

RELATIVE TO THE

LOANS AND FINANCIAL CONDITION

OF THE

PROVINCE OF SOUTHLAND.

PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY BY COMMAND OF HIS
EXCELLENCY

W E L L I N G T O N .

1865.

FURTHER PAPERS RELATIVE TO THE FINANCIAL CONDITION OF THE PROVINCE OF SOUTHLAND.

No. 1.

SUPERINTENDENT, SOUTHLAND, TO THE HONORABLE THE COLONIAL TREASURER, WELLINGTON.

Wellington,

29th July, 1865.

SIR,—

I have the honor to enclose copy of Memo. of the Provincial Solicitor of Southland explaining the particular items composing the account of the draft for £11,073 5s. 5½d., drawn by me on the Colonial Treasury in settlement of the claims of M'Kenzie and Co., under writ of *fi. fa.* in accordance with the credit opened by you under date 19th May for that purpose.

I have forwarded copy of the settlement to the Honorable the Colonial Secretary.

I have, &c.,

JNO. P. TAYLOR,

Superintendent of Southland.

The Honorable the Colonial Treasurer,
Wellington.

Enclosure to No. 1.

Memo. *re* M'Kenzie and Co.

| | |
|---|----------------|
| Judgment seized for | £15,667 17 11½ |
| Paid by Hon. Major Richardson | 5000 0 0 |
| | 10,667 17 11½ |
| Costs of Rule to Solicitors, &c. | 200 0 0 |
| “ Sale at Bluff... .. | 150 0 0 |
| | 11,017 17 11½ |
| Bank Exchange | 55 7 6 |
| | £11,073 5 5 |

T. M. McDONALD,

Provincial Solicitor.

No. 2.

SUPERINTENDENT, SOUTHLAND, TO THE HONORABLE THE COLONIAL SECRETARY, WELLINGTON.

Wellington,

29th July, 1865.

SIR,—

I have the honor to acknowledge the receipt of your letter of this date enclosing Memo. from the Honorable the Colonial Treasurer relative to my draft on the Colonial Treasury for £11,073 5s. 5½d., which had come to hand without advice.

In reply I beg to state that the draft was made in accordance with the instructions of the Honorable Mr. Sewell of 19th May for the purpose of releasing certain railway plant, &c. (seized under a writ of *fi. fa.* by M'Kenzie and Co.) the property of the Provincial Government of Southland. I had the honor of communicating the particulars to the Honorable the Colonial Treasurer when I received your letter.

I beg to enclose for your information copy of the agreement for the settlement of this claim, drawn up by Mr. T. B. Gillies acting in this matter as agent for the Provincial Government.

I have, &c.,

JOHN P. TAYLOR,

Superintendent, Southland

The Honorable the Colonial Secretary,
Wellington.

In the Supreme Court of New Zealand, Otago and Southland District, No. 1912.

Between James M'Kenzie and William Cain: *Plaintiffs*.

And

James Alexander Robertson Menzies, *Defendant*.

WE agree to settle this action on the following terms:—

1. The amount of the unpaid balance of judgment debt (£10,667 18s.) ten thousand six hundred and sixty-seven pounds eighteen shillings to be paid forthwith by the Superintendent of Southland to Mr. M'Kenzie.

2. Satisfaction of the Judgment to be entered up by the Plaintiff's Solicitor forthwith.

3. This settlement to be a final settlement of all legal claims and rights of the Plaintiffs in this action enforceable in any Court of law or equity.

4. This settlement not to prejudice or be used in any manner to prejudice any application Mr. M'Kenzie may make to the Legislature or otherwise, to obtain compensation for the loss of interest, costs, and expenses he may have been put to in endeavoring to recover the amount of his debt, or for any other loss or injury he may have sustained in the matter.

5. All property seized by the Plaintiffs under the *fi. fa.* issued in this action to be surrendered to the Superintendent of Southland, and all vouchers in the possession of the Plaintiffs to be cancelled.

6. Each party on request of the other to sign and execute all such deeds and documents as may be necessary to give full effect to this settlement and so prevent all further litigation between them.

Dated this Twenty-fifth day of July one thousand eight hundred and sixty-five.

JAMES M'KENZIE & Co.

