

THE FINANCIAL CONDITION OF SOUTHLAND.

9 B.—No. 3A.

No. 16.

THE COLONIAL SECRETARY TO THE SUPERINTENDENT, SOUTHLAND.

Colonial Secretary's Office,
Wellington, 27th March, 1865.

SIR,—

I have the honor to acknowledge the receipt of your letter of the date quoted in the margin, and in reply to inform your Honor that the whole question of the liabilities of Southland is under the consideration of the General Government.

I have, &c.,

His Honor the Superintendent,
Southland.

FRED. A. WELD.

No. 17.

THE COLONIAL SECRETARY TO THE SUPERINTENDENT, SOUTHLAND.

Colonial Secretary's Office,
Wellington, 8th April, 1865

SIR,—

I have the honor to transmit you an application from Messrs. James McKenzie and Co., for a definite reply to their offer, respecting the liquidation of the debt to them of the Southland Government.

In reply, I have the honor to request you to inform those gentlemen that the Government is not prepared, under all the circumstances of the case, to accept their offer.

I have, &c.,

His Honor the Superintendent of Southland,
Wellington.

FRED. A. WELD.

Enclosure in No. 17.

MESSRS. M'KENZIE AND CO. TO THE HON. MAJOR RICHARDSON.

Dunedin,
23th February, 1865.

SIR,—

We have the honor of addressing you with reference to the present indebtedness of the Southland Government to us, as we purpose shewing hereafter, and we trust that the General Government will take such action as to insure an immediate settlement to us in preference to any other claimant on that Province; to explain—

In the year 1863, we contracted with that Government for the erection of two Jetties in connection with the Railways between the Bluff and Invercargill, on the 25th April, 1864, a sum of over £4,000 was due us as a progress payment, but which the Government could not pay. We then arranged with the Superintendent verbally to carry on, and, if necessary, to finish those Piers with our own means, with the understanding, however, that we were to be paid out of the first monies received from the General Government or otherwise. On this basis we completed our contract while the Superintendent was in Auckland for the purpose of arranging a loan with the General Government. On his return, he sent for our Mr. Cain to pay him £5,000 on account, and he then promised to pay £5,000 monthly until our claim was settled; he also then informed us that he had arranged with the General Government for assistance, at the rate of £15,000 per month for three months, to meet and pay off the then existing Provincial liabilities. At this point, however, commenced the trouble. Captain Elles, the General Government Agent in Invercargill, would not pay us any monies, on the grounds of his instructions being to pay only on then existing contracts in progress. We need scarcely state that the Superintendent differed from this view, and that, he informed us, that as soon as he had time to explain the then state of affairs to the General Government, his promises to us would be carried out. We here beg to refer you to his letters bearing date about the 24th June, 1864, to the General Government containing that explanation.

In answer to our respects to the Honorable Mr. Fox, bearing date 8th August, 1864, on this subject, we were informed that Captain Elles had correctly interpreted his instructions, and that the General Government could not pay us any money then. We complain that during the same time, other contractors were paid to the extent of £60,000—several, in fact, having Railway works being paid in full, besides paying Mr. Davis, the Railway Contractor, a large portion of his retention money which was not due until the completion of his contract, which is still unfinished.

We further personally waited on the late Ministry of the General Government on this matter, when the Honorable Messrs. Gillies and Whittaker admitted the hardship of our case, stating, however, that we were too late, as they were just then unable to assist any of the Pro-