

FURTHER PAPERS

RELATIVE TO THE

APPORTIONMENT OF THE PUBLIC DEBT

OF THE

PROVINCES OF WELLINGTON AND HAWKE'S BAY.

(In continuation of Papers presented on the 18th June, 1861.)

PRESENTED TO THE HOUSE OF REPRESENTATIVES BY COMMAND OF HIS EXCELLENCY.

FURTHER PAPERS RELATIVE TO THE
 APPORTIONMENT OF THE PUBLIC DEBT
 OF THE PROVINCES OF WELLINGTON AND
 HAWKE'S BAY.

WELLINGTON.

No. 1.

MR. FOX TO THE SUPERINTENDENT OF WELLINGTON.

Colonial Secretary's Office,
 Auckland, 20th August, 1861.

SIR,—

I have the honor to forward to you the accompanying statement of the appointment between the Provinces of Wellington and Hawke's Bay, for the sums due for interest and sinking fund to the 30th June, 1860, on the amount raised for land purchases in these Provinces to that date, and I have to request your Honor to be good enough to cause the amount due from the Province of Wellington on this account, viz., £2,368 18s. 6d. to be paid before the 30th September next to the Colonial Sub-Treasurer, who will be instructed on receiving this sum to pay over to the Provincial Treasurer £2,404 6s. 7d., being the balance of surplus Revenue due to the Province on account of the year ended 30th June, 1860.

Vide postea.

I have, &c.,

WILLIAM FOX.

His Honor the Superintendent,
 Wellington.

No. 2.

THE SUPERINTENDENT OF WELLINGTON, TO THE COLONIAL SECRETARY.

Superintendent's Office,
 Wellington, 19th September, 1861.

SIR,—

Referring to the Resolution passed by the House of Representatives on Friday the 6th September instant, under which His Excellency's Ministers were authorised to pay on behalf of the Province of Hawke's Bay to the Province of Wellington the sum of £2,500 for the current financial year on account of interest, I have the honor to request that, as I am obliged to remit to London the amount required for the payment of the half-yearly dividends in the month of October and April in each year you will be pleased to cause the sum of £1,250 to be paid to the Provincial Treasury of Wellington with as little delay as possible.

I have, &c.,

I. E. FEATHERSTON,
 Superintendent.

The Hon. the Colonial Secretary,
 Auckland.

No. 3.

THE ASSISTANT TREASURER TO THE SUB-TREASURER, WELLINGTON.

Treasury, Auckland,
 4th October, 1861.

SIR,—

I am directed by the Colonial Treasurer to instruct you to pay to the Provincial Treasurer, Wellington, the sum of £1250, being a payment on behalf of the Province of Hawke's Bay on account

of interest on the Provincial debt for the current financial year, and to authorise you to draw on this Treasury for any amount you may require to enable you to make the payment.

I have, &c.,

R. F. PORTER.

The Sub-Treasurer, Wellington.

NOTE.—*A letter informing the Superintendent of Wellington of these instructions was forwarded at the same time.*

No. 4.

THE SUPERINTENDENT OF WELLINGTON, TO THE COLONIAL SECRETARY.

Superintendent's Office,
Wellington, 8th October, 1861,

SIR,—

I have the honor to acknowledge the receipts of your letter of the 20th August, 1861, No. 463, enclosing a statement of the apportionment between the Provinces of Wellington and Hawke's Bay for the sums due for interest and sinking fund to the 30th June, 1860, on the amount raised for land purchases in this Province to that date, requesting me to cause the amount alleged to be due from Wellington on that account, viz., Two thousand three hundred and sixty-eight pounds eighteen shillings sixpence, to be paid before the 30th September to the Colonial Sub-Treasurer, and informing me that the Sub-Treasurer on receiving the same has been instructed to pay over to the Provincial Treasurer the sum of two thousand four hundred and five pounds six shillings seven pence, being the balance of Surplus Revenue due to this Province on account of the year ended the 30th June, 1860.

Having, previous to leaving Auckland, gone through these accounts with the Honourable the Colonial Treasurer, and I believe satisfied him, that the basis upon which they had been adjusted was altogether erroneous, it will be unnecessary for me to apologise for not having complied with your request.

In apportioning the interest and sinking fund on the amount of the £54,000 raised for Land Purchases, the Treasury Accountant has adopted the rule of apportionment laid down in the 15th Section of the New Provinces Act without reference to the amount expended in each Province. The whole £54,000 might have been expended in Land Purchases in Hawke's Bay, and yet according to the principle adopted by the Accountant, Wellington would be called upon to pay interest, &c., on the monies expended, according to the proportion that its revenue bore to that of Hawke's Bay.

