

loss and inconvenience that resulted from the payment of the interest instead of the principal, the Provincial Government paid all claims under £50 in full, and a *pro rata* amount on all the larger claims, to defray which Debentures have been issued for about £38,000. When the House of Representatives determined that the General Government should relieve the Province of this liability, and the Debentures that had been issued cancelled, and made arrangements with the Bank of New Zealand here to overdraw for the purpose of taking up these Debentures, and then lodging them as security for the overdraft. With all my efforts I have been unable to get in more than about £13,000, leaving still about £25,000 worth in the hands of English and Colonial holders—some, original persons to whom they were issued, others, secondary holders. As it would be a breach of faith to cancel these Debentures held as investments, I recommend—

That an Amendment on the "Loan Ordinance, 1863," be passed, changing the destination of the funds that can be raised under it, and making them applicable to the following purposes:—

1. Public Offices, Supreme Court, Gaol, &c. This comprises urgent public wants.

2. Compensation for Roads. Meets compensation claims for property taken to improve the North and South and other roads.

3. Harbour, and the Improvement of the Town on and near the seabeach. This will effect a saving in the Harbour Department that will defray interest and Sinking Fund (the expenditure is now about £5,000 per annum), besides rendering several acres of land of value for Town building sites that are now waste.

4. Other Public Works. Includes a Steam Stone-breaking Machine, now breaking stone for the North and South roads; repairing the various branch roads that are out of repair from disuse; advances to the Town Board on the security of the Town rates; &c.

5. Advances for Immigration.

A Loan Ordinance was passed in 1862, authorising £25,000 being raised by Debentures for some of the above objects; but as it is insufficient to meet the whole of them, I recommend that at the same time the destination of the £50,000 loan is altered—the "Loan Ordinance, 1862," be repealed.

I have, &c.,

CHAS. BROWN,

Superintendent.

The Hon. the Colonial Secretary,
Auckland.

No. 12.

THE COLONIAL SECRETARY, TO THE SUPERINTENDENT, TARANAKI.

Colonial Secretary's Office,

Auckland, 17th May, 1864.

SIR,—

I have to acknowledge the receipt of your Honor's letter, No. 22, of the 2nd ultimo, recommending under the circumstances which you state, the change of the object for which funds were raised under the "Loan Ordinance, 1863," passed by the Provincial Legislature of Taranaki, and the making those funds applicable to certain other public purpose. In reply, I have to inform your Honor, that after a careful consideration of this purpose the General Government does not consider itself justified in acceding to it.

I have &c.,

WILLIAM FOX.

His Honor the Superintendent,
Taranaki.

PROVINCE OF HAWKES BAY.

No. 1.

THE SUPERINTENDENT, NAPIER, TO THE HONORABLE F. WHITAKER.

Superintendent's Office,

Napier, January 25th, 1864.

SIR,—

I have the honor to transmit in duplicate the accompanying Amendment of the Loan Act, which was passed by the Provincial Council of Hawkes Bay, on the 22nd instant.