

of the permanent debt of the original Province of Wellington, a refund may be made to the Province of Hawke's Bay of the sum of twelve hundred and fifty pounds paid in December last on this account by the General Government on behalf of that Province.

In my letter No. 62 of the 29th February last, your Honor was informed that a copy of your letter of the 11th of February last, on this subject, was communicated to His Honor the Superintendent of the Province of Wellington. I now enclose a copy of his reply, dated the 30th ultimo. On the 21st ultimo, His Honor applied for a further payment of twelve hundred and fifty pounds (£1,250) on the same account, in order to pay in London the dividends due on the 1st of July next.

The Government has carefully considered this question. The practice adopted by the General Government for several years has been to make periodical payments on account of the share of the Province of Hawke's Bay in this debt, in order to enable the Provincial Government of Wellington to pay the interest as it became due. The Superintendent of Wellington has to remit the money to London for payment on the 1st July next, and he states that he cannot meet this obligation unless the usual payment on account of the Province of Hawke's Bay be made: and the General Government is advised that there is a charge imposed by law on the Province of Hawke's Bay for a portion of the interest on the debt in question.

Moreover, "The Public Debts Act, 1867," has imposed on the Colony a liability for this debt.

Under these circumstances, the Government would not be justified in deviating from the practice hitherto adopted of advancing this money out of the Provincial share of the revenue accruing to the Province of Hawke's Bay under "The Public Revenues Act, 1867," and have given directions accordingly.

It is very desirable that this vexatious question, which has remained open for so long a time, should be definitely settled, and the Government will be willing to render every aid to effect that adjustment.

I have, &c.,

T. M. HAULTAIN
(for the Colonial Secretary).

His Honor the Superintendent, Hawke's Bay.

No. 26.

The Hon. T. M. HAULTAIN to His Honor I. E. FEATHERSTON.

(No. 130.)

Colonial Secretary's Office,
Wellington, 4th May, 1868.

SIR,—

Ante No. 25.

I have to acknowledge the receipt of your Honor's letter of the 30th ultimo, and to transmit to you the enclosed copy of a letter which I have addressed to His Honor the Superintendent of Hawke's Bay, on the subject of the adjustment of the amount of interest payable by the Province of Hawke's Bay on account of the permanent debt of the original Province of Wellington.

I have, &c.,

T. M. HAULTAIN
(for the Colonial Secretary).

His Honor the Superintendent of Wellington.

No. 27.

His Honor I. E. FEATHERSTON to the Hon. E. W. STAFFORD.

Superintendent's Office,
Wellington, 6th May, 1868.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 4th instant, together with its enclosure, relative to the payment of interest due to this Province from Hawke's Bay, and to tender you my thanks for the same.

I have, &c.,

I. E. FEATHERSTON,
Superintendent.

The Hon. the Colonial Secretary.

No. 28.

His Honor D. McLEAN to the Hon. E. W. STAFFORD.

Superintendent's Office,
Napier, 9th May, 1868.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 1st instant, enclosing copy of a letter from His Honor the Superintendent of Wellington, dated 30th April, 1868.

In reply, I beg to inform you that the Provincial Government of Hawke's Bay feel surprised that the sum of £1,250 should have been paid by you on account of the interest of the permanent debt of the Province of Wellington after the request contained in my communication of the 11th February last, that no such payment should be made until the accounts between the Province of Wellington and the Province of Hawke's Bay should have been referred to some proper tribunal.

As the representative of the Government of this Province, I deem it my duty to protest against such payment, and to request that the amount may without delay be refunded to the Treasury. Should you not be prepared to comply with this request, I shall feel obliged, in pursuance of the opinion of my advisers and of a resolution of the Provincial Council, to have recourse to the Supreme Court in order to prevent such payments from being made. At the same time, I cannot allow the statements contained in the letter of His Honor the Superintendent of Wellington, before referred to, to pass without observation.

1. With reference to the resolution passed by the House of Representatives in 1861, I beg to observe that the operation of that resolution was confined by its very words to the period of the current financial year. It is true that the General Government have continued to act upon this resolution, but they have done so in the face of remonstrances on the part of this Government.