid, and with full power and authority to such Agents to prescribe the mode and conditions of the repayment of the aforesaid loans, 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 authorised to be borrowed and raised.

ALEX. WILLIS,  
Clerk of the Executive Council.

## No. 3.

The COLONIAL TREASURER to the AGENT-GENERAL.

(No. 120.)

SIR,—

The Treasury, Wellington, 29th November, 1894.

I have the honour to transmit herewith an Order in Council authorising the raising of £1,500,000 under "The Government Advances to Settlers Act, 1894," and appointing Sir Penrose Julian and yourself as Agents for the purpose.

The Government have not yet decided upon the amount to be raised, nor the time when it will be required, but I shall be able to send you such particulars by cable. In the meantime, it will be as well for you to make all requisite preliminary arrangements, so that there will be no loss of time in announcing the loan when it is decided to raise it.

I have, &c.,

The Agent-General for New Zealand, London.

A. J. CADMAN,  
For the Colonial Treasurer.

## No. 4.

The COLONIAL TREASURER to Sir PENROSE JULYAN.

(No. 544.)

SIR,—

The Treasury, Wellington, 29th November, 1894.

I have the honour to transmit herewith an Order in Council authorising the raising of £1,500,000 under "The Government Advances to Settlers Act, 1894," and appointing yourself and Sir Westby Perceval Agents for the purpose.

The Agent-General has informed me that, at my request through him, you have consented to act as one of the Agents for raising the loan, and I desire to express my gratification that the Government are to have the benefit of your services in this important operation.

As I have informed the Agent-General, the Government have not yet decided when the loan is to be brought out, nor how much will be presently asked for, but information on these points can be sent to you by cable.

I have, &c.,

Sir Penrose G. Julian, K.C.M.G., C.B.,  
Care of the Agent-General for New Zealand.

A. J. CADMAN,  
For the Colonial Treasurer.

## No. 5.

The COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

Wellington, 7th December, 1894.

"THE Government Advances to Settlers Act, 1894."—Have sent you authority to raise loan, instructions will be telegraphed when it is decided raise; meanwhile take preliminary steps at once, and cable your joint opinion of the prospects.

## No. 6.

The AGENT-GENERAL to the COLONIAL TREASURER.

The Colonial Treasurer, Wellington.

(Received 8th December, 1894.)

"THE Government Advances to Settlers Act, 1894."—What amount? I am strongly of opinion time not opportune; Australasian inscribed stock falling, Bank of New Zealand call expected, Australian banking complications, and reported more than one new loan make market unfavourable. Strongly advise wait until market rallies, possibly February.

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London, 7th.

## No. 7.

The AGENT-GENERAL to the COLONIAL TREASURER.

Colonial Treasurer, Wellington.

(Received 11th December, 1894.)

PRESENT price of  $3\frac{1}{2}$ -per-cent. Inscribed Stock 99. Financial Adviser states as follows: Cannot offer reliable opinion on question asked in your telegram of 7th without seeing Government Advances to Settlers Act, and knowing actual amount absolutely required within the time given. The market is not favourable any operation at present, and if the Act embodies chief features Financial Statement proposals likely become more unfavourable market for New Zealand loans. Better defer borrowing in London until prospects become more favourable.

London, 10th.

## No. 8.

The AGENT-GENERAL to the COLONIAL TREASURER.

Colonial Treasurer, London.

(Received 15th December, 1894.)

GOVERNMENT Advances to Settlers Act.—There are signs of improvement Australasian inscribed stock, but new loan must wait until about middle of January, earliest moment possible.

London, 14th.

## No. 9.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 1336.)

Westminster Chambers, 13, Victoria Street, London, S.W.,

7th November, 1894.

SIR,—

In compliance with instructions contained in your cablegram of the 1st instant, I inquired of Sir P. G. Julian whether he would act as one of the Loan and Stock Agents to be appointed under the provisions of the Act passed for the purpose of raising funds under the scheme for providing cheap money for the use of settlers in the colony.

I was unable to furnish Sir Penrose with a copy of the Bill as introduced, as no copy had as yet come to my hand, but I brought under his notice the reference you made to it in your Financial Statement.

