MEMORANDUM by the Attorney-General.

MR. MANTELL,-

I saw the Superintendent on the subject of this draft letter. I did not read it to him, but I expressed to him its general purpose. I ascertained from him that the Commissioners of the Drury Railway are pressing on their railway scheme so pertinaciously, and have involved the Provincial Government so far in liabilities, that it is hopeless on this account, as well as from the temper of the Council, to expect any relief to the General Government from the source indicated in this letter. I make this minute that it may be on record that the attention of the Provincial Government has been drawn to the subject; meantime, I have suspended the transmission of this letter.

January 20th, 1865. Referred for the information of the Colonial Treasurer. HENRY SEWELL.

March 29th, 1865.

HENRY SEWELL.

No. 11.

The Hon. the Colonial Secretary to the Superintendent, Auckland.

SIR,-Colonial Secretary's Office, Auckland, 23rd January, 1865. I have to acknowledge receipt of your letter of the 16th inst., and to thank your Honor for the copy of a Report by Mr. Newman, together with an illustrative tracing on the subject of the location of immigrants on the Waikato, forwarded therewith, and to inform you that the suggestions of Mr. Newman shall receive the consideration of the Government at the earliest possible period.

I have, &c.,

His Honor the Superintendent, Auckland.

WALTER MANTELL, (For the Colonial Secretary.)

No. 12.

The Superintendent, Auckland, to the Hon. the Colonial Secretary.

SIR,-Superintendent's Office, Auckland, January 21st, 1865. I have the honor to acknowledge the receipt of your letter of the 4th instant, concerning the management of the General Government immigrants.

It is gratifying to find that no real difference of opinion exists concerning the proposals which I have submitted to you, it being clear that success must depend upon the cordial co-operation of the

two Executives, to promote which nothing on my part shall be wanting.

I undertake that the location of the settlers shall be effected in such a manner as will best tend to carry out the objects of the Legislature, when they appropriated moneys for the "introduction into the Northern Island of settlers from Australia, Great Britain, and elsewhere, and for the cost of surveys, public works, and other expenses meident to the location of settlers."

I am prepared to arrange, in concert with the General Government, and to undertake such public works as will afford employment to the immigrants, who will derive additional advantage from provincial works undertaken in their vicinity. With reference to these, however, I have to observe that I cannot recommend any disproportionate diversion of provincial funds to the Waikato. It is my duty to distribute the revenue as fairly as I can over the whole of the province, and were I to sacrifice any one district to another, I should be amenable to censure, which certainly would not be spared. But I shall recommend for Waikato its full share of provincial expenditure, in which the completion of works on the Great South Road alone must be an important item.

I am content that, as regards military settlers, the details and management should be left with the

General Government.

Your explanation of the intentions of the General Government concerning the application of the proceeds of land sold under the New Zealand Settlements Act (if subject to the question of compensation to settlers of this Province who have suffered loss through war), seems to me complete and satisfactory. Permit me to repeat, that the one cardinal point is the power to make sales from time to time of sufficient portions of the confiscated land, thereby obtaining funds for the formation of public works for bringing employers of labour into the immediate vicinity of the immigrant settlers, and for strengthening the position by completing the colonization of the district. It is as essential to the scheme proposed by the Provincial Executive, as was the confiscation of land to that proposed by His Excellency's ministers in the session of 1863. Without that power I could not have pretended, and would not have attempted, to carry out what I have undertaken to do. With it, if sufficiently available blocks be handed over for immediate survey and sale, I feel confident (untoward events, which neither Government can foresee, excepted) that there will be no occasion to draw on the General Government for any large amount beyond the £25,000 which you have promised to supply. I calculate roughly that during the next four months an expenditure of £35,000, exclusive of surveys, will be required. This I propose to obtain from sales; and the question is, whether the surveys can be pushed on with sufficient rapidity to put the Executive in funds before the exhaustion of the £25,000 aforesaid. You will thus perceive that the demands upon the Colonial Treasury must be proportionate to the time which may elapse before the handing over the necessary quantity of land.

Reports of the proceedings of the Executive shall be periodically supplied to you. I may state,

in brief, for your present information, that already the immigrants have been removed from the North Shore, except ten or fifteen invalids, and are located on the Waiuku Block in two settlements. The passengers per "Reihersteig," from Onchunga, are at this time at Maioro. Those per "Helenslee" are at Pokeno, and will in a few days be employed on public works. It is my intention to place the passengers per "Matoaka" and "Maori" on the Onewhero Block, provided there be no objection on the part of the General Government.

ROBERT GRAHAM, Superintendent.