

greater part of the expenditure has been already incurred—*all the plant*, excepting one spare engine, *the fifth*, and a small quantity of rails and chairs expected shortly, have already arrived in the Province—the capital invested must remain unproductive until the works are ready.

Whenever the line is open for traffic, it will begin to yield a revenue, and the fact of the two lines being completed, and open for traffic, will do more than any other circumstance could, to restore confidence in the credit of the province, in the elasticity of its resources and its ability to give ample security for its debt. It is desirable then to provide the means of finishing those contracts without unnecessary delay, and in case you should not be prepared to suggest a better mode of enabling the Province to proceed with them, I have now once more to propose that you would accede to a Provincial Loan Bill for such a sum as may be required to meet the outstanding or contingent liabilities on the 30th October. It is probable that the new Council will meet early in November, and if you agree to sanction a Loan Bill to the extent required, it will be proposed to the Council: the exact sum will be stated before that time, but it will probably amount to about £100,000. It is probable that a Loan for a short term of years—say 10 years—bearing good interest and a high sinking fund, raised on Railway Debentures, would command a more ready sale in the money market; but if the Loan was in that form, it must be partly applicable to other purposes, as well as for the completion of Railways.

When it is agreed that the sanction of His Excellency shall be given to such a Bill, I have further to suggest that the General Government should guarantee such an advance from a Bank as may be required by the Provincial Government, pending the negotiation of the Loan, such an advance to be repaid from the Loan when negotiated. The present mode of giving the aid of the General Government is open to serious objections; the instructions are at variance with the agreement, and admit the possibility of a capricious determination of the accounts to be paid. At the same a weekly increasing amount of outstanding liabilities is accumulating, and, as you may have observed in the accounts sent to Auckland, these arrears now amount to a considerable sum. I trust that your Government will re-consider this question of a Loan in the light of more recent information communicated, and that I shall have an early intimation of your decision.

I have, &c.,

J. A. R. MENZIES,
Superintendent.

The Hon. the Colonial Secretary,
Auckland.

No. 75.

THE SUPERINTENDENT, SOUTHLAND, TO THE COLONIAL SECRETARY.

Superintendent's Office,
Southland, 5th August, 1864.

SIR,—

I have the honor to inform you that the Appropriation Ordinance No. 1, 1864, passed by the Provincial Council of Southland in its sixth Session, and forwarded for His Excellency's assent on the 16th March, 1864, has not been returned with the Governor's assent notified thereon.

I have, &c.,

J. A. R. MENZIES,
Superintendent.

The Hon. the Colonial Secretary,
Auckland.

No. 76.

THE COLONIAL SECRETARY TO THE SUPERINTENDENT, SOUTHLAND.

Colonial Secretary's Office,
Auckland, 26th August, 1864.

SIR,—

I have to acknowledge the receipt of your Honor's letter, dated the 5th instant, stating that the Provincial Southland Bill, entitled the "Appropriation Ordinance No. 1, 1864," had not been returned to you with the Governor's assent notified thereon.

I enclose a copy of such Bill, with such assent notified thereon, and regret that by some inadvertence the Bill so assented to was not transmitted to you at the same time as the "Debentures Ordinance No. 1, 1864," its joint-bill, was returned to your Honor, assented to.

I have, &c.,

WILLIAM FOX.

His Honor the Superintendent,
Southland.