

CORRESPONDENCE RELATIVE TO THE PAYMENT OF THE NELSON AND MARLBOROUGH PROVINCIAL DEBTS.

NELSON.

No. 1.

Copy of a Letter from Mr. BARNICOAT to the Hon. F. A. WELD.

(No. 20.)

SIR,—

Superintendent's Office,
Nelson, 18th March, 1865.

I have the honor to inform you that the sum of £430, sinking fund on £21,500, the sum apportioned to this Province of the debt incurred under "The Nelson Debenture Act, 1858," is ready for investment.

"The Waterworks Loan Act, 1864," under which this sinking fund is set apart, provides that it shall be invested in such manner as the Governor shall direct, and I venture to suggest that the Superintendent, Sub-Treasurer, and Commissioner of Crown Lands of this Province, should be appointed trustees for this purpose.

The Hon. the Colonial Secretary,
Wellington.

I have, &c.,
J. W. BARNICOAT,
Acting Superintendent.

No. 2.

Copy of a Letter from the Hon. J. C. RICHMOND to His Honor A. SAUNDERS.

(No. 316.)

SIR,—

Colonial Secretary's Office,
Wellington, 1st August, 1865.

I have the honor to acknowledge the receipt of the acting Superintendent's letter, No. 20, of the 18th March last, stating that the sum of four hundred and thirty pounds, sinking fund on twenty-one thousand five hundred pounds (£21,500), the sum apportioned to the Province of Nelson of the debt incurred under "The Nelson Debenture Act, 1858," is ready for investment; and referring to "The Waterworks Loan Act, 1864," under which this sinking fund is set apart, and which provides that it shall be invested in such manner as the Governor shall direct.

In reply, I have to inform your Honor that His Excellency the Governor approves of the appointment, suggested by the acting Superintendent, of the Superintendent, the Sub-Treasurer, and the Commissioner of Crown Lands of Nelson, as trustees for the above purpose.

I have, accordingly, to request your Honor to be good enough to undertake this trust, in conjunction with the other gentlemen named, who will be also requested to a similar effect.

His Honor the Superintendent, Nelson.

I have, &c.,
J. C. RICHMOND.

No. 3.

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

(No. 444.)

SIR,—

Colonial Secretary's Office,
Wellington, 15th November, 1865.

Referring to my predecessor's letter to your Honor, No. 316, of the 1st of August last, on the subject of the appointment of trustees under "The Waterworks Loan Act, 1864," passed by the Nelson Provincial Council, I have to inform your Honor that the proper mode of giving effect to such appointment has been under the consideration of the Government, and after consulting the Hon. the Attorney-General, I have to make the following observations respecting it.

There appears to be a legal difficulty in this matter which I am advised can only be removed by legislation by the General Assembly. What is required is a power in the Governor or Superintendent to appoint trustees of the sinking fund, in whom the fund shall vest, and a power to remove such trustees, and on the death, resignation, or removal, or absence from the Colony of a trustee, to appoint a successor, and a provision that upon any such death, resignation, or removal, the fund shall vest in the remaining trustee, and that upon appointment of a new trustee, the fund shall vest in the new trustee jointly with the remaining trustee. It is doubtful whether a Provincial Legislature has power to make such a provision.

I am advised that the present difficulty may be met by the appointment of certain persons to act as trustees of the fund, but such persons should sign and make a declaration of trust whenever they receive the money. The appointment by the Governor may be made, whatever may be the legal validity, and the money be paid to the trustees, contemporaneously with the signing of the trust deed. This deed should be prepared by the Provincial Solicitor.

I perceive that in accordance with the recommendation of the acting Superintendent in August last, it was contemplated that the Superintendent, Commissioner of Crown Lands, and the Sub-Treasurer, should be appointed trustees. It must, however, be understood that neither of these officers can take the fund, except in his individual capacity, or in other words, that in case of removal from