Sir Penrose, in reply, informed me that he was quite prepared to act as Agent whenever the time for action arrives, and I accordingly sent you a cable to that effect.

I have, &amp;c.,

The Hon. the Colonial Treasurer, Wellington.

W. B. PERCEVAL.

## No. 10.

The COLONIAL TREASURER to the AGENT-GENERAL.

(No. 126.)

27th December, 1894.

SIR,—

I have to acknowledge the receipt of your letter, No. 1336, dated the 7th ultimo, in which you inform me, as previously cabled, that Sir Penrose Julian was quite prepared to act as an Agent to raise a loan under the provisions of "The Advances to Settlers Act, 1894," whenever the time for action arrives. Please intimate to Sir Penrose the satisfaction the Government feels at his decision.

With regard to the several cable messages which have recently passed between us as to the unfavourable state of the market for our stock, which precludes the possibility of raising the required funds until the middle of January next at the earliest, I am glad to state that, although an enormous number of applications for loans have been received from settlers, it will not be possible to have valuations effected and reports considered before the time you mention. If in the meantime there is urgency for a comparatively small supply of money, I find I shall be able to arrange with the Bank of New Zealand to furnish what is necessary.

I have, &amp;c.,

JAS. B. HEYWOOD, Secretary to the Treasury,

For the Colonial Treasurer.

The Agent-General for New Zealand, London.

## No. 11.

The COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

Wellington, 17th January, 1895.

EXPECT reach London 13th March. I would prefer abstain from offering new loan until after my arrival if there is no objection.

TREASURER.

## No. 12.

The AGENT-GENERAL to the COLONIAL TREASURER.

Treasurer, Wellington.

(Received 18th January, 1895.)

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MESSAGE of 17th received; information very satisfactory. There is no objection postponing new loan.

London, 17th.

## No. 13.

The GOVERNMENT ADVANCES to SETTLERS OFFICE SUPERINTENDENT to the SECRETARY to the TREASURY.

SIR,—

Government Advances to Settlers Office,  
Wellington, 6th February, 1895.

I propose to call, in the course of a few days, a meeting of the Board of the Advances to Settlers Office for the purpose of considering several applications for advances, and, if the Board should resolve to grant the advances, I would instruct the solicitors to at once prepare the respective mortgage-dockets.

As, however, any failure to make the advances as soon as the relative mortgages are completed would be very likely to embarrass the applicants, and give rise to disappointment or distrust with the legislation, I should be glad to know as soon as possible whether I can depend upon being promptly supplied by the Treasury, for application to the advances, with money enough for the purpose. It is obviously of vital importance to the business of this office that the funds required for the advances which may be authorised by the Board should, on my application to the Treasury, be immediately available by me.

The advances which I expect the Board to authorise at each meeting will amount to quite £20,000, and a meeting must take place nearly every day.

J. K. Warburton, Superintendent.

## No. 14.

The SECRETARY to the TREASURY to the GOVERNMENT ADVANCES to SETTLERS OFFICE SUPERINTENDENT.

SIR,—

19th February, 1895.

In reply to your letter dated 6th instant, asking if the Treasury is prepared to find funds to meet applications under the Act which the Board may be expected to authorise at the rate of £20,000 nearly every day, I am directed by the Minister acting for the Colonial Treasurer to state that arrangements have been made with the bank to advance up to given limit, and which will be available when required; and the Minister desires that the sum so advanced by the bank should be made to last until other provision is made, which it may be expected will be about the end of next month.

I have, &c.,

Jas. B. Heywood,

Secretary to the Treasury.

The Superintendent, Government Advances to Settlers Office, Wellington.

## No. 15.

The MINISTER acting for the COLONIAL TREASURER to the AGENT-GENERAL.

SIR,—

21st March, 1895.

I was glad to receive your telegram announcing that hereafter messages could be addressed to the Colonial Treasurer. This satisfied me of the safe arrival of my colleague, Mr. Ward.