JOHN P. TAYLOR,

Superintendent of Southland.

Witness—J. E. Barton.

Received from John Parkin Taylor, Esq., Superintendent of Southland, the sum of ten thousand six hundred and sixty-seven pounds eighteen shillings in pursuance of the above settlement.

JAMES M'KENZIE & Co.

25th July, 1865.

Witness—J. E. BARTON,
Solicitor, Dunedin.

No. 3.

THE HON. THE COLONIAL SECRETARY TO THE SUPERINTENDENT OF SOUTHLAND.

Colonial Secretary's Office,
Wellington, August 11, 1865.

29th July, 1865.

SIR,—

I have the honor to acknowledge the receipt of your letter of the date quoted in the margin enclosing copy of a Memorandum by the Provincial Solicitor of Southland, explaining the particular items composing the Draft by your Honor on the Colonial Treasury for the sum of eleven thousand and seventy-three pounds five shillings and five pence half-penny.

I have, &c.,

J. C. RICHMOND.

His Honor the Superintendent,
Southland.

No. 4.

MR. JAMES ROSS TO THE HON. MAJOR RICHARDSON.

Invercargill,
August 1, 1865.

SIR,—

I beg to enclose for your perusal copy of three offers I have made the Government in connection with the Bluff line of railway. If you approve of them I shall esteem it a favor if you will use your influence to forward my interests.

I am, &c.,

JAMES ROSS.

The Hon. Major Richardson,
Wellington.

Enclosure 1 in No. 4.

JOHN ALEXANDER ROSS TO HIS HONOR THE SUPERINTENDENT, SOUTHLAND.

SIR,—

I hereby offer to finish the Bluff Harbor and Invercargill line of Railway, for the sum of twenty-five thousand pounds sterling, on the following terms:—

1. The furnishing of the line to include platforms, goodsheds, and sidings as previously referred to by the Government.

2. The payment of the said sum of £25,000 to be taken in General Government Debentures at par.

3. My own bond to be given for the punctual commencement of the works and due completion within six months of the date of commencement.

4. No payment to be made until the works have been in progress for one calendar month.

5. After expiry of said month, payments to be made equal in value to ninety per cent. of the works completed as the works progress.

And I hereby offer to lease the line of railway from the Government on the following terms:—

1. Lease to be for a term of seven years from the date of delivery of the line and rolling stock.

2. The property to be leased will be the Bluff Harbor and Invercargill line of Railway and all the rolling stock of the line, including steam engines, railway carriages, &c.

3. The rent will be (£5000) five thousand pounds per annum, to be paid monthly in advance.

4. The sum of £2500 to be retained by the Government from the £25,000 for completion of line for the first two years of the lease by way of security for rent, and to be forfeited in the event of a forfeiture of the lease.

5. If any one of the monthly instalments of rent shall be in arrear and unpaid for a period of three months after the proper period of payment, the Government shall be entitled to resume possession of the line and stock and determine the lease.

I have, &c.,

J. A. Ross.

His Honor the Superintendent Southland,
New Zealand.

Enclosure 2 in No. 4.

JOHN ALEXANDER ROSS TO HIS HONOR THE SUPERINTENDENT, SOUTHLAND.

Invercargill,
28th July, 1865.

SIR,—

In addition to the offer previously made by me to finish the Bluff line of Railway for the sum of twenty-five thousand pounds (£25,000, I hereby offer to complete all the works on that line at a fair contractor's price, as the same shall be fixed and determined by John Francis Dundas, Esq., the consulting engineer, and to take payment as in former offer, viz., in General Government Debentures.

And after completion I will lease the line on the terms contained in my previous offer.

I have, &c.,

J. Ross.

His Honor the Superintendent,
Southland.

Enclosure 3 in No. 4.

Invercargill,
29th July, 1865.

SIR,—

In the event of the Government not being able to settle with Mr. Davies I hereby offer to perform whatever works the Government may require at a fair contractor's price, as the same shall be fixed by Jno. Francis Dundas, Esq., Consulting Engineer; and to lease the line and rolling stock from the Government on the terms contained in my previous offer for a term of seven years, to commence from the day when the Government can give me possession.

I have, &c.,

J. A. Ross.

His Honor the Superintendent,
Southland.

