No. 23.

MEMORANDUM for the AGENT-GENERAL, London.

Public Works Office, Wellington, 19th February, 1872. (No. 29, 1872.) I LEARN from the Hon. the Colonial Treasurer that you have, several months ago, been requested, at the instance of His Honor the Superintendent of Auckland, to provide £12,000 for the purpose of the Kaipara Railway, and to that extent honor the certificates of Mr. Dunlop, covering invoices, bills of lading, and insurance policies for plant ordered by the Contractor to be purchased through his London agent, Mr. A. A. Watt.

I have now to inform you that the Government have taken over the Kaipara Railway as part of its general scheme, and such portion of the plant ordered as is not yet shipped, will have to be shipped through you instead of through Mr. Durlop as heretofore.

through you instead of through Mr. Dunlop, as heretofore.

Mr. Dunlop will furnish you with the documents originally forwarded to him by the Superintendent of Auckland, and, on his doing so, you will be good enough to settle such equitable claims as you may consider him entitled to make.

P.S.—Enclosed is a copy of the memorandum of the terms on which the Kaipara Railway is taken over by the Government, together with a copy of the Superintendent of Auckland's letter of the 3rd instant, assenting to the same.

Enclosure 1 in No. 23.

Memorandum of Terms of Agreement settled between the Hon. the Minister for Public Works on the one part, and His Honor the Superintendent of Auckland on the other part, relative to the Kaipara and Waikato Railway.

1. The Superintendent, on behalf of the Province of Auckland, to be paid by the Colony such sums as he shall prove, to the satisfaction of the Minister for Public Works, to have been expended on behalf of the Province, up to the first day of February, 1872, in and about the surveying and construction of the Kaipara Railway. The Governor to be at liberty to commence the construction of the said

railway on or at any time after the said first day of February.

2. A sum exceeding £20,000 having been expended, by or on behalf of the Province of Auckland, in the acquisition of land for the Waikato Railway, the sum of £20,000 in full payment to the Province by the Colony for all the land so acquired on behalf of the said Province for the said railway to be credited by the Colony in account with the Province of Auckland. The Colony also to credit the said Province with £6,000 in full payment for plant purchased for the said railway, and already delivered over to the said Minister for Public Works.

3. The sum of £25,000 out of the said two sums of £20,000 and £6,000 to be held by the Colony and paid over to the Harbour Board of Auckland, whenever the Minister for Public Works is satisfied the said Board has commenced harbour works approved of by the Governor, and entered into

contracts approved of by the Governor, for the construction of such works.

4. The Minister of Public Works accepts the arrangements made under clauses 2 and 3, as a proper arrangement within the meaning of section 13 of "The Railways Act, 1871," for placing £25,000 at the disposal of the said Board.

5. Interest at the bank rate of 3 per centum per annum to be allowed by the Colony to the said

Province, until paid over to the said Board.

6. The Minister of Public Works takes over and adopts the contracts entered into by the Provincial Government for the construction of the Kaipara Railway, and will hold the Provincial Government harmless in respect thereof.

Enclosure 2 in No. 23.

Superintendent's Office, Auckland, 3rd February, 1872. SIR.-I have the honor to acknowledge the receipt of your letter, No. 59, of the 1st instant, forwarding a memorandum of the terms on which the Kaipara and Waikato Railway have been handed over to the Colonial Govenment, and, in reply, to notify to you that I assent to the arrangement as therein set forth.

I have, &c., Thomas B. Gillies,

The Hon. the Minister for Public Works, Auckland.

Superintendent.

No. 24.

MEMORANDUM for the AGENT-GENERAL, London.

Public Works Office, Wellington, 19th February, 1872. (No. 30, 1872.) As the labouring emigration to New Zealand now in progress cannot fail to direct the attention of other classes to the inducements offered by the Colony for settlement, it is proposed to indicate, as soon as circumstances will permit, sundry localities where land may be obtained on easy terms by small farmers or others, having a capital of, say, from £100 to £500.

It will be sufficient at present to inform you that the conditions of settlement will embrace