Regarding your cable asking for information respecting the applications to the Board for loans under the Advances to Settlers Act, I placed myself in communication with the Superintendent, who informed me that £659,174 had been applied for to the 16th instant, and that he estimated that £450,000 would be the amount of probable cash requirements during the next six months on account of these applications. I at once cabled to you the substance of this information.

Applications for loans are being received in large numbers daily, and I can but express some anxiety to learn that you have been able to arrange for the successful floating of the loan under the Act at a satisfactory price of issue, concerning which you will of course previously advise me.

It is most important that this scheme of assistance to settlers should be made a complete success, and this necessarily depends upon the result of the loan issue.

It is very gratifying to the Government to notice that since the inauguration of their money-lending scheme a distinct and satisfactory lowering in the ruling rates of interest has taken place within our colony, and such action has undoubtedly greatly benefited a large number of hard-working settlers, besides extending settlement and greatly improving individual holdings; and I feel satisfied that, when the advantages of our scheme have been fully recognised by borrowers, the tillers of our lands will have still more reason to rejoice that their burdens have been lightened at a time when prices for produce are at such a low and almost unremunerative figure.

I have, &c.,

R. J. Seddon,

For the Colonial Treasurer.

The Agent-General for New Zealand, London.

## No. 16.

Sir PENROSE JULYAN to the COLONIAL TREASURER.

SIR,—

Torquay, Devon, 7th February, 1895.

I have the honour to acknowledge the receipt of your letter of the 29th November last, transmitting an order of the Governor in Council authorising the borrowing in this country of £1,500,000 sterling under "The Government Advances to Settlers Act, 1894," being a moiety of the total sum authorised by that Act, and appointing myself and Sir Westby Brook Perceval to be Agents for raising and managing the loan.

You have already been informed by a cable message of my willingness to act in the capacity named, and, bearing in mind that I have, in conjunction with others, taken an active part in raising

and converting all New Zealand loans, spreading over very many years, I certainly owe it to your Government to continue to devote my best energies to their interests, so long as health permits and they are pleased to consider my services of any value. I am given to understand by the Agent-General that you are about to visit England, and that you thought it desirable that borrowing operations should be deferred until your arrival in London. So far as one can judge from the present state of the money market, the suggested delay will be advantageous rather than otherwise, and, within reasonable limits, the longer operations are delayed the better. A short time ago Australasian securities (which are more or less coupled by English investors with those of New Zealand) were not looked upon on the Stock Exchange with favour; and, although there has been some slight reaction of late, confidence is still far from being fully restored, and, in spite of the abundance and cheapness of money, further delay seems desirable.

The Hon. the Treasurer of New Zealand.

I have, &c.,  
P. G. JULYAN.

### No. 17.

The MINISTER acting for the COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

Wellington, 6th April, 1895.

GOVERNMENT Advances to Settlers Act.—Government authorise Loan Agents arrange issue of £1,500,000 soon as possible. Consult and act with Colonial Treasurer.

### No. 18.

The MINISTER acting for the COLONIAL TREASURER to the AGENT-GENERAL.

(No. 13.)

SIR,—

18th April, 1895.

With reference to the disposal of the proceeds of the new loan, I desire to point out that it will be necessary to open a separate account at the Bank of New Zealand, to be called "The Government Advances to Settlers Office Account," into which the moneys arising out of the inscription of the new loan are to be paid. (See section 46 of the Act.)

In order to avoid as far as possible the necessity of either drawing on the separate account or of having the moneys remitted from London to the colony, it has been arranged with the Audit Office that, as occasion requires, the Superintendent shall join with the Controller in a telegram, either direct to the bank in London or through the Wellington office, requiring the bank to pay over to the New Zealand Public Account such sums as might be named in the telegram, and at the same time a like amount would be paid over to the Advances to Settlers Office Account in Wellington from the Public Account here. By this process two purposes will have been served: (1) Providing funds in the colony for grants under the Act; (2) providing funds at your end to replenish the New Zealand Public Account.

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I would further suggest for consideration of the bank authorities, with the object of lessening the expense of the cable messages, that the amount to be withdrawn might be expressed by our code numerals, which you would be able to interpret upon receipt of the words from the bank.