Now the rule of apportionment specified in the New Provinces Act was only to prevail until the debts, whether General or Provincial, had been apportioned between the two Provinces. For example, if the permanent debt of £100,000 of the original Province of Wellington had been apportioned in equal moieties between the two Provinces each would have been chargeable with interest on its respective moiety. The rule laid down by the New Provinces Act would at once have ceased to apply. It would have been perfectly immaterial what ratio the revenue of one Province bore to that of the other, each would have to pay interest on the amount of principal with which it had been debited. At the present moment, as the debt of £100,000 has not been apportioned, each Province is bound to contribute towards the interest on the whole amount, according to the rule of the New Provinces Act.

But, with respect to the £54,000 of the £180,000 allocated to the Province of Wellington for land purchases, the case is altogether different—the rule of apportionment of the New Provinces Act has been set aside; for the late Ministry took upon themselves, without any consultation with the Provincial Government of Wellington, to expend the greater portion of the £54,000 in extinguishing the Native title to land in Hawke's Bay. In the Session of 1860, however, the Members of the Province of Wellington refused to recognise this division of the Loan, considerable discussion ensued, and ultimately it was agreed between them and the Colonial Treasurer, on behalf of Hawke's Bay, that the £54,000 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.

The £54,000 having been thus apportioned equally between the two Provinces, it follows that the Rule of the New Provinces Act no longer applies, but that each Province should be charged with interest and Sinking Fund on the amount of the £54,000 allotted to it.

It is of course impossible for me, out of accounts so unintelligible as the Land Purchase Department, and which avoid going into details, to state the exact amount of Interest and Sinking Fund with which each Province is chargeable; I can only pretend to give an approximate statement, trusting that you will cause the whole of these accounts to be analysed and re-adjusted.

From the statement you have enclosed, it appears that up to the 30th June, 1860, £49,000 had been raised, and the Interest and Sinking Fund on this sum amounted up to that period to £4,440.

Now the accounts laid before the House of Representatives, and published in the Blue Book, 1860, (see paper C—No. 1, p. 7), shew the expenditure to have been £56,665 6s. 7d.; but from this the sum of £12,735 has to be deducted, in conformity with the resolution the House passed August 16, 1858, leaving therefore the expenditure, on which interest is to be charged, only £43,930 6s. 7d., or, as shewn in one of the accounts, £46,383 2s. 11d., the difference, £2,452 16s. 4d., being described as advances to District Commissioners for land purchases not yet accounted for.

But assuming that the interest and sinking fund due on the 30th June, 1860, was £4,440, it is clear that as Hawke's Bay had had £30,188 10s. 8d. expended on its land purchases, and Wellington only £16,194 12s. 3d.; that therefore Hawke's Bay should pay a proportionate amount of interest, viz., £2,735 9s., leaving Wellington to pay as its share, £1,467 8s. 7d.; and further, that as only £46,383 2s. 11d. had been expended out of the £49,000 that had been raised, the General Government, which had the use of the balance, viz., £2,616 17s. 1d., as a working balance, ought to credit Wellington with interest on that account, viz., £237 2s. 5d.

Balance	£ s.
	1704 11
Less amount payable by General Gov.	237 2 5
	<hr/> £1467 0

But if the £12,735 be also (as I contend it ought) divided into equal moieties between the Provinces, the account will stand thus:—

Expenditure for Hawke's Bay	£32,046 0 8
	<hr/> 14,337 2 3
	<hr/> £46,383 2 11
Leaving (as before) in the hands of the General Government	2,616 17 1
	<hr/> £49,000 0 0
And the proportion of Interest will be	
Hawke's Bay.....	£2,903 15 4
Wellington	1,299 2 3
General Government	237 2 5
	<hr/> £4,440 0 0

I believe that this statement will be sufficiently intelligible. What I claim is simply this. Supposing the whole £54,000 to have been raised and six per cent. for interest and sinking fund to be due upon it, then that Hawke's Bay is liable for such interest and sinking fund on the amount it has received, say £32,046 8d. Wellington is liable for interest and sinking fund on the £14,337 2s. 3d. it has received, and the General Government is liable for interest and sinking fund on the balance in its hand, which they have used as a working balance.

There are two other points to which I beg to call your attention.

While adhering to the apportionment (agreed to in 1860) of the £54,000 equally between the two Provinces, I must protest against the apportionment of £12,735 made by the late Ministry, under which they allotted of that sum £8,225 to Hawke's Bay and only £4,510 to Wellington, and I submit that this £12,735 should be divided equally between the two Provinces.

I further submit, that as it appears manifestly unjust that Wellington should be charged £4,633 14s. 7d. for expenses on purchases amounting to £14,707 13s. 4d. (being at the rate of 38.5 per cent.) while Hawke's Bay is only charged £3,960 13s. on an expenditure of £31,706 15s. (being at the rate of 12.5 per cent), that these departmental charges require to be reapportioned between the two Provinces.

You will perceive that, under any circumstances, a very considerable balance will be due to Wellington. As soon as this is fixed I shall be prepared to adjust accounts with the Sub-Treasurer here.

