

with the Harbor. According to the distribution of the Loan Act, £50,000 is allotted to the City. Out of this the Board has received £11,000 for various purposes, and £7000 has been laid aside for the building of a market-house. Also £12,500 has been diverted, by Act of the Provincial Council, to the purchase of the Supreme Court House site. It was from the first intended to devote £15,000 out of the said £50,000 to the taking up a like amount of debentures charged and secured upon the City Endowments by the Debenture Act of 1859. These sums together amount to £45,000, leaving £4500 still due to the City Board. There is also a sum of say, in round numbers, £2500 accumulated by way of sinking fund for taking up the City Debentures. This, however, will not for the present be carried to the credit of the City Board, as it will probably have to be paid into the Supreme Court, for the same reason that £30,000 had to be paid in to cover £25,000 on account of the harbor.

I very strongly advocate the taking up of these debentures at an early date. They are not yet payable, but means can be found for relieving the City endowments as those of the Harbor have already been relieved, by payment of the money into the Supreme Court. This will require an Act of the Assembly to alter the security. The City will then recover control of the endowment property, and will, I presume, be able to borrow upon that security to a much larger extent than £15,000.

We now come to the Loan Account, in which I believe much more interest is taken than in the Ordinary Revenue, which supplies material for the regular estimates. This interest may arise from the difficulty of understanding it. There is a strange complication of Empowering Acts, some repealed and some in force, together with diversions of money from the purposes to which it was devoted by the original Loan Act. The Council is aware that although the loan is for £500,000, the Government can only draw at the rate of £100,000 a year. The gross expenditure on account of the Loan up to the 31st January, 1865, is £172,317. From this, for all practical purposes, £50,000 for the purchase of the Government House and Supreme Court sites may be deducted, an arrangement having been made under which payment is deferred. I have brought down a general statement of the Loan Account, which I will read to the Council:—

State of the Loan, 31st January, 1865.

General Distribution by Auckland Loan Act, 1863.	Empowering and Loan Acts, 1863. Session 15, No. 20.	Empowering Act Amendment Act, 1863. Session 16, No. 3.
Redemption of Provincial Debentures . . . £45,000	Lunatic Asylum . . £10,000	Erection of Government House . . £25,000
Public Buildings . . 70,000	Stockade Improvement . 2,000	Erection of Post Office . 5,000
Immigration and Purchase of Native Land . . 200,000	Foundation of Custom House . . 2,000	And repealing the 4th item in the preceding column.
	Post Office, Supreme Court House, Provincial and General Government Offices . . 30,000	
	Purchase of Native Land . 10,000	
	Immigration . . 20,000	
	Surveys . . 4,500	
Harbor Trust . . 60,000	Harbor Trust . . 30,000	
	Manukau Harbor . . 1,000	
City of Auckland . . 50,000	City of Auckland . . 10,000	
Public Works . . 75,000	South and Onehunga Roads . 6,000	

All these Acts are repealed or altered. I make mention of them that we may keep clear of them. The Acts and the expenditure which immediately concern us are as follows:—

Empowering and Loan Acts, and Railway Commissioners Act, 1864. Session 16.	Empowering and Loan Acts, 1864. Session 17.	Expended to 31st January, 1865.
Empowering Act repeals both previous Empowering Acts, and provides for—	Native Land Purchase . . £15,000	Immigration . . £21,141
Lunatic Asylum . . £14,000	Supreme Court Site . 25,000	New Lock-up . . 3,000
Improvement of Stockade . 2,494	Harbor Trust . . 30,000	Lunatic Asylum . . 5,938
Government House . . 25,000	Water Works . . 44,500	Stockade . . 2,835
Post Office . . 10,000		Surveys . . 4,500
Custom House . . 10,000		Railway . . 15,922
Lock-up . . 3,000		Native Land Purchase . 5,773
Immigration . . 44,232		Government House . 25,000
Surveys . . 2,752		Supreme Court House Site . . 25,000
Harbor Trust . . 30,000		109,109
Manukau Harbor . . 2,000		Harbor Trust . . 34,341
		Manukau Harbor . . 576
		Great South Road . 15,000
Railway Commissioners Act . . 100,000		City of Auckland . 11,000
City Board Loan Act . . 20,000		Tamaki Bridge . 2,291
South Road . . 15,000		63,208
Tamaki Bridge . . 15,000		£172,317