

There can, however, be little doubt that the Home Government at that time never contemplated the raising of Loans so large as that proposed by your Honor, and did not mean even that their qualifications with respect to cases of emergency should be construed so as to allow of such Loans.

His Excellency's Advisers, nevertheless, in consideration of the necessity of enabling your Honor to make some provision for the crowds of diggers constantly swarming into Otago from Melbourne, by continually opening up Auriferous Districts for their occupation, and at the same time affording employment on road-making for the numbers that may probably be unsuccessful as diggers, and in consideration of the fearful results that might follow in such cases, should there be no employment for them, will recommend His Excellency to give his assent to the proposed Bill.

At the same time I have to request that your Honor will be good enough to furnish to the General Government, as soon as possible, a succinct statement, showing—

1st. The actual numbers of diggers or immigrants arriving by the week or month.

2nd. The total value in round numbers of the Waste Lands of the Province, upon which the repayment of the Loan will be principally secured.

3rd. In case of a sudden or early decline in the amount of gold produced, or the exhaustion of the Gold Fields, and of the consequent re-emigration of great numbers of the digging population, to what extent the security for repayment would be damaged.

The information above referred to is required in order to enable the Government to give the necessary explanations to the Imperial authorities.

I would call your Honor's attention to the latter part of the enclosed copy of a Memorandum from Mr. Crawford, (who is acting for the Law Officer) suggesting improvements in the Draft Bill transmitted by your Honor; and would request you to introduce into it the amendments, unless you should have satisfactory reason to the contrary.

I have, &c.,

ALFRED DOMETT.

His Honor the Superintendent, Otago.

Some difficulties present themselves in considering the proposal for an Otago Provincial Loan of £500,000.

1. The Bill must be reserved for His Excellency's assent, and this assent must be given within three months, otherwise the Bill falls.

2. But His Excellency must refer the question of so large a Loan to the Home authorities, which cannot be done in three months.

The proposal must, therefore, originate in the shape of Resolutions by the Provincial Legislature, which might embody the proposed Bill, and thus bring all its details under the notice of the Imperial authorities.

The form of the Bill now sent has already been sanctioned by the Attorney-General. Certain errors were pointed out in the correspondence on the subject which can now be corrected. (See Sessional Papers, A. No. 3, pp. 16, 17, and 18.)

Besides these I may note that the form of Debenture is capable of improvement. It should be payable at a place (or either of two places) certain, not with the indefinite condition "as may be arranged."

It is not stated whether this half-million Loan is intended to embrace and supersede the £185,000, for which borrowing power already exists.

JAMES H. CRAWFORD,
For the Assistant Law Officer.

5th December, 1862.

No. 3.

THE SUPERINTENDENT, OTAGO, TO THE HONORABLE THE COLONIAL SECRETARY.

Superintendent's Office, Dunedin,
December 4th, 1862.

SIR,—

I have the honor to acknowledge the receipt of your letter, of the number and date quoted in the margin, and to state that I await with considerable anxiety the reply to my application for a Loan of £500,000.

I have, &c.,

J. RICHARDSON,
Superintendent

The Honorable the Colonial Secretary, Auckland.