I have, &c.,

I. E. FEATHERSTON,
Superintendent.

The Hon. the Colonial Secretary,
Auckland.

No. 5.

MR. SEWELL TO THE SUPERINTENDENT OF WELLINGTON.

Colonial Secretary's Office,
Auckland, 5th November, 1861.

SIR,—

In the absence of Mr. Fox in the North with Sir George Grey, I have to acknowledge receipt of your Honor's letter of the 8th October ultimo, and to state that the matter shall receive the immediate consideration of the Government.

I have, &c.,

HENRY SEWELL.

His Honor the Superintendent,
Wellington.

No. 6.

No. 835.

MR. FOX TO THE SUPERINTENDENT OF WELLINGTON.

Colonial Secretary's Office,
Auckland, 27th November, 1861.

SIR,—

With reference to your letter of the 8th October, 1861, upon the subject of the distribution, in accordance with the rule of the New Provinces Act, of part of the interest and sinking

fund on the sums raised for land purchases in the respective Provinces of Wellington and Hawke's Bay, I have the honor to state that the Treasury accountant, in making the adjustment referred to, was guided solely by what is to be considered the law respecting the apportionment, without reference to the fairness or otherwise of the principle upon which that law was based.

Your Honor remarks that the rule of apportionment specified "in the New Provinces Act was only to prevail until the debts, whether General or Provincial, had been apportioned between the two Provinces." Upon this point, your Honor will observe that the apportionment between Wellington and Hawke's Bay, either as regards the permanent debt or the proportion of the half-million loan, has never yet been settled by law.

During the session of 1860, a resolution was passed as follows:—"That the sum of fifty-four thousand pounds 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 already expended in excess of the one-half of the fifty-four thousand pounds 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."

The requirements of this resolution have been carried out. Hawke's Bay has been called upon to pay the sum of three thousand four hundred pounds which had been expended in excess of the proportion of the fifty-four thousand pounds 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 eleven thousand pounds, which was expended out of the sum prior to the date of separation, to which the resolution I have referred to does not seem to apply.

These accounts have for some time been standing in suspense, nor does it appear either that the Government has the power of settling the various questions between the two Provinces, or the latter are likely, at the present, to come to any amicable arrangement themselves. It seems to me, therefore, better that the whole matter should continue in suspense until the next session of the General Assembly, when it is to be hoped that a measure may be framed which will definitely settle the pecuniary questions which have arisen with Hawke's Bay by the separation of that Province from Wellington.

His Honor the Superintendent,
Wellington.

I have, &c.,

WILLIAM FOX.

No. 7.

THE SUPERINTENDENT OF WELLINGTON, TO THE COLONIAL SECRETARY.

Superintendent's Office,
Wellington, 18th December, 1861.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 27th ulto., No. 839, on the subject of the apportionment of the interest and sinking-fund on the sums raised for land-purchases in the respective Provinces of Wellington and Hawke's Bay.

I shall do myself the honor of replying to it fully on my return to Wellington.

I have, &c.,

The Hon. the Colonial Secretary,
Auckland.

I. E. FEATHERSTON,
Superintendent.

No. 8.

MR. FOX TO THE SUPERINTENDENT OF WELLINGTON.

Colonial Secretary's Office,
Auckland, 7th January, 1862.

SIR,—

I have the honor to enclose for your information the account current between the General Government and the Province of Wellington, and the surplus Revenue Account of that Province for the year ended 30th June, 1861.

I have to inform Your Honor, with reference to these accounts, that the balance shewn to be due to the Province on surplus Revenue Account, viz., two thousand two hundred and twenty-one pounds nineteen shillings and ten pence, is retained, pending the settlement of the account for interest and sinking fund on sums raised for land purchases in the Province of Wellington.

I have, &c.,

His Honor the Superintendent,
Wellington.

HENRY SEWELL,
In the absence of Mr. Fox.

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

APPORTIONMENT OF THE PUBLIC DEBT OF

therefore, upon which Interest and Sinking Fund can be claimed, remains as before at £16,194 12s. 3d. plus the charge of the Department. Now six per cent. for Interest and Sinking Fund on £16,914 is only £971. You are thus retaining the balance of Surplus Revenue, viz., £2,221 19s. 10d. due to Wellington to meet a balance due from it for the same period of £971.

Taking the two periods to which I have referred, the total amount due to this Province is £4,626 6s. 5d., the total amount due to the Government from the Province is in round numbers £2,438. The total amount which I respectfully submit is not only unfairly but in violation of the arrangement formerly sanctioned by the House of Representatives, withheld by the General Government from the Province is £2,188.

Again expressing my hope that you will order these accounts to be adjusted in accordance with the Resolution of the House, and the balance due to the Province to be at once paid.

I have, &c.,

I. E. FEATHERSTON,
Superintendent.

The Hon. the Colonial Secretary,
Auckland.

No. 10.

