

No. 21.

THE SUPERINTENDENT, SOUTHLAND, TO THE COLONIAL SECRETARY.

Superintendent's Office, Southland,
4th February, 1864.

SIR,—

As you are aware from former communications, the trade of this Province with the Whakatipu country has been a most important one to the interests of this Province. Every effort has been made to form and make efficient the main lines of communication. These efforts during the past year involved the Province in an expenditure much in excess of its revenue, and was met by overdraft on the Bank. The liabilities at the end of the last financial year (30th September, 1863) amounting to about £47,000, almost exclusively on this account, it was necessary still to continue those works, otherwise the benefit derived from the previous outlay would be in a great measure neutralised.

The result has been that, in the last four months, the liabilities on account of those works have increased to about £100,000. It is obvious that the prospective Revenue for the current and next years will be inadequate to meet current expenditure, and at the same time extinguish this debt; and the Provincial Government has therefore resolved to propose to the Provincial Council that the sum of £120,000 should be raised by way of Loan payable within 20 years, for the purpose of extinguishing it. The road works, for the construction of which this liability has been incurred, have been of the utmost advantage to the Province, in securing to it the Whakatipu trade; and the completion of the Oreti Railway, which we confidently rely on before the winter rains set in, will relieve the Province from the necessity of perfecting the line of road through the alluvial country traversed by that Railway, and which without such an alternative work would require a further outlay for roads, which in a few years would amount to a sum equal to the original cost of a line of Railway. In a previous communication, noted in the margin, I had the honor to draw your attention to those circumstances. As the Provincial Government, when transmitting any Bill for raising a Loan for this purpose which