No. 5.

THE UNDER SECRETARY TO J. A. ROSS, ESQ.

Colonial Secretary's Office, Wellington,

August 15, 1865.

SIR,—

I have the honor to acknowledge the receipt of your letter of August 1st, 1865, addressed to the Honorable Major Richardson in reference to the Bluff line of Railway, and in reply am directed by Mr. Richmond to inform you that the Government have considered your proposal and are obliged to decline it.

I have, &c.,

W. GISBORNE,
Under Secretary.

J. A. Ross, Esq.,
Invercargill.

No. 6.

THE SUPERINTENDENT, SOUTHLAND, TO J. R. DAVIES, ESQ.

Superintendent's Office, Southland,

July 11, 1865.

SIR,—

Referring to the conversations which took place at the Executive meetings on Friday and Saturday last with you and Mr. Marchant, respecting the management of your claims on the Provincial Government of Southland, I wish to place on record, and to repeat now the proposals then made to you to avoid the possibility of any misunderstanding of them on your part.

The Provincial Government propose to give you £20,000 in full for all claims for compensation or damage sustained by you in consequence of any alleged breach of contract on the part of the Government, and to take into consideration in addition any other claims you may have for work done and not certified, concerning which, until the meeting referred to, I had not been aware of the existence, and to pay you of course besides all claims founded on retention money and certified work.

This proposal is and was made of course without prejudice to the course the Government may think fit to pursue, if it is rejected by you; and in that case the Government will be prepared to proceed with the arbitration as provided for by the agreement of 7th July, 1864, and propose that all matters in dispute which have arisen subsequently to that date be referred to the same arbitrators.

I have, &c.,

JNO. P. TAYLOR,
Superintendent.

J. R. Davies, Esq., Railway Contractor,
Invercargill.

No. 7.

JAS. R. DAVIES TO HIS HONOR THE SUPERINTENDENT, SOUTHLAND.

Wellington, August 4, 1865.

SIR,—

I have the honor to acknowledge the receipt of your letter of 11th July, in which you mention that—

“The Provincial Government propose to give me £20,000 in full for all claims for compensation or damage sustained by me in consequence of any alleged breach of contract on the part of the Government, and to take into consideration in addition any other claims I may have for work done and not certified, and to pay me besides all claims founded on retention money and certified work, and intimating if this proposal is rejected by me the Government will be prepared to proceed with the arbitration as provided for by the agreement of the 7th July, 1864, and propose that all matters in dispute which have arisen subsequently to that date be referred to the same arbitrators.”

I have the honor to state, without prejudice in any way to my existing rights or position, if your Honor will at once pay the £200,000 offered, together with the enclosed account for work done and retention money and other claims based on the agreement of the letter of the 7th July,

1864, also giving me a clear indemnification for a promissory note for £10,000 issued by the Provincial Government and endorsed by me to the Bank of Otago. I shall accept the same, and on receipt of which will give up possession of the Bluff Harbor and Invercargill and Oreti Railways now held by me.

I have, &c.,

JAS. R. DAVIES.

His Honor the Superintendent,
Southland.

No. 8.

JAS. R. DAVIES TO THE HON. THE COLONIAL SECRETARY.

Wellington,
17th August, 1865.

SIR,—

I have the honor to lay before the Colonial Ministry, for their consideration, a statement of my claims consented to by me conditionally against the Provincial Government of Southland, and copy of a letter from His Honor the Superintendent, containing proposals for the settlement of same, with my answer thereto.

I regret being obliged to press these claims on your consideration at the present very busy time, but am compelled to do so by the urgency of the demands made on myself. Could I obtain a small portion of this amount at present—say £5000—it would relieve me from immediate difficulty; the remainder could stand over.

I should feel greatly obliged if the Colonial Ministry would inform me at what period it is likely that these claims will be finally settled; and whether, when the necessary financial arrangements will have been made, the General Government would feel themselves called upon to aid the Provincial authorities in liquidation of these claims?

I have, &c.,

JAMES R. DAVIES.

The Hon. the Colonial Secretary,
Wellington.

