

P A P E R S

RELATIVE TO

CERTAIN PROVINCIAL DEBTS

OF THE

PROVINCE OF WELLINGTON.

PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY, BY COMMAND
OF HIS EXCELLENCY.

WELLINGTON.

—
1868.

P A R M O

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 350

PAPERS RELATIVE TO CERTAIN PROVINCIAL DEBTS OF THE PROVINCE OF WELLINGTON.

No. 1.

Copy of a Letter from His Honor I. E. FEATHERSTON to the Hon. E. W. STAFFORD.

SIR,—

Superintendent's Office,
Wellington, 2nd October, 1868.

I do myself the honor to call the attention of the Colonial Government to the following Loans (enumerated in Schedule), raised under the authority of certain Acts of the Provincial Council of Wellington, and which are not included in "The Public Debts Act, 1867." These loans amount to the total of £74,000, and are, as will be seen by reference to the Schedule, immediately or shortly redeemable.

Under the present depressed state of the finance of the Province, from the falling of the Consolidated Fund, the almost entire cessation of land sales, and the general decrease of the other Provincial receipts, the Provincial Government finds the payment of so high a rate of interest as 10 per cent. on the sum of £74,000 a very heavy burthen on its resources, and is unable to look forward with certainty to repayment of the capital sum of Loans 2 and 3.

Having these facts in view, the Provincial Council, during its last Session, instructed the Provincial Government to apply to the General Assembly or the Government, with a view to obtain their consent to the conversion of these loans, omitted from the Schedule of "The Public Debts Act, 1867," into Colonial Government 5 per cents.

As an argument in favour of the consolidation, I would remind Ministers that under "The Public Debts Act, 1867," the Province of Wellington really is charged with £43,321 17s. 9d. more than the amount of her actual indebtedness on account of loans affected by the provisions of that Act, viz. :—

| | £ | s. | d. |
|--|---------|----|----|
| Amount of Wellington Loan upon which interest has hitherto been paid by Hawke's Bay | 31,260 | 0 | 0 |
| Sinking Fund accrued on— | | | |
| Provincial Loan, £25,000, Session IV., Act 2 | 6,526 | 17 | 9 |
| Provincial Loan, £50,000, Session XIV., Act 3 | 5,535 | 0 | 0 |
| Sinking Fund on Land Purchase Loan, 1856 | 5,535 | 0 | 0 |
| | £43,321 | 17 | 9 |

The object of this present application is simply to include in the Schedule of Loans appended to "The Public Debts Act, 1867," all the loans which had been raised by the Province at the time of the passing of that Act, and thereby to effect an annual saving to the Province of £7,656 10s. I annex a statement showing the amount of the Wellington Loans at the time of the passing of the Public Debts Act, the present annual charge, and the amount of the loans and of the annual charge in the event of Mr. Fitzherbert's proposal for the conversion of Provincial Loans received by this mail being adopted. You will perceive that while the indebtedness of this Province under his proposals will be increased from £256,000 to £272,625, the annual charge on the Province will be diminished by £7,656 10s. There surely can be no reason why the Province should be prevented from effecting this saving; and therefore I trust that His Excellency's Ministers will enable the Provincial Government to do so, by bringing these loans under the operation of the Public Debts Act.

I have, &c.,

I. E. FEATHERSTON,
Superintendent.

The Hon. E. W. Stafford, Colonial Secretary, &c.

SCHEDULE A.

SCHEDULE OF UNCONSOLIDATED LOANS, PROVINCE OF WELLINGTON.

| | | | |
|---|---------|----|----|
| 1. Wanganui Bridge Debentures, Session X., No. 6, redeemable on three months' notice | £ | s. | d. |
| | 16,000 | 0 | 0 |
| 2. Mortgage on Reclaimed Land Harbour Reserves Amendment, Session VIII., No. 3, to be redeemed 30th June, 1869 | 33,000 | 0 | 0 |
| 3. Mortgage on Unreclaimed Land, Session XVI., No. 5, redeemable on notice. To be redeemed by 31st March, 1869 | 25,000 | 0 | 0 |
| | £74,000 | 0 | 0 |

SCHEDULE B.

