

In accordance with that promise, Ministers now recommend to His Excellency that a copy of the Bill from which his assent has been withheld together with a copy of the Superintendent's explanatory letter, and a copy of this minute, should be transmitted to the Secretary of State, with a request that the sanction of the Imperial Government may be granted for the raising of a Loan by the Province of Otago not exceeding £25,000.

In tendering this advice, Ministers are led by the following considerations:—

1. The present public debt of the Province of Otago, viz., £35,000, is very small compared with its resources.

2. That the expenditure of the money for the purposes for which it is to be raised will have a most beneficial effect in the progress of the Province.

3. That, looking at its resources, and the result that may be expected from the proposed expenditure, the financial position of the Province with a view to its paying interest and repaying the principal, will, proportionately, not be diminished but increased.

Ministers are, however, of opinion that the permission to borrow should be accompanied by at least the following conditions:—

1. That the interest on the money received under the Loan shall not exceed 8 per cent.

2. That provision shall be made for its repayment in ten years by an annual sinking fund.

E. W. STAFFORD.

COPY OF A DESPATCH FROM HIS GRACE THE DUKE OF NEWCASTLE TO GOVERNOR GORE
(No. 6.) BROWNE, C. B.

Downing-Street,
July 30th, 1859.

SIR,—

Your despatch No. 13, of the 28th January last, respecting an application which had been made to you by the Provincial Government of Otago to be allowed to raise for certain public purposes an additional Loan of £25,000 within that Province, was referred by my predecessor to the Lords Commissioners of the Treasury.

I have to acquaint you that their Lordships have informed me that they will not object to your being authorized to assent to an Ordinance to be passed by the Provincial Legislature of Otago for raising by Debentures the further sum of £25,000 which they require with the restrictions laid down by your Responsible Advisers and on the conditions specified in the fourth paragraph of your despatch.

Their Lordships also regard it as necessary that the Provincial enactment should provide that the charge on the revenue for the new Loan of £25,000 must be secondary to the charge for the share of the Province in respect to the guaranteed loan of £500,000.

You will be at liberty to act in conformity with their Lordships views upon the subject.

I have, &c.,

Governor Gore Browne, C. B.,
&c., &c., &c.

NEWCASTLE.

No. 31.

(No. 505.)

MR. TANCRED TO THE SUPERINTENDENT, OTAGO.

Colonial Secretary's Office,
Auckland, 4th November, 1859,

SIR,—

Referring to the correspondence which has taken place on the subject of the raising of an additional Loan of Twenty Five Thousand pounds on the security of the Provincial Revenue of the Province of Otago, I have the honor to inform you that by the last English mail His Excellency the Governor has been authorised by the Imperial Government to assent to an Ordinance of the Provincial Legislature of Otago for raising the above mentioned sum upon Debentures subject to certain conditions, which will, if necessary, be communicated to your Honor.

Looking, however, to the very large amount of the funds now at the disposal of the Provincial Government of Otago, I apprehend that it cannot, at present, be requisite to increase the burthens of the Province.

I have, &c.,

His Honor the Superintendent,
Otago.

HENRY JOHN TANCRED.
For the Colonial Secretary.

No. 32.

THE SUPERINTENDENT, OTAGO. TO THE COLONIAL SECRETARY.

Superintendent's Office,
Dunedin, 29th November, 1859.

SIR,—

With reference to your letter of 4th November current, No. 505, informing me that His Excellency the Governor has been authorised to assent to an Ordinance of the Provincial Legislature