Be good enough to inform me by cable when you have arranged with the bank to carry out these suggestions.

I have, &c.,

R. J. SEDDON,

The Agent-General for New Zealand, London.

For the Colonial Treasurer.

### No. 19.

The Hon. Mr. WARD to the MINISTER acting for the COLONIAL TREASURER.

Colonial Treasurer, Wellington.

(Received 28th April, 1895.)

In fifteen minutes after announcement Stock Exchange to-day quotations advanced to 93. Prospects excellent.

WARD.

London, 27th.

### No. 20.

The MINISTER acting for the COLONIAL TREASURER to the Hon. Mr. WARD.

Ward, London.

Wellington, 28th April, 1895.

CONGRATULATIONS that the loan announcement is well received. Convey my congratulations to the Loan Agents. Immediate premium of three very satisfactory; average price should reach 92, which should be splendid result.

SEDDON.

### No. 21.

The MINISTER acting for the COLONIAL TREASURER to the AGENT-GENERAL.

Agent-General, London.

30th April, 1895.

PROCEEDS new loan must be kept separate, see section 46 (Advances to Settlers Act); and, in order to avoid remittances, Superintendent and Controller and Auditor-General will cable express authority to Bank of New Zealand to transfer to Public Account advances from time to time as required by Superintendent, whereupon like sums may be paid over from Public Account to Advances to Settlers

Act Account here. Cables will be worded thus: "Bank of New Zealand, London: Pay one hundred thousand pounds.—Warburton, FitzGerald." Bank of New Zealand will communicate with you for meaning of code-word, which will make you acquainted with each transaction. Inform Bank of New Zealand accordingly.

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No. 22.

The SECRETARY to the TREASURY to the GENERAL MANAGER, Bank of New Zealand, Wellington.

SIR,—

2nd May, 1895.

I have the honour, by direction of the Minister acting for the Colonial Treasurer, to inform you that the proceeds of the loan under "The Government Advances to Settlers Act, 1894," are, by section 46 of that Act, directed to be kept in a separate account at the bank. The loan is now in process of being negotiated, and, for the purpose of avoiding unnecessary moving of cash, it has been arranged that the Government Advances to Settlers Office Superintendent, and the Controller and Auditor-General will, from time to time, cable express authority to your London Office to transfer from the separate account of the New Zealand Public Account such amounts as may be required here. Upon this being done, like amounts will be paid over from the Public Account to the Advances to Settlers Office Account.

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The Agent-General has been asked to arrange with your London office that upon receipt of such message it is to be forwarded to him to interpret the amount expressed by the code word or words, and the Agent-General, by such reference, will be made acquainted with each transaction without the necessity of being advised by separate telegram.

I have, &c.,

JAS. B. HEYWOOD, Secretary to the Treasury.

The General Manager, Bank of New Zealand, Wellington.

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No. 23.

The AGENT-GENERAL to the PREMIER.

Premier, Wellington.

(Received 4th May, 1895.)

AVERAGE at which loan placed about 94½; tenders at £94 8s. getting 33 per cent. Total amount tendered, six millions.

London, 3rd.

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No. 24.

The PREMIER to the AGENT-GENERAL.

Agent-General, London.

Wellington, 4th May, 1895.

WARMLY congratulate successful result new loan. Convey my congratulations to Loan Agents magnificent success, which should silence colony's detractors.

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No. 25.

The AGENT-GENERAL to the PREMIER.

Premier, Wellington.

Wellington, 7th May, 1895.

GOVERNMENT Advances to Settlers Act.—Separate account opened Bank of New Zealand; £75,000 available.

London, 6th.

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No. 26.

The GENERAL MANAGER, Bank of New Zealand, to the SECRETARY to the TREASURY.

Bank of New Zealand, General Manager's Office,

SIR,—

Wellington, 4th May, 1895.

I have the honour to acknowledge receipt of your favour of the 2nd instant relative to the opening of a separate account at our London branch for proceeds of the loan under "The Government Advances to Settlers Act, 1894," now being floated, and to the transfer from time to time to the Public Account of such amounts as may be required in the colony.

