Provincial Bondholder, if he did not not choose to pay the £5 premium he need not, nor could he complain that the General Government had ignored his position by their over-riding legislation. On the contrary, his position is improved by the guarantee of ultimate payment, while asking him to pay the £5 for another and a saleable article is just, as the bond so purchased is actually worth the £5 which he is called upon to pay, but it may be justified also on the ground that the security he is called on to pay the £5 for is a different and better one than that which he holds.

T. Russell.

Wellington, 9th September, 1867.

Clauses of the Bill for the Consolidation of Loans, referred to in the foregoing Memorandum.

Clause 12. If it shall appear that any part of the moneys authorized to be borrowed by any such Provincial Act or Ordinance shall not have been so borrowed before the passing of this Act it shall be lawful for the Governor in Council upon the request of the Superintendent and Provincial Council to direct that money shall be borrowed under the authority of this Act not exceeding the balance of such Provincial Loan as shall be then still unraised and to direct that the moneys so borrowed shall be paid over to the Provincial Treasurer of such Province for the public uses thereof.

Clause 13. The principal interest and sinking fund of the debentures issued under the authority of this Act by which the money expended in the purchase of such Provincial Debentures shall have been raised or for which such Provincial Debentures shall have been exchanged or the proceeds of which shall have been paid to any Provincial Treasurer as hereinbefore provided shall be charged upon and paid out of the public revenue of the Province on account of which the Provincial Debentures so cancelled shall have been issued and the Colonial Treasurer shall from time to time in accordance with the provisions of "The Public Revenues Act 1867" deduct from any moneys in his hands payable to such Province such sums as may be sufficient to provide for the payment of the principal interest and sinking fund hereby charged upon the revenues of such Province as the same shall become due.

Clause of the Public Revenues Bill, referred to in the foregoing Memorandum.

Clause 44. The Colonial Treasurer shall as soon as possible but not later than days after the end of each month prepare an account for such month between the General Government and the Government of each Province in the Colony severally and shall therein credit each Province with of the total sums which shall have been paid into the Consolidated Fund within such Province during such month and shall debit such Province first with the total of the sums which he shall during such month have expended within such Province on account of the several services of the General Government specified in the Schedule E. to this Act and on account of any other services which are or may become chargeable by law against the revenues of such Province and secondly with one-twelfth part of all the sums which may become so chargeable yearly on account of so much of the interest and sinking fund of loans raised upon the security of the general revenues of the Colony as shall have been made a charge against the revenues of such Province and the Colonial Treasurer shall forthwith pay over out of the Consolidated Fund to the Provincial Account of such Province the balance which shall appear upon such account to be due to the Provincial Government thereof.