(Copy of Accounts given to His Honor the Superintendent of Southland, and letter of 4th August, accepting his offer of 11th July, 1865.)

| | | | |
|---|---------|----|-----|
| Unpaid works, including £5000 retention money | £12,488 | 6 | 8½ |
| Extra cost of work | 7,701 | 19 | 2 |
| Workshops and sheds, Invercargill | 2,200 | 0 | 0 |
| Loss on acknowledgments | 3,040 | 0 | 0 |
| Loss on Foundry | 2,500 | 0 | 0 |
| Stone-breaking contract | 2,324 | 0 | 0 |
| | <hr/> | | |
| | £30,254 | 5 | 10½ |
| Interest on stone contract | | | |
| Patent contract | | | |
| Carriage „ | | | |
| Loss since second stoppage | | | |
| Personal expenses, &c. | | | |

No. 9.

THE HON. THE COLONIAL SECRETARY TO J. R. DAVIES, ESQ.

Colonial Secretary's Office,
Wellington, 19th August, 1865.

SIR,—

Referring to our interview of the 17th instant, and to your letter of the same date, I have brought your request for an advance on account of your claims against the Southland Provincial Government before the Cabinet, and I am sorry to say that it will be impossible to comply with your request. The advances already made to relieve the embarrassment of the Province of

3.—No. 3B. 8 FURTHER PAPERS RELATIVE TO THE FINANCIAL

Southland, are full as large as the Government are justified in making in the existing state of the affairs and in the present financial condition of the Colony.

I have, &c.,
J. C. RICHMOND.

J. R. Davies, Esq.,
Osgood's Hotel, Wellington.

No. 10.

MESSRS. MACKENZIE AND CO. TO THE PREMIER.

Wellington, August 24, 1865.

SIR,—

As per conversation this morning, we have the honor of forwarding you copy of correspondence between ourselves and the Provincial Government of Southland, and with the General Government relative to the same matter.

Also our account with claims on the Southland Government.

As this has been a long grievous affair to us, we respectfully beg you will give this matter your earliest and most favorable attention, and oblige

Yours, &c.,
JAMES MACKENZIE & Co.

To the Hon. F. A. Weld,
Premier.

SOUTHLAND PIER CONTRACT.

MEMORANDUM OF COMPENSATION SOUGHT.

| | | | |
|--|--------|----|---|
| Interest at 10 per cent per annum from 15th October, 1864, to 27th February, 1865, on judgment debt, £5,637 17s. 11d. | 579 | 10 | 0 |
| Do. from 23th February, to 25th July, 1865, on £10,637 17s. 11d. | 432 | 11 | 3 |
| | 1012 | 1 | 3 |
| Interest and Commission on Capital required to complete the works in consequence of first default, £5000, interest at 10 per cent. per annum bon | 250 | 0 | 0 |
| Commission 5 per cent | 250 | 0 | 0 |
| | 500 | 0 | 0 |
| Law Costs, &c.,— | | | |
| Paid Howarth, Burton and Howard..... | 500 | 0 | 0 |
| „ Sheriff for Goods purchased at sale, and for poundage, &c., | 563 | 0 | 0 |
| „ Sheriff for Special Bailiffs to 15th April | 41 | 0 | 0 |
| „ Special Bailiffs owning brocks postponement of sale | 48 | 0 | 0 |
| Wages of men in possession of plant purchased from Sheriff | 90 | 0 | 0 |
| | 1242 | 0 | 0 |
| Travelling and personal expenses while seeking payment | 550 | 0 | 0 |
| Compensation for loss of business consequent on detention of capital, say | 3000 | 0 | 0 |
| | £6,304 | 1 | 3 |

JAMES MACKENZIE & Co.

No. 11.

THE UNDER SECRETARY TO MESSRS. MACKENZIE AND CO.

Colonial Secretary's Office,
Wellington, 29th August, 1865.

GENTLEMEN,—

I have the honor to acknowledge the receipt of your letter of the 24th August, 1865, respecting your claims against the Province of Southland, and in reply am directed by Mr. Richmond to inform you, that the General Government cannot take any cognizance of the matter. It must be settled by the Provincial Government when the Provincial Loan question is decided.

I have, &c.,
W. GISBORNE,
Under Secretary.

Messrs. James Mackenzie & Co.,
Contractors, Wellington.