

to the Province, Government prefer investing the money in taking up their own debentures issued under "The Waterworks Loan Act, 1864."

I am, of course, aware that "The Waterworks Loan Act, 1864," provides that two per cent. per annum on the sum of £21,500 shall be invested in such manner as the Governor may direct, and I may state that the Provincial Government is prepared to carry out the Act in this respect, but not without a hope that some more advantageous investment may be recommended than Treasury Bills at such a low rate of interest.

I may also state that it was the wish of this Government to have invested the full amount voted by the Provincial Council as a sinking fund, including the two per cent. referred to, in one sum, had His Excellency's Government recommended an investment bearing a higher rate of interest, and less liable at any time to depreciate in value.

I have, &c.,

ALFRED SAUNDERS,
Superintendent.

The Hon. the Colonial Secretary, Wellington.

No. 12.

Copy of a Letter from the Hon. E. W. STAFFORD to His Honor A. SAUNDERS.

(No. 527.)

Colonial Secretary's Office,
Wellington, 27th December, 1866.

SIR,—

I have to acknowledge the receipt of your Honor's letter No. 103, of the 21st instant, relative to the investment of the Sinking Fund provided by the Province of Nelson for the repayment of the loan raised under "The Debenture Act, 1858," passed by the Provincial Legislature of that Province.

As the Provincial Government of Nelson appears to consider the rate of interest secured by the Treasury Bills of the General Government, viz., a little more than six per cent., not sufficient, possibly it might be preferred to invest in some of the Provincial securities yet unsold, an abstract of which, showing the respective rates of interest and sinking fund, &c., &c., I enclose for your consideration.

Further information on the subject can be obtained from the various Loan Ordinances themselves.

I have, &c.,

E. W. STAFFORD.

His Honor the Superintendent, Nelson.

No. 13.

Copy of a Letter from His Honor J. W. BARNICOAT to the Hon. E. W. STAFFORD.

(No. 21.)

Superintendent's Office,
Nelson, 21st February, 1867.

SIR,—

Referring to your letter of the 27th December last, I have the honor to inform you that, previous to the resignation of Mr. Saunders of the office of Superintendent of this Province, the sum of £12,000 was paid over to a separate account as a fixed deposit, the Union Bank allowing six per cent. interest. The reason for adopting this course being that the debentures issued under "The Nelson Debenture Act, 1858," become payable on the 1st July, 1868, and that an investment for so short a period of so large a sum of money could not be readily found.

The amount set aside as required by the Water Works Loan Act, viz., two per cent. on £21,500, the sum to be repaid by this Government, has not yet been invested, and I have the honor to recommend that immediate instructions should be given, in order that the trustees may adopt a similar course to that adopted by the Provincial Government, by depositing the amount in the bank as a fixed deposit until the 1st July, 1868.

I have also to call your attention to the amount coming due from the Province of Marlborough, viz., £7,500, being the share of the debt apportioned to that Province on its separation from the original Province of Nelson. No steps appear to have been taken for meeting the payment of this portion of the debt, and as the debentures were all issued by the Superintendent of Nelson, this Government will no doubt be called upon in the first instance to redeem them; the Marlborough Government should therefore be requested to make some immediate provision for the liquidation of that portion of the loan.

I have, &c.,

J. W. BARNICOAT,
Deputy Superintendent.

The Hon. the Colonial Secretary,
Wellington.

No. 14.

Copy of a Letter from the Hon. E. W. STAFFORD to His Honor O. CURTIS.

(No. 457, Circular.)

Colonial Secretary's Office,
Wellington, 23rd October, 1867.

SIR,—

With a view to bringing into operation the second section of "The Public Debts Act 1867," a copy of which I enclose, I have to request your Honor to be good enough to furnish the Government, as soon as practicable, with the following information as far as the Province of Nelson is concerned:—

The amount now payable for interest and sinking fund.

The dates and places at which such amounts are due.

In case of such amounts having to be remitted to England or elsewhere, whether any contracts or permanent arrangements have been made in respect of such remittances, and what is the nature of such contracts or arrangements.

A statement is also requested distinguishing the amounts which have been raised, from those which remain to be raised under the authority of any Provincial Loan Acts.