We understand that you instruct us to cause to be transferred from the "Separate" Account to the "Public" Account, in London, such sums as the Agent-General for the time being shall, from time to time, indicate, upon there being exhibited to him by us a telegram from New Zealand, commencing with the word \_\_\_\_\_, and signed "Warburton, FitzGerald."

It will afford us much pleasure to instruct our London office accordingly, upon the understanding invariably stipulated for by us when financial transactions are arranged by telegram—namely, that the bank accepts no responsibility for errors or acts in bad faith committed by others than its own servants.

I have, &c.,

H. CALLENDER,

The Secretary to the Treasury, Wellington.

For the General Manager.

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No. 27.

The MINISTER acting for the COLONIAL TREASURER to the LOAN AGENTS.

(No. 2.)

GENTLEMEN,—

The Treasury, Wellington, 15th May, 1895.

It gives me much pleasure to congratulate you on the splendid result of the issue of our 3-per-cent. Inscribed Loan of £1,500,000. The issue of the loan at a lower rate than has hitherto

been attempted by any colony within the Australasian group marks a most important epoch in colonial history. I can fully recognise the anxious deliberation and extreme care it was necessary to exercise in finally deciding to adopt the lower rate, and upon the issue price which should offer sufficient inducement to our financial friends. The average price obtained of £94 8s. 9d. fully proves the wisdom of your decision, and redounds to the credit of yourselves and of my able colleague, who, being on the spot, was doubtless of material assistance in your deliberations.

Apart from the satisfactory price to the Government, it is a matter of congratulation to know that investors will also reap advantage from the rising premium, and I feel sure that the time cannot be far distant when our 3-per-cents will be quoted at par, and thus prove that the credit of the Colony of New Zealand has been placed upon a firm and solid basis, which the financial world is not slow to recognise.

I have, &c.,

W. P. REEVES,

For the Colonial Treasurer.

The New Zealand Loan Agents,

Care of the Agent-General for New Zealand, London.

## No. 28.

The AGENT-GENERAL to the COLONIAL TREASURER.

Westminster Chambers, 13, Victoria Street, London, S.W.,

26th April, 1895.

SIR,—

I herewith enclose copies of the prospectus and form of tender of the 3-per-cent. loan, which will be issued to-morrow, under the provisions of "The Government Advances to Settlers Act, 1894."

I also enclose copies of the statement which will be circulated with the prospectus of the loan.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington.

W. B. PERCEVAL.

### Enclosure 1 in No. 28.

#### NEW ZEALAND GOVERNMENT £3-PER-CENT. INSCRIBED STOCK.

Issue of £1,500,000.

Part of £3,000,000 authorised to be raised under an Act passed by the New Zealand Parliament, and intituled "The Government Advances to Settlers Act, 1894."

Repayable at par, 1st April, 1945. Minimum price of issue, £90 per cent. First dividend, being six months' interest, payable 1st October, 1895.

The Governor and Company of the Bank of England give notice that, on behalf of the Agents appointed for raising and managing loans under the above Act (Sir Westby Brook Perceval, K.C.M.G., and Sir Penrose Goodchild Julian, K.C.M.G., C.B.), they are authorised to receive tenders for £1,500,000 New Zealand Government £3-per-cent. Inscribed Stock, repayable at par on 1st April, 1945.

The books of the stock will be kept at the Bank of England, where all assignments and transfers will be made. Holders of the stock will be 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 will be free of stamp duty.

The dividends on the stock will be payable at the Bank of England half-yearly, on 1st April and 1st October, and the first six months' interest, calculated upon the nominal amount of stock, will be payable 1st October, 1895.

Dividend warrants will be 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 this stock and the 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, which should be sealed (*see below*), 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 stock. Tenders must be for even hundreds of stock, and at prices which are multiples of sixpence. Tenders must be delivered at the Chief Cashier's office, Bank of England, before two o'clock on Friday, 3rd May, 1895. Tenders at different prices must be on separate forms. The amount of stock applied for must be written on the outside of the tender.

The minimum price, below which no tender will be accepted, has been fixed at £90 for every £100 of stock.

