FINANCIAL CONDITION OF SOUTHLAND.

No. 73.

THE HON. MAJOR RICHARDSON TO THE SUPERINTENDENT, SOUTHLAND.

Dunedin, 8th July, 1865.

SIR.-The General Government will have no objection to the sale proposed in Telegram No. 22, of 5th July, 1865, provided the amount received will be carried to the account of the General Government to cover advances received.

I have, &c., J. RICHARDSON,

His Honor the Superintendent, Southland.

Postmaster General.

No. 74.

THE SUPERINTENDENT, SOUTHLAND, TO THE COLONIAL SECRETARY.

Superintendents Office, Southland, 15th July, 1865.

SIR,

I have the honor to acknowledge the receipt of your letter, as per margin, enclosing copy of an opinion by the acting Assistant Law Officer in the case M'Kenzie versus Menzies, and to 7th July, 1865. express my thanks to you for the same.

I have, &c., JNO. P. TAYLOR,

The Honorable the Colonial Secretary, Wellington.

Superintendent.

No. 75.

THE SUPERINTENDENT, SOUTHLAND, TO THE COLONIAL SECRETARY.

Superintendent's Office, Southland, 8th July, 1865.

SIR,-

I have the honor to acknowledge the receipt to-day of your letter of 29th ult., in which you express the extreme regret of the General Government that I should have availed myself of an authority to draw on the Colonial Treasury given to me for a special purpose, and have drawn on it for the purpose of relieving the Provincial Government of Southland from another embarrassment, and stating that the General Government has only consented to honor my draft on the understanding that the steamer "Southland" will be included in the transfer to the General Government, and will await orders to be sent on to Wellington or elsewhere for sale, if thought necessary, in order to reimburse the Colony for those and other advances; and further, that this unauthorised demand on the Colonial Treasury will preclude the Hon. the Colonial Treasurer from being able at present to remit the sum of £800 for the Bluff and Invercargill Telegraph.

In reply, I would respectfully call your attention to the fact that the steamer "Southland" was included in the transfer sent to me for signature by the Hon. the Attorney-General—that, as I stated in my letter of 21st June, she was at the mercy of those who had claims upon her, among others of the captain and crew, who refused to give up possession till they were paid, and who could have had her sold for their claims for wages, and must have done so if not immediately paid; they (the crew) having got judgment against the ship in the Court of the Resident Magistrate at Campbelltown, who had allowed twenty hours for payment, in default of which execution would have issued—that the Provincial Government had no other means of liquidating these claims than by drawing on the General Government for such a sum as would probably be necessary to meet them—that the transfer was executed by me at the same time that the draft was drawn that it was therefore to save the property, or at least the security of the Colonial, not of the Provincial Government—that the credit was used—and that it would have been probably illegal,

certainly dishonest, to execute the transfer before proceeding for the payment of these claims.

I am of course aware that any drawing on the Colonial Treasury on this account is not warranted by the bare letter of your authority of the 19th May and 9th June, though in the letter of the latter date, you "convey to me the sanction of the General Government to my availing myself, in case of need, of the authority to draw on the Treasury for £15,000, transmitted to me in that letter i.e. of 19th May for the purpose of saving the property of the Provincial Government;" but I regret that you should, as your letter of 29th ultimo implies, suppose that I had acted lightly and inconsiderately in this matter, and with reference only to the convenience of the Provincial Government. I cannot but have that on reconsidering the circumstances of of the Provincial Government. I cannot but hope that, on re-considering the circumstances of the case, you will see reason to conclude that I must either have acted dishonestly by transferring the steamer to the Colonial Government without first paying the cost of bringing her out, or with reckless disregard to the interests of all concerned by allowing her to be sold, as she must have been, for a trifling sum to pay a part of those costs; and you will, I doubt not, see that the adoption of either of these alternatives would have been more reprehensible than the only other course left open to me.