

"I have therefore to instruct you, in exercise of the powers vested in you by the Constitution Act, to require that all Bills of Provincial Legislatures for the purpose of raising monies by loan shall be reserved for your assent, not to give such assent in any case, unless either the amount is inconsiderable and the purpose temporary, or the exigency appears to you so great as to render departure from this rule essential for the public convenience; and if ever loans to any serious amount should appear to be required by a Province, to require that the Legislature should present to you resolutions to that effect, in order that you may confer with Her Majesty's Government, previously to the introduction of any Bill for the purpose."

The conditions imposed by the Home Government not having been complied with in the present case, you will perceive that His Excellency cannot assent to the proposed measure.

But apart from this, I am anxious to convey to you the views of the Government on the subject of the proposed undertaking.

The Government sympathize with the object in view, namely the opening of a communication between Queen Charlotte's Sound and the valley of the Wairau. They are alive to the importance of this work as affecting the interests of the Province of Marlborough, and will promote it to the extent of their power, and so far as they properly and prudently can. But it is impossible for them to regard an undertaking of this kind, involving the necessity of a large loan, as matter of mere local concern. Every Provincial loan, though primarily chargeable on the Revenues of the Province, must necessarily affect and practically limit the credit of the Colony as a whole.

For these reasons (if for no other) it would be the duty of the Government to examine the proposed undertaking with reference to its financial results, and I must observe that neither in the evidence taken before the Committee of the Provincial Council, nor in the Select Committee of the General Assembly, does it appear that any reliable data are furnished for such examination. I nowhere find a calculation, other than purely conjectural, of the estimated cost of maintaining the proposed railway, nor of its expected returns. Without such data it would be impossible for the Government to form an opinion themselves, or to offer a suggestion to the Home Government as to the policy or impolicy of acceding to the proposed loan.

I venture to point out to you, for your future guidance, the importance of your supplying the Government with these requisite data.

Setting aside any expected returns from the undertaking itself, the Government are under the necessity of looking to the proposed loan, with reference to the resources of the Province and its ability to bear so heavy a charge.

The population of your Province does not at present exceed, according to the best estimate that can be obtained by the Government, 2,000, and its estimated ordinary Revenue from all sources, according to the estimate of the Auditor, does not exceed £1,707 4s. 11d. per annum. The ordinary current expenditure of the Province, exclusive of immigration, public works, &c., for the year, appears to be about £4,939 5s., and the Land Revenue for the same period is £27,985 1s. 2d.

It does not appear to the Government, under these circumstances, that the ordinary revenue of your Province is equal to so large a loan as £60,000. It is probable that the proposed work when finished would bring with it an increase of Revenue and population, but it ought not to be based on merely conjectural estimates of this kind.

Your Land Revenue no doubt is at present considerable, but the land fund is precarious. The Government have reason to suppose that the bulk of the agricultural land of the Province has been already sold, and as the rest of the land will probably be sold within a limited period, you cannot count on this as a permanent source of Revenue. Besides this, the districts from which Land Revenue accrues, are assumed to have claims on that fund, which are in general so great as to leave little, if any, surplus available for works of this description. Will the remote districts of the Province, from which alone the Land Revenue will come, be satisfied with the application of a large portion to a work from which they will derive but a remote benefit? The lands to which immediate value will be given by the work lie in the lower part of the valley of the Wairau, to which it will open access from the sea. These lands are in the possession of private proprietors, some of whom hold a very large extent of country, purchased at a rate varying from 5s. to 18s. per acre. I venture to submit for Your Honor's consideration, whether under these circumstances it will not be proper, in any plan for establishing the proposed Railroad, to provide that a fair portion of the burthen shall, by direct taxation, be made to fall on those who will be mainly and directly benefitted by it.

Begging to assure Your Honor of the earnest desire of the General Government to co-operate with and assist the Provincial Government of Marlborough in any undertaking calculated to advance the interests of the Province,

I have, &c.,

WILLIAM FOX.

His Honor the Superintendent,
Marlborough.

CANTERBURY.

No. 21.

THE SUPERINTENDENT, CANTERBURY, TO THE COLONIAL SECRETARY.

Superintendent's Office,
Canterbury, New Zealand,
August 2nd, 1861.

SIR,—

I have the honor to forward you herewith, copies of an Ordinance passed by the Provincial Council at its last Session, intituled "The Pleuro-Pneumonia Prevention Ordinance, 1861," Session 16.