MR. FOX TO THE SUPERINTENDENT OF WELLINGTON.

Colonial Secretary's Office,
Auckland, 4th April, 1862.

SIR,—

In reply to your Honor's letter of the 18th March, 1862, upon the subject of the apportionment between the Provinces of Wellington and Hawke's Bay, of the amount due for Interest and Sinking Fund on the sums expended for land purchases, I have to observe that it is the duty of the Assistant Treasurer to make up the accounts according to the law for the time being in force; that a Resolution of the House of Representatives cannot overrule the provisions of the New Provinces Act, by which that Officer must be guided in stating the particular account to which you refer, and that the Resolution which you quote can be regarded simply as supplying a deficiency not previously provided for by an Act of the Legislature. I have moreover intimated to the Superintendents of each of the Provinces concerned that the question should be allowed to remain in abeyance until finally determined at the next meeting of the General Assembly, an arrangement which it is not now desirable to disturb.

The second point raised by your Honor respecting the alleged excessive amount retained by the General Government requires explanation. Your Honor is under a misapprehension in supposing that the Government has retained the balance due on Surplus Revenue Account for the year 1860, in addition to the balance for the year 1861. On examining more closely the accounts which have been furnished, your Honor will perceive that the balance for the former period is brought forward and merges into the transactions of the second period, and that it is only the balance at the latest date which the Government has retained, viz., £2,221 19s. 10d. against £2,438, which your Honor admits to be owing by the Province.

I have, &c.,

His Honor the Superintendent,
Wellington.

WILLIAM FOX.

No. 11.

THE SUPERINTENDENT OF WELLINGTON, TO THE COLONIAL SECRETARY.

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

SIR,—

As by this month's mail, I remit the sum required to pay the half yearly dividends on the permanent loans of the original Province of Wellington due in London on the 1st July next, I have the honor to request that you will be pleased to cause to be paid into the Provincial Treasury, the sum of £1250, on account of Hawke's Bay in conformity with the Resolution of the House of Representatives.

I have, &c.,

The Hon. the Colonial Secretary,
Auckland.

I. E. FEATHERSTON,
Superintendent.

No. 12.

MR. FOX TO THE SUPERINTENDENT OF WELLINGTON.

Colonial Secretary's Office,
Auckland, 5th April, 1862.

SIR,—

With reference to your Honor's letter No. 86-62 of the 18th ultimo, requesting that the sum of twelve hundred and fifty pounds might be paid into the Wellington Provincial Treasury,

being the amount to be contributed on behalf of the Province of Hawke's Bay for the half yearly dividend on the permanent loans of the original Province of Wellington due in London on the 1st July next, I have the honor to inform you that the Sub-Treasurer was directed by me when at Wellington to comply with Your Honor's request.

I have, &c.,
 His Honor the Superintendent,
 Wellington. WILLIAM FOX.

HAWKE'S BAY.

No. 1.

MR. FOX TO THE SUPERINTENDENT OF HAWKE'S BAY.

Colonial Secretary's Office,
 Auckland, 20th August, 1861.

SIR,—
 I have the honor to forward to you an accompanying statement of the apportionment between the Provinces of Hawke's Bay and Wellington, for the sums due for Interest and Sinking Fund to the 30th June, 1860, on the amounts raised for land purchases in those Provinces to that date, and I have to request your Honor to be good enough to cause the amount due from the Province of Hawke's Bay on this account, viz., £2071 1s. 6d. to be paid before the 30th September next, to the Colonial Sub-Treasurer, who will be instructed on receiving this sum to pay over to the Provincial Treasurer £1229 2s. 9d., being the balance of Surplus Revenue due to the Province on account of the year ended 30th June, 1860.

Vide postea.

I have, &c.,
 His Honor the Superintendent,
 Hawke's Bay. WILLIAM FOX.

No. 2.

THE SUPERINTENDENT OF HAWKE'S BAY TO THE COLONIAL SECRETARY.

Superintendent's Office,
 Napier, October 8th, 1861.

SIR,—
 I have the honor to acknowledge the receipt of your letter of 20th August last, accompanied by a statement and apportionment between the Provinces of Hawke's Bay and Wellington of the sums due for interest and sinking fund, in the amounts raised for land purchases in those Provinces, with the request that I should cause the amount due from this Province—viz., Two thousand and seventy-one pounds, one shilling, and sixpence—to be paid before the 30th September of this year to the Colonial Treasurer, who had been instructed on receiving this sum to pay to the Provincial Treasurer One thousand two hundred and twenty-nine pounds, two shillings, and ninepence, being balance of Surplus Revenue due to the Province of Hawke's Bay on account of year ending 30th June, 1860.

My being, on the arrival of your letter, on a tour of inspection of the public works of this Province, and not having returned until the date the payment desired was to be made, will account for the delay for my not having replied to your letter sooner.