| | PRESENT AMOUNT. | | | AMOUNT WHEN CONVERTED. | | | INTEREST AND SINKING FUND. | | | | | |
|---|-----------------|----|----|------------------------|----|----|----------------------------|-----|-----|---------------------------------|------|-----|
| | £ | s. | d. | £ | s. | d. | Present Annual Charge. | | | Annual Charge after Conversion. | | |
| Land Purchase Loan, 1856 ... | 27,000 | 0 | 0 | 27,000 | 0 | 0 | £ | s. | d. | £ | s. | d. |
| Gladstone Loan, 1856 ... | 50,000 | 0 | 0 | 50,500 | 0 | 0 | 1,620 | 0 | 0 | 1,620 | 0 | 0 |
| Union Bank Loan, 1856 ... | 50,000 | 0 | 0 | 59,000 | 0 | 0 | 4,000 | 0 | 0 | 3,036 | 0 | 0 |
| " " " " " " " " " " " " " | 50,000 | 0 | 0 | 59,000 | 0 | 0 | { 4,000 | { 0 | { 0 | { 3,540 | { 0 | { 0 |
| " " " " " " " " " " " " | 25,000 | 0 | 0 | 32,125 | 0 | 0 | { 1,000 | { 0 | { 0 | { 1,927 | { 10 | { 0 |
| " " " " " " " " " " " " | 25,000 | 0 | 0 | 32,125 | 0 | 0 | { 2,000 | { 0 | { 0 | { 1,927 | { 10 | { 0 |
| " " " " " " " " " " " " | 25,000 | 0 | 0 | 32,125 | 0 | 0 | { 1,000 | { 0 | { 0 | { 1,927 | { 10 | { 0 |
| Wanganui Bridge ... | 152,000 | 0 | 0 | 168,625 | 0 | 0 | 13,620 | 0 | 0 | 10,123 | 10 | 0 |
| Manawatu Loan ... | 16,000 | 0 | 0 | 16,000 | 0 | 0 | 1,600 | 0 | 0 | 960 | 0 | 0 |
| Reclaimed and Unreclaimed Land Loan ... | 30,000 | 0 | 0 | 30,000 | 0 | 0 | 3,000 | 0 | 0 | 1,800 | 0 | 0 |
| " " " " " " " " " " " " | 58,000 | 0 | 0 | 58,000 | 0 | 0 | 5,800 | 0 | 0 | 3,480 | 0 | 0 |
| Annual Saving ... | 256,000 | 0 | 0 | 272,625 | 0 | 0 | 24,020 | 0 | 0 | 16,863 | 10 | 0 |
| | | | | | | | | | | 7,656 | 10 | 0 |
| | | | | | | | | | | 24,020 | 0 | 0 |

No. 2.

Copy of a Letter from the Hon. E. W. STAFFORD to His Honor I. E. FEATHERSTON.
(No. 263.) Colonial Secretary's Office,
Wellington, 15th October, 1868.

SIR,—

I have the honor to acknowledge the receipt of your Honor's letter of the 2nd instant, requesting that certain debts of the Province of Wellington may be brought under the operation of "The Public Debts Act, 1867."

I would draw your Honor's attention to an error in your letter, in which you refer to the sum of £25,000 raised by mortgage of the unreclaimed land in the harbour of Wellington as a debt which existed at the time of the passing of "The Public Debts Act, 1867," that mortgage having been effected after the passing of the Public Debts Act. Your Honor is also in error in estimating that the annual saving in interest to the Province, from a compliance with your request, would amount to £7,656 10s., as that would be the gross saving which would result if the interest on the mortgage debts were added to that on the loans which are already brought under the operation of the Public Debts and Loan Consolidation Acts. The saving which would really result to the Province by bringing the Wanganui Bridge Debentures and the mortgages on the reclaimed and unreclaimed lands under those Acts would amount, on the basis of the statement furnished by your Honor, to only £2,960 per annum, and but a small part of that saving could accrue during the present financial year of the Province.

The Government has carefully considered your Honor's proposals, and is unable to accede to them for the following reasons:—

The debts on the reclaimed and unreclaimed lands are not debts of that kind which it was intended to guarantee under the Public Debts Act, being merely mortgages on a part of the Provincial landed estate, which are to be paid off as the proceeds of that estate are realized. Had these debts been of the nature of ordinary Provincial Loans, the Provincial Act, which recently authorized the mortgage of the unreclaimed land could not have been passed without the special sanction of the General Assembly.

The course suggested by your Honor would entail a material addition to the permanent debts of the Province, in opposition to the original intention of applying the proceeds of the land mortgaged to the payment of the debts. Even if your Honor's proposal were not inadmissible for the reason stated above, the late period of the Session of the General Assembly at which it is made would quite preclude the Legislature from giving it that careful deliberation which so important a proposal requires. A question like this, which involves the assumption by the Colony of a serious amount of pecuniary responsibility, could only be entertained as part of a general financial adjustment, and could not properly be brought on at the close of a Session, when many members have left Wellington, after an arrangement has been made that no new measure of political importance would be brought forward during the present Session.

His Honor the Superintendent, Wellington.

I have, &c.,
E. W. STAFFORD.