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. When tenders are sent by post, the cheque should be sent separately, or the sealed tender and the cheque should be enclosed in a covering envelope. 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.

In the event of the receipt of tenders for a larger amount of stock than that proposed to be issued at or above the minimum price, the tenders at the lowest price accepted will be subject to a *pro rata* diminution.

The dates at which the further payments on account of the said loan will be required are as follows:—

On Monday, the 13th May, 1895, so much of the amount tendered for each hundred pounds of stock as, when added to the deposit, will leave seventy pounds (sterling) to be paid;

On Monday, the 1st July, 1895, £35 per cent.;

On Thursday, the 1st August, 1895, £35 per cent.

The instalments may be paid in full on or after the 13th May, 1895, under discount at the rate of £1 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 1st August, 1895, but scrip paid up in full in anticipation may be forthwith inscribed.

Applications must be upon the printed forms, which may be obtained at the Chief Cashier's office, Bank of England; of Messrs. Mullens, Marshall, and Co., stockbrokers, 4, Lombard Street, London, E.C.; of Messrs. J. and A. Scrimgeour, stockbrokers, 18, Old Broad Street, London, E.C.; and at the office of the Agent-General for New Zealand, 13, Victoria Street, London, S.W.

Bank of England, London, 27th April, 1895.

NOTE.—A memorandum explaining the objects of "The Government Advances to Settlers Act, 1894," and giving information as to the past and present position of the colony, has been prepared by the Agent-General, and should accompany this prospectus.

*Enclosure 2 in No. 28.*

## NEW ZEALAND GOVERNMENT £3-PER-CENT. INSCRIBED STOCK.

ISSUE OF £1,500,000 STOCK.—MINIMUM PRICE, £90 PER CENT.

To the Governor and Company of the Bank of England, London.

Having paid to you the sum of £ , being a deposit of £5 per cent. on this application, hereby tender for £ , say pounds of the above stock, for every hundred pounds of which willing to give the sum of pounds shillings and pence (£ ); and hereby engage to pay the balance shall become due, on any allotment that may be made in respect of this tender, in accordance with the terms of the prospectus dated 27th April, 1895.

Name in full :

Address :

Date :

The deposit must accompany this application, but should not be enclosed therein. Cheques should be drawn in favour of "The Bank of England." Where several applications are made, one cheque only, for the total deposit, is necessary.

Tenders, which should be sealed, must be for even hundreds of stock, and the prices must be multiples of sixpence. No tender will be received after two o'clock on Friday, 3rd May, 1895.

## NEW ZEALAND GOVERNMENT LOAN OF £1,500,000.

*"Government Advances to Settlers Act, 1894."*

The proceeds of this loan will be applied towards providing funds for advances to *bona 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 the 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 follow: 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 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 is still on the increase, showing that the increase