Before making the payment of Two thousand and seventy-one pounds, one shilling, and sixpence, I desire to consult my Executive Council, which I intend doing as soon as one of the members at present absent inland returns to Napier.

I have, &c.,
 The Honble. the Colonial Secretary,
 Auckland. J. C. LAMETON CARTER,
 Superintendent.

No. 3.

THE SUPERINTENDENT OF HAWKE'S BAY, TO THE COLONIAL SECRETARY.

Superintendent's Office,
 Auckland, 19th October, 1861.

SIR,—
 In continuation of my letter of 8th instant, in reply to your's dated 20th August last, having reference to your request that £2071 1s. 6d. should be paid to the Colonial Sub-Treasurer on account of interest and sinking fund, as stated to be due by the Province of Hawke's Bay, to 30th June, 1860, the Provincial Government are desirous of having, and shall be obliged for some information on the following points:—

First. From what date the proportion, as shewn on the credit side of the adjustment account appended to your letter, to 30th June, 1859, the "Remainder distributed in the proportion of

Wellington, £11,000, and Hawke's Bay, £17,000 is arrived at as divisible between the two Provinces.
 Second. The same also as regards the proportion of Wellington, £20,000, and Hawke's Bay, £18,000.

The Honble. the Colonial Secretary,
 Auckland,

I have, &c.,

J. C. LAMBTON CARTER,
 Superintendent.

No. 4.

MR. FOX TO THE SUPERINTENDENT OF HAWKE'S BAY.

Colonial Secretary's Office,
 Auckland, 11th November, 1861.

SIR,—

Adverting to your Honor's letter of the 19th ultimo, requesting further information respecting the sum of £2071 1s. 6d. you were called upon to pay on account of interest and sinking fund due by the Province of Hawkes' Bay. I have the honor to enclose for your information an explanatory Memorandum from the Assistant Treasurer on the subject.

The account has been prepared in accordance with the rule laid down in the 15th section of the "New Provinces Act," but it has been accepted by neither of the Provinces, and it will be therefore more desirable that the whole matter should stand over until the next session of the General Assembly.

I have, &c.,

His Honor the Superintendent,
 Hawke's Bay.

WILLIAM FOX.

Enclosure in No. 4.

1st. On referring to the debit side of the account it will be perceived that £990 is the interest for the period from 1st October 1858 to 30th June 1859.

As the New Province was only constituted on the 1st November, 1858. Wellington has been charged with the interest on £10,000 for the month of October, (say £50) the remainder £940 is the interest from the first of November, 1858 to 30th June 1859, and is apportioned according to the rule laid down in the New Provinces Act.

2nd. The interest on Wellington £20,000; Hawke's Bay £18,000 is for the year commencing 1st July, 1859, and ending June 1860, viz. £2790 less £660 charged specially to Wellington.

Treasury, 8th November, 1861.

R. F. PORTER,
 Assistant Treasurer.

No. 5.

THE SUPERINTENDENT OF HAWKE'S BAY, TO THE COLONIAL SECRETARY.

Superintendent's Office,
 Napier, November 8th, 1861.

SIR,—

In further continuation of my letter of 8th October, 1861, in reply to yours of 20th August last, on the subject of your request that £2071 1s. 6d. should be paid to the Colonial Sub-Treasurer on account of interest and sinking fund, I trust you will excuse my again asking for some further information.

First. If, in the adjustment of the balance of interest of £990 between Wellington and Hawke's Bay, shewn on the credit side of the account appended to your letter as "Wellington, one month on £11,000," should not have been £55, instead of £50, as being the sum only chargeable to Wellington—for the interest on £11,000 for 12 months is £660, consequently one month, £55, leaving £935 to be divided between the two Provinces, instead of £940, according to the proportion proposed? For the manner in which this is arrived at, I have already in my previous letter asked for information.

Second. How it is that the amount—viz., £49,000, upon which interest is charged, and apportioned between Wellington and Hawke's Bay, year ending 30th June, 1860—differs to, and is greater than, the actual amount expending in land purchases from these Provinces up to that period—viz., £46,383 2s. 11d.—as shewn under the head of Native Land Purchase, page 7, letter C—No. 1 of the Appendix to the Journals of House of Representatives for 1860.

I have, &c.,

The Honble. the Colonial Secretary,
 Auckland.

J. C. LAMBTON CARTER,
 Superintendent.

No. 6.

MR. FOX TO THE SUPERINTENDENT OF HAWKE'S BAY.

Colonial Secretary's Office,
Auckland, 27th November, 1861.

SIR,—

I have to acknowledge the receipt of your Honor's letter dated the 8th instant, requesting further information on the subject of the payment requested in my letter 20th August last, on account of interest and sinking fund due, as between the Provinces of Hawke's Bay and Wellington.

In reply I enclose for your Honor's information a copy of a Memorandum dated the 22nd instant, from the Assistant Treasurer on the points adverted to in your letter.

