

viz., say £1,500,000, could not at present be obtained in London, unless a guarantee were given by the Government, either of New Zealand or of Nelson, for the payment of interest at the rate of 5 or 6 per cent. upon the money, to date from the commencement of the enterprise. Although I shall not relax my efforts to procure a more favourable opinion from persons on whose judgment I can rely, and which those gentlemen who are ready when so assured to join the undertaking would also accept, yet I confess that, as the opinion of these eminent, and the latter most enterprising, firms is confirmed by that of more than one colonist of large experience, and even by that of perhaps the highest authority in this country upon matters connected with your Colony, I am very much afraid that the scheme, which has been pronounced to be perfectly feasible and sound, and even excellent in all its details, must remain in abeyance until the guarantee of the Colonial Government be obtained in the manner I have mentioned; or, as an alternative (which I fear is less probable), that a large portion of the capital should be subscribed in your Colony.

I do not think that I should be justified in incurring any further preliminary expenses connected with the scheme in the present state of feeling.

I find on all sides the most extraordinary ignorance with regard to the position, resources, mode of Government, &c., &c., of your Colony; and in proof of this I have only to refer you to the tone and spirit, if not the letter, of the recent leading articles upon the Colony in the *Times* newspaper.

The question of emigration is entirely misunderstood by that powerful organ, and I have reason to know that important facts are suppressed by it. While this is the case, and until the public mind is a little more leavened and enlightened upon the subject, I fear that our efforts will not be attended with the success which I was led a month ago to consider as almost certain.

I am truly glad to find such practical men as Mr. Lewis, C.E., and Mr. Fitzgibbon entirely of the same opinion as myself with regard to the feasibility of the scheme in the manner in which I propose to carry it out; and while this makes us the more impatient of the delays and disappointments which we meet with, it makes us at the same time more sanguine as to the eventual success of what I must call the mighty undertaking.

The recent discoveries of gold in the region which it is proposed to cede are convincing proofs of the integrity and correctness of the statements made by the Nelson Government; but we have a mass of ignorance and prejudice to overcome, and the present is a time of panic and commercial depression, which is, I believe and hope, perfectly exceptional.

I still hold myself at the disposal of the New Zealand Government in this and other matters, and am,

John Morrison, Esq., London.

Yours very faithfully,
FRANCIS C. MAUDE, Colonel.

Enclosure 12 in No. 4.

JOHN MORRISON, Esq., London, to the SUPERINTENDENT, Nelson.

Office of the New Zealand Government Agency,

SIR,— 3, Adelaide Place, King William St., London, 10th August, 1869.

Since I had the honor to address you on the 18th May last, upon the subject of the Nelson and Cobden Railway, when I also enclosed a copy of a letter from Colonel Maude, explaining certain difficulties that he had experienced in carrying out his proposed scheme with reference to it, I regret to say that, notwithstanding continued exertions on my part, I have been unable to make further progress towards securing the co-operation of capitalists in other quarters, to promote the construction of that important undertaking.

The prominent manner in which of late the affairs of New Zealand have been brought before the English public has essentially prejudiced all enterprise in connection with the Colony.

The Colonial securities have been likewise depreciated in value by reason of the unsettled state of Native affairs in the Northern Island; the public, refusing to distinguish that the Middle Island is exempt from such troubles, assume that the local disturbances in the North affect the whole Colony. It is therefore, in my opinion, undesirable in the present state of matters to press into notice the claims of the Nelson and Cobden Railway; but you may rest assured I will continue watchful, and be prepared to carry out the wishes of the Government whenever a suitable occasion offers.

His Honor the Superintendent, Nelson.

I have, &c.,
JOHN MORRISON.