in the actual amount of produce exported is much larger than would at first sight be 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.					WOOL EXPORTS.				
Years.	..	..	..	£	Years.	..	Lb.	..	Value.
1854	..	..	..	88,554	1858	..	3,810,372	..	254,025
1867	..	..	..	260,668	1861	..	7,855,920	..	532,728
1878	..	..	..	456,412	1867	..	27,152,966	..	1,580,608
1888	..	..	..	649,380	1874	..	46,848,735	..	2,834,695
1894	..	..	..	728,221	1881	..	59,415,940	..	2,909,760
PUBLIC REVENUE.					1886	..	90,853,744	..	3,072,971
Years.	..	..	..	£	1888	..	83,226,033	..	3,115,008
1853	..	..	..	146,855	1893	..	109,719,684	..	3,774,738
1858	..	..	..	341,125	1894	..	..	..	4,834,740
1867	..	..	..	1,787,314	GOLD EXPORT.				
1878	..	..	..	4,167,889	Years.	..	..	..	£
1888	..	..	..	3,859,000	1857	..	..	..	40,422
1894	..	..	..	4,368,537	1864	..	..	..	1,857,847
SAVINGS-BANK DEPOSITS.					1878	..	..	..	1,244,190
Years.	..	..	..	£	1888	..	..	..	914,309
1858	..	..	..	7,862	1893	..	..	..	915,921
1868	..	..	..	243,615	1894	..	..	..	887,865
1878	..	..	..	1,043,204	Total value exported from 1857 (gold first discovered)				
1887	..	..	..	2,407,776	to 31st March, 1894, £49,566,878.				
1893	..	..	..	3,241,998	KAURI-GUM EXPORTS.				
POSTAL.					Years.	..	..	..	Value.
Letters.					1853	..	..	..	£
Years.	..	Received.	Despatched.	..	1858	..	..	..	15,972
1858	..	254,605	228,251	..	1864	..	..	..	20,037
1867	..	2,408,331	2,402,909	..	1871	..	..	..	60,590
1878	..	8,236,062	7,288,699	..	1878	..	..	..	167,958
1886	..	19,896,448	18,188,144	..	1881	..	..	..	132,975
1893	..	27,650,272	27,132,287	..	1886	..	..	..	253,788
Newspapers.					1888	..	..	..	257,653
Years.	..	Received.	Despatched.	..	1888	..	..	..	380,933
1858	..	346,603	337,745	..	1893	..	..	..	510,775
1867	..	1,670,520	1,390,368	..	BUTTER AND CHEESE EXPORT.				
1878	..	5,097,907	4,312,459	..	1884.				
1886	..	7,479,209	6,844,838	..	Butter	..	£	Total.	
1893	..	10,699,299	8,856,731	..	Cheese	..	66,593	..	
Telegraphs.					1888.				
Years.	..	Miles of Linc.	Number of Messages.	..	Butter	..	£	Total.	
1866	..	699	27,407	..	Cheese	..	118,252	..	
1871	..	1,976	312,874	..	1894.				
1874	..	2,530	752,899	..	Butter	..	£	Total.	
1882	..	3,974	1,570,189	..	Cheese	..	251,280	..	
1887	..	4,646	1,835,894	..	1894.				
1893	..	5,513	2,069,691	..	Butter	..	£	Total.	
EXPORTS (OF ALL DESCRIPTIONS).					Cheese	..	115,203	..	
Years.	..	..	..	£	Total.				
1841	..	..	..	17,717	£91,667				
1851	..	..	..	84,160	Total.				
1858	..	..	..	458,023	£197,170				
1861	..	..	..	1,370,247	Total.				
1874	..	..	..	5,251,269	£366,483				
1881	..	..	..	6,060,866	COAL.				
1888	..	..	..	7,767,325	Years.	..	Raised.	Imported.	
1894	..	..	..	9,239,277	1878	..	Tons.	Tons.	
IMPORTS (OF ALL DESCRIPTIONS).					1881	..	162,218	174,148	
Years.	..	..	..	£	1887	..	337,262	129,582	
1841	..	..	..	13,358	1893	..	558,620	107,230	
1851	..	..	..	349,540	Total output, up to 31st December, 1893 :—				
1858	..	..	..	1,141,273	8,496,849 tons.				
1861	..	..	..	2,493,811	FROZEN-MEAT EXPORTS.				
1874	..	..	..	8,121,812	Years.	..	..	Value.	
1881	..	..	..	7,457,045	1881	..	..	£	
1888	..	..	..	5,941,900	1882	..	..	Nil.	
1894	..	..	..	6,788,863	1883	..	..	19,339	
HEMP EXPORTS.					1884	..	..	118,328	
(N.Z. FLAX OF <i>Phormium tenax</i> .)					1885	..	..	345,090	
Years.	..	..	..	£	1886	..	..	373,857	
1864	..	..	..	170	1887	..	..	427,193	
1867	..	..	..	4,256	1888	..	..	455,870	
1871	..	..	..	90,611	1888	..	..	628,129	
1874	..	..	..	37,690	1894	..	..	1,194,545	
1881	..	..	..	27,699	LIVE-STOCK.				
1888	..	..	..	76,282	Years.	..	Horses.	Cattle.	
1893	..	..	..	219,375	1843	..	528	4,065	
RAILWAYS.					1858	..	14,912	137,204	
Length of Line opened.					1867	..	65,715	312,835	
Years.	..	..	..	Miles.	1878	..	137,768	578,430	
1873	..	..	..	145	1886	..	187,382	853,358	
1878	..	..	..	1,078	1891	..	211,040	831,831	
1881	..	..	..	1,333	1894	..	..	884,805	
1888	..	..	..	1,910	Sheep.				
1894	..	..	..	1,948	1843	..	..	10,255	
Cost of Construction.					1858	..	..	1,523,324	
£15,137,036.					1867	..	..	8,414,579	
2—B. 13B.					1878	..	..	13,069,338	
					1886	..	..	16,564,555	
					1891	..	..	18,200,000	
					1894	..	..	20,230,829	

