PAPERS RELATIVE TO WELLINGTON PROVINCIAL DEBTS. B.-No. 8.

SCHEDULE B.

	Amount When Converted.			Interest and Sinking Fund.								
PRESENT AMOUNT.				Present Annual Charge.			Annual Charge after Conversion.					
Land Purchase Loan, 1856 Gladstone Loan, 1856 Union Bank Loan, 1856	£ 27,000 50,000 50,000	s. 0 0	d. 0 0	£ 27,000 50,500 59,000	s. 0 0	d. 0 0	£ 1,620 4,000 { 4,000 { 1,000 { 2,000	s. 0 0 0 0	d. 0 0 0 0	1,620 3,036 3,540	s. 0 0	0
" " …	25,000	0	0	32,125	0	0	1,000	ŏ	<u></u>	$\frac{1,927}{}$		0
Wanganui Bridge Manawatu Loan Reclaimed and Unreclaimed Land Loan	152,000 16,000 30,000 58,000	0 0 0	0 0 0	168,625 16,000 30,000 58,000	0 0 0	0 0 0	13,620 1,600 3,000 5,800	0 0 0	0 0 0	10,123 1 960 1,800 3,480	10 0 0	0 0 0
Annual Saving	256,000	0	0	272,625	0	0	24,020	0	0	16,363 7,656		0
										24,020	0	0

No. 2.

Copy of a Letter from the Hon. E. W. Stafford to His Honor I. E. Featherston. Colonial Secretary's Office, (No. 263.) 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

"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 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. brought forward during the present Session.

His Honor the Superintendent, Wellington.

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