

No. 9.

THE SUPERINTENDENT OF WELLINGTON, TO THE COLONIAL SECRETARY.

Superintendent's Office,
Wellington, 18th March, 1862.

SIR,—

I have delayed answering your letter of the 27th November last (No. 835), until I had an opportunity of discussing the subject to which it refers with the Honorable the Colonial Treasurer.

Having had an interview with Mr. Reader Wood on the 24th of February, at which the correspondence which has taken place between us as relative to the apportionment between the Provinces of Wellington and Hawke's Bay of the several sums due for interest and sinking fund on the amount expended on land purchases was gone into, I now beg to call your attention to my letter of the 8th October, 1861, (No. 281), and to your reply thereto of the 27th November, 1861.

In mail of the 12th October I stated that in the Session of 1860 an agreement was entered into between the Provinces of Wellington and Hawke's Bay, to the effect that the £54,000 allocated to the original Province of Wellington for land purchases should be apportioned equally between the two Provinces, and that the amount which Hawke's Bay had received over and above its moiety should be refunded and placed to the credit of Wellington.

That agreement was sanctioned by the House of Representatives by the following Resolution (p. 244, Journals of the House of Representatives 1860).

2. That the sum of £54,000, allocated for the purchase of land in the former Province of Wellington, ought to be expended equally between the Provinces of Wellington and Hawke's Bay respectively, and, consequently that the unexpended balance of the aforesaid sum should be exclusively devoted to the purchase of land in the Province of Wellington; and that the sum expended, already in excess of the one half of the £54,000, in the Province of Hawke's Bay should be refunded to the Land Purchase Fund of the Province of Wellington.

"And that the charge for interest and sinking fund should be adjusted in conformity with the above Resolution."

In your reply you state "the requirements of this Resolution have been carried out. Hawke's Bay has been called upon to pay the sum of £3400 which had been expended in excess of the proportion of £54,000 allocated by the above Resolution, and in the account for Interest and Sinking Fund forwarded to your Honor in my letter of the 20th August, 1861, the only amount which is treated in accordance with the rule of the New Provinces Act, is that of £11,000 which was expended out of the Loan prior to the date of Separation, to which the Resolution I have referred to does not seem to apply."

With reference to this paragraph I would respectfully submit that the requirements of the Resolution of the House of Representatives have *not* been carried out. They have been carried out as far as the apportionment of the principal sum of £54,000 is concerned, but not as regards the apportionment of the Interest and Sinking Fund. The £54,000 has been apportioned equally between the two Provinces, and Hawke's Bay has been made to refund the £3,400 expended in excess of its moiety, but the other condition of the agreement embodied in the above Resolution, viz., and that the charge for Interest and Sinking Fund should be adjusted in conformity with the above Resolution" has not been complied with, but has been completely set aside.

The meaning of the Resolution is so clear that it is a matter of surprise to me how any question could possibly have arisen upon it. I understood from the Hon. Colonial Treasurer that he is now satisfied that in the account for Interest and Sinking Fund which you forwarded to me in your letter of the 20th August, 1861, the sum of £11,000 (being the amount expended out of the Loan prior to the date of separation) ought to have been treated not in accordance with the rule of the New Provinces Act, but in conformity with the Resolution of the House of Representatives.

I have therefore very respectfully to request that you will have the goodness to cause the account for Interest and Sinking Fund on the sum expended in the two Provinces of Hawke's Bay and Wellington to be adjusted in conformity with that Resolution, and that you will order the balance due to this Province to be at once paid.

The amount claimed in your letter of the 20th August from this Province for the period ended 30th June, 1861, for Interest and Sinking Fund on Land Purchases was £2,368 18s. 6d., but the amount really due of the Interest and Sinking Fund adjusted in accordance with the agreement of 1860, is only £1,704 11s. 0d., and from this must be deducted (as explained in my letter of 8th October, 1861, No. 281) the sum of £237 2s. 5d., being the Interest due to Wellington on the balance of the loan in the hands of the General Government, thus reducing the claim you then preferred from £2,368 18s. 6d. to £1,467 8s. 7d.

The balance of Surplus Revenue due to this Province for the same period (as that to which this claim for Interest and Sinking Fund refers, viz., for the year ended the 30th June, 1860, was £2,404 6s. 7d., so that the effect of this delay in adjusting the accounts is to deprive Wellington of a balance of £936 18s. 0d. which ought to have been paid to it soon after the financial year expired.

Referring now to your letter of the 27th January, 1862, in which you inform me that the balance of Surplus Revenue due to the Province of Wellington for the year ended the 30th June, 1861, is £2,221 19s. 10d., but that you propose retaining the amount "pending the settlement of account for Interest and Sinking Fund on sums raised for Land Purchases in the Province of Wellington," I have the honor to point out to you that the Returns laid before the House last Session showed that no purchases had been made in this Province during the year ended 30th June, 1861. The amount