	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

13, Victoria Street, London, S.W., 26th April, 1895.

W. B. PERCEVAL,  
Agent-General for New Zealand.

No. 29.

The AGENT-GENERAL to the COLONIAL TREASURER.

(No. 515.)  
SIR,—  
Westminster Chambers, 13, Victoria Street, London, S.W.,  
7th May, 1895.

I beg to inform you that, in accordance with the terms of the prospectus, copy of which went with my letter, No. 452, of the 26th ultimo, tenders were received on the 3rd instant at the Bank of England for the issue of £1,500,000 New Zealand Government 3-per-cent. Inscribed Stock.

The applications amounted to £5,960,400, at prices varying from £100 to £90, the minimum. Tenders at £94 8s. receive about 33 per cent. of the amount applied for, those above that price being allotted in full. I forward herewith copy of a statement received from the Bank of England of the amounts allotted at the various prices.

I have, &c.,  
W. B. PERCEVAL.

The Hon. the Colonial Treasurer, Wellington.

NEW ZEALAND GOVERNMENT £3-PER-CENT. LOAN, 1895.  
Issue of £1,500,000.

STATEMENT of the Amounts subscribed at the Various Accepted Prices.

Subscription.	Price.	Amount payable.
£	£ s. d.	£ s. d.
100	100 0 0	100 0 0
100	97 0 0	97 0 0
300	96 10 0	289 10 0
2,000	96 0 0	1,920 0 0
6,600	95 0 0	6,270 0 0
300	94 17 6	284 12 6
2,200	94 14 6	2,083 19 0
38,100	94 13 6	36,071 3 6
37,000	94 13 0	35,020 10 0
7,600	94 12 6	7,191 10 0
5,000	94 12 0	4,730 0 0
11,200	94 11 6	10,592 8 0
34,600	94 11 0	32,714 6 0
70,000	94 10 6	66,167 10 0
80,800	94 10 0	76,356 0 0
6,000	94 9 6	5,668 10 0
49,000	94 9 0	46,280 10 0
53,000	94 8 6	50,045 5 0
1,096,100	94 8 0	1,034,718 8 0
£1,500,000		£1,416,601 2 0

Bank of England, 4th May, 1895.

H. G. BOWEN, Chief Cashier.

No. 30.

The AGENT-GENERAL to the COLONIAL TREASURER.

(Memorandum.—No. 565.)  
Hon. Colonial Treasurer.  
Westminster Chambers, 13, Victoria Street, London, S.W.,  
24th May, 1895.

*Advances to Settlers' Loan.*

THE following amounts have been paid, by direction of the Loan Agents, by the Bank of England to the credit of the Government Advances to Settlers Office Account at the Bank of New Zealand:—

1895.						£
May 6	...	...	...	...	...	75,000
" 14	...	...	...	...	...	330,000
" 15	...	...	...	...	...	90,000
" 16	...	...	...	...	...	75,000
" 18	...	...	...	...	...	20,000
" 24	...	...	...	...	...	17,000
						£607,000

The sum of £50,000 out of the above amounts was transferred to the Public Account on the 8th May, leaving credit balance at present date of £557,000.

W. B. PERCEVAL.

*Approximate Cost of Paper.*—Preparation, not given; printing (1,385 copies), £7 19s..

By Authority: SAMUEL COSTALL, Government Printer, Wellington.—1895.