As it does not appear probable that either of those two Provinces is inclined to adopt the account as prepared by the Assistant Treasurer, the Government considers it advisable that the whole question should remain in suspense until the next Session of the General Assembly.

I have &c.,

His Honor the Superintendent,
Hawke's Bay.

WILLIAM FOX.

Enclosure in No. 6.

EXPLANATORY MEMORANDUM BY THE ASSISTANT TREASURER.

In answer to the 1st question, £11,000 is a clerical error in copying the statement, the correct amount is £10,000, as will be seen in reference to the debtor side of the account.

2nd. In the Return C No. 1, of the Appendix to the Journals of the House of Representatives, for 1860, £46,383, 2s. 11d. is shown as the amount approximately, of the expenditure for Land Purchases in the Provinces of Wellington and Hawke's Bay to the 31st June, 1860.

The total expenditure charged to the loan in this account when the public accounts were closed on the 30th September, 1860, was £46,914 19s. 3d. The two Provinces were therefore charged with interest on £49,000, the difference £2,085 being considered a very low estimate of the amounts held by the Sub-Treasurer to meet any demands which might be made upon them by the District Commissioners for Land Purchases, as also for the current Departmental expenditure, and to cover advances not yet accounted for by Officers, which would be chargeable on the loan.

It is also to be remembered, that the Bank by agreement, charged interest for three months antecedent to the date at which payments were made on account of the loan by the Union Bank, Auckland, as an equivalent for the expense of remitting the money to the Colony.

I have, &c.,

Treasury, 22nd November, 1861.

R. F. PORTER,
Assistant Treasurer.

No. 7.

MR. FOX TO THE SUPERINTENDENT OF HAWKE'S BAY.

Colonial Secretary's Office,
Auckland, 7th January, 1862.

SIR,—

I have the honor to transmit for your information, the enclosed accounts between the General Government and the Province of Hawke's Bay and to request that your Honor will be good enough to cause the amount shown to be due from the Province on separate account to 30th September last, namely, Five hundred and twenty six pounds six shillings and sixpence to be paid to the Sub-Treasurer, together with a sum of Two thousand five hundred pounds on account of the Interest and Sinking Fund on monies raised for Land Purchases in the Province of Hawke's Bay pending settlement of the account.

The balance due to the Province on surplus revenue account, viz., Four hundred and fifty pounds nineteen shillings and ninepence will, for the present, be retained on the same account.

I have, &c.,

His Hon. the Superintendent of Hawke's Bay,
Napier.

WILLIAM FOX.

No. 8.

THE SUPERINTENDENT OF HAWKE'S BAY, TO THE COLONIAL SECRETARY.

Superintendent's Office,
Napier, January 18th, 1862.

SIR,—

I have the honor to acknowledge receipt of your letter of 7th instant transmitting accounts as per margin (in a different form to those previously furnished) between the General Government and

the Province of Hawke's Bay with the request that I should cause to be paid to the Colonial Sub-Treasurer the sum of £526 6s. 6d. shewn to be due by the Province on separate account to 30th September last, together with a sum of £25,000 on account of interest and sinking fund on money raised for land purchases in this Province pending settlement of the account. I beg to refer to your letters of 11th and 27th November last, on the subject of similar demands against this Province to 30th June, 1860, in which communications I am informed that as it does not appear probable that either of the Provinces of Wellington or Hawke's Bay will adopt the accounts furnished by the Assistant Treasurer, the Government considered it advisable that the whole question should remain in suspense until the next Session of the General Assembly. Consequently, under these circumstances I may be excused for not complying with your request.

However, I beg to state that I should like to be furnished with the accounts for the period between 30th June and 30th September, 1860 as the accounts transmitted with your letter of 29th August last extend only to the previous mentioned period as I am at a loss to understand how this Province on the separate accounts furnished with your letter of 7th January, is shewn as indebted in the sum of £2758 14s. 3d. to the latter period above mentioned.

I am also desirous of being informed the cause of the 3/8ths of the Custom Revenue usually appropriated to Hawke's Bay as her portion of that Revenue being debited in surplus Revenue account for the year ending 30th June, 1861.

I beg to remark that under the head of Supply Resolution No. 2. of the 3rd November, 1860, page 241 of Journals of House of Representatives it was resolved—

“That the surplus Revenue for financial period ending 30th June, 1860 be paid to the Provinces together with 3/8ths of the Customs Revenue for the current year.”

“That any excess of expenditure on Revenue for payment of the above mentioned amounts be provided for by the issue of Treasury Bills extending over a period of two years from current year.”

“That the repayment of such Treasury Bills be charged against any surplus Revenue arising after payment of 3/8ths of Customs Revenue to the Provinces from year to year until such Treasury Bills be paid.”

I have, &c.,

J. C. LAMPTON CARTER,
Superintendent.

The Hon. the Colonial Secretary,
Auckland.

No. 9.

