

No. 59.

THE SUB-TREASURER, SOUTHLAND, TO THE COLONIAL SECRETARY.

Sub-Treasury,  
Southland, 1st July, 1864.

SIR,—

Referring to the arrangement lately entered into between the General Government and the Superintendent of Southland, with a view of relieving the Southland Government from the embarrassment, I do myself the honor to state that in endeavouring to carry out said arrangement in what I conceive to be its true spirit and intention, I have laid it down as a general rule that no past liabilities are to be acknowledged; and I have acted on the principle that the special object which the General Government had in view was to prevent the Southland Government from being involved in indefinite expenses arising from breach of contract, and therefore the intention was to respect only those Contracts the works under which were in *actual progress*, and the stoppage of which would involve the consequences above referred to.

The strict carrying out of this principle has borne hard on several particular cases, inasmuch as thereby all contracts—the works under which were *completed*, and therefore on which no claim for damages could be raised were shut out from payment.

Had I acted otherwise, the greater portion of the money would be consumed in paying for *finished* works, leaving a sum utterly inadequate for carrying on to completion the public works now in *progress*.

I may state that my construction of the arrangement is widely different from that of His Honor the Superintendent, who appears to be entirely singular in his view of it, and who is, I understand, writing to Auckland this mail on the subject: it is this circumstance which has induced me to address you at present.

Trusting that in what I have done, I have pursued the course intended by the General Government.

I have, &c.,

A. J. ELLES,  
Sub-Treasurer.

The Honorable  
the Colonial Secretary,  
Auckland.

No. 60.

THE ASSISTANT TREASURER TO THE SUB-TREASURER, SOUTHLAND.

Treasury,  
Auckland, 16th July, 1864.

SIR,—

I am directed to acknowledge the receipt of your letter of the 1st instant, No. 73, and, in reply, to inform you that your construction of the agreement made with his Honor the Superintendent is quite correct; as the object of the advance made by the General Government was to complete works which were in progress, so as to enable the Railways to be finished, and not to discharge liabilities for works already completed.

If, however, these liabilities are of small amount, an arrangement will be made to pay them.

In order to judge of this, I am to request you to furnish a Return of all those who are in a similar position to Mr. McKenzie; that is, of those to whom money is due for works finished, and of the amount due to each of them.

I have, &c.,

R. F. PORTER,  
Assistant Treasurer.

The Sub-Treasurer,  
Southland.

No 61.

THE SUPERINTENDENT, SOUTHLAND, TO THE COLONIAL SECRETARY.

Superintendent's Office,  
Southland, 1st August, 1864.

SIR,—

I have the honor to enclose a certified copy of Resolutions passed by the Provincial Council of Southland, on the 27th instant, which have been forwarded to me for transmission to His Excellency the Governor.

As they consist of a series of sweeping assertions, unsupported by any detail of facts or train of reasoning, I shall make no direct comment on them; but if His Excellency will read the papers

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