MR. FOX TO THE SUPERINTENDENT OF HAWKE'S BAY.

Colonial Secretary's Office,
Auckland, 30th January, 1862.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 18th instant, and in reply thereto to inform you that the question of the adjustment of the account between Hawke's Bay and Wellington, for the Interest and Sinking Fund on sums raised for Land Purchases, has been allowed to remain in suspense, agreeably to the decision conveyed to your Honor on the 27th November last; but the postponement of such ultimate settlement need not prevent the adjustment of the interest from time to time to such an extent, as may reasonably be presumed to be *within* the ultimate liability of the Province.

A copy of the suspense account has been transmitted to your Honor, from which you will see that so large a sum as seven thousand three hundred and eighty pounds, has been advanced on this account from the Colonial Treasury. It is considered only reasonable to require that a portion of this amount should be paid up by the Provinces, within the limits of the sum which they cannot dispute their liability to discharge eventually.

Another half year's interest on the same account has been since paid from the Colonial Treasury, a further remittance must shortly be made to England, and two thousand five hundred pounds has been fixed as a moderate demand to make upon the Hawke's Bay Treasury on this account.

The Government cannot consent to revise the decision they have already arrived at on this question, as conveyed to you on the 7th instant; and should your Honor still decline to accede to the requirements therein made, it will be necessary to re-imburse the Colonial Treasury by withholding the usual advances from the current revenues.

A Copy of the separate account with the Province of Hawke's Bay to the 30th September, 1860, showing a balance of two thousand seven hundred and ninety-eight pounds, fourteen shillings, and threepence, was furnished in February last year, with the Surplus Revenue Account for the financial year ended 30th June, 1860.

With respect to the 3-8ths Customs Revenue, it may be explained that it was provided by the Resolution of the House of Representatives, to which your Honor refers, that the excess after payment of 3-8ths Customs Revenue to the Provinces (collectively) should be applied to the discharge of Treasury Bills, and this rule has been observed in making-up the Revenue Account for the last financial year ended 30th June, 1861.

It would be manifestly unfair, and contrary to the spirit and provision of the “Surplus Revenue Act, 1858,” to make good any deficiency in the payment of 3-8ths Customs to some of the

Provinces, and to charge the remainder with this liability in addition to their own share of the charge for the redemption of Treasury Bills on account of Supplementary Expenditure of former years. I may also further explain, that advances are made to Provinces during the financial year at the rate of 3-8ths Customs Revenue; but what they are eventually entitled to receive, is the balance of the local Ordinary Revenue after the adjustment of the Annual Revenue Account, in conformity with the provisions of the "Surplus Revenue Act, 1858."

His Honor the Superintendent,
Hawke's Bay.

I have, &c.,
WILLIAM FOX.

No. 10.

THE SUPERINTENDENT OF HAWKE'S BAY, TO THE COLONIAL SECRETARY.

Superintendent's Office,
Napier, February 11th, 1862.

SIR,—

I have the honor to acknowledge the receipt of your letter of 30th January, 1862, in reply to mine of the 18th idem.

I ascertain from your communication that the question of the adjustment of the account between Hawke's Bay and Wellington for Interest and Sinking Fund, or sums raised for Land Purchases, has been allowed to remain in suspense, agreeably to the decision conveyed to me in your letter of 27th November last; but that the postponement of such ultimate settlement need not prevent the adjustment of Interest from time to time to such an extent as may reasonably be presumed to be within the ultimate liability of the Provinces.

I beg to state that, in my letter of the 18th January, I gave it as a reason only in consequence of the General Government considering it advisable that the adjustment of accounts between the two Provinces should remain in suspense until the next Session of the General Assembly, why I should be excused from complying with your request for the payment of £2,500 and £527, for the present.

The Provincial Government had at that time no other view in seeking to defer payment. It was merely desirous of tendering the full extent of the liability of this Province as her share of interest and sinking fund on monies raised for land purchases.

On December, 31st, 1861, the Provincial Government had a balance in the Chest of £7,618 5s. 9d.; but that sum has been greatly reduced, no Territorial revenue having been received at the Treasury for the year owing to directions contained in a letter, dated 6th January, 1862, from the Honble. the Colonial Treasurer to the Receiver of Land Revenue to pay to the Sub-Treasurer, Napier, the sum of £1,250, in accordance with a Resolution of the House of Representatives, passed on the 6th September last.

The Provincial Government would not now seek to postpone the payment of the sums demanded; but, as the funds in the hands of the Provincial Treasurer are barely sufficient to carry on the lowest current expenditure, the Government can only state it will be prepared to pay the amount requested from the proceeds of a land sale to be held on the 17th proximo.

I have, &c ,

The Honble. the Colonial Secretary,
Auckland,

J. C. LAMBTON CARTER,
Superintendent.

No. 11.

MR. FOX TO THE SUPERINTENDENT OF HAWKE'S BAY.

Colonial Secretary's Office,
Auckland, 24th April, 1862.

SIR,—

I have the honor to enclose copy of a letter dated the 18th ultimo, from His Honor the Superintendent of Wellington, requesting that the sum of twelve hundred and fifty pounds (£1250) may be paid into the Provincial Treasury at Wellington on account of the Province of Hawke's Bay, being the proportion payable by that Province of the half-yearly dividend on the permanent loan of the Province of Wellington due in London on the 1st of July next.

As the amount has been paid into the Provincial Chest at Wellington by the Sub-Treasurer, I have to inform your Honor that the receiver of land revenue at Hawke's Bay has been instructed to pay an equivalent amount into the sub-Treasury at Napier.

I have, &c.,

His Honor the Superintendent,
Napier.

WILLIAM FOX.

No. 12.

THE SUPERINTENDENT OF HAWKE'S BAY, TO THE COLONIAL SECRETARY.

Superintendent's Office,
Napier, May 9th, 1862.

SIR,—

Having been informed by the receiver of land revenue of this Province that he has been instructed by the Honorable the Colonial Secretary to pay to the Sub-Treasurer a further sum of

twelve hundred and fifty pounds (£1250) in repayment of a corresponding amount advanced from the Colonial Treasury to the Superintendent of the Province of Wellington in March last, on account of interest on the Provincial debt, may I request to be made acquainted with the reason that the amount now to be stopped from the Provincial Land Revenue should have been paid in March to the Superintendent of Wellington, as from the fact of the receiver of land revenue having in January last only received instructions to pay the first instalment of £1250 in accordance with a Resolution passed by the House of Representatives, and which amount, I presume, was for interest accrued to December last, I concluded that the receiver of land revenue would not have received the instructions he now has, until, at least, June next, to which period I further presumed the payment advanced for interest would have accrued.

I beg to remark that the Provincial Government did not anticipate the demand for the second instalment for interest on the Provincial debt would have so soon followed upon the first payment without being first advised of the circumstance to prepare the Government to meet it.

I have, &c.,

The Hon, the Colonial Secretary,
Auckland.

J. LAMBTON CARTER,
Superintendent.

No. 13.

MR. FOX TO THE SUPERINTENDENT OF HAWKE'S BAY.

Colonial Secretary's Office,
Auckland, 22nd May, 1862.

SIR,—

In reply to your Honor's letter of the 9th instant, requesting that you may be informed why it is that "the amount, £1250, now to be stopped from the Provincial Land Revenue should have been paid in March to the Superintendent of Wellington as from the fact of the receiver of land revenue having in January last only received instructions to pay the first instalment," you concluded that you would not have to make a further payment until, at least June next; I beg to state that the half-yearly interest on the permanent loan of the Province of Wellington is due in London on the 1st days of January and July in each year: that His Honor the Superintendent of Wellington has to remit the respective amounts by the mails leaving Wellington in the early part of April and October; and that, consequently, the Hawke's Bay contribution should be in the Wellington Treasury prior to those dates. A delay of three months took place in making the demand upon the Province of Hawke's Bay for the amount payable in the month of October, owing to the Colonial Treasurer not having been advised of the payment to the Wellington Treasury before January, 1862.

Greater punctuality has been observed in reference to the amount payable in April last, which accounts for the short time that has elapsed between the two periods at which these demands upon Hawke's Bay have been made.

I have, &c.,

His Honor the Superintendent,
Napier.

WILLIAM FOX.

No. 14.

RATIO FOR THE DISTRIBUTION OF THE INTEREST ON DEBT OF ORIGINAL PROVINCE OF WELLINGTON IN CONFORMITY WITH THE RULE LAID DOWN IN SECTION XV. OF THE "NEW PROVINCES ACT, 1858."

To 30TH JUNE, 1859.						£	s.	d.	£	s.	d.
WELLINGTON—											
Ordinary Revenue, 30th June, 1859	...	...	...	...	...	20,664	3	9			
Land Revenue, " "	...	...	...	...	...	19,631	1	5			
									40,295	5	2
HAWKES' BAY—											
Ordinary Revenue, 30th June, 1859	...	...	...	...	...	1,442	7	0			
Land Revenue, " "	...	...	...	...	...	12,626	2	3			
									14,068	9	3
									£54,363	14	5
To 30TH JUNE, 1860.											
WELLINGTON—											
Ordinary Revenue, 30th June, 1860	...	...	...	...	...	17,656	3	1			
Land Revenue, " "	...	...	...	...	...	10,543	15	7			
									28,199	18	8
HAWKES' BAY—											
Ordinary Revenue, 30th June, 1860	...	...	...	...	...	3,721	7	4			
Land Revenue, " "	...	...	...	...	...	33,974	6	2			
									37,695	13	6
									65,895	12	2

Treasury, Auckland,
15th August, 1861.

R. F. PORTER,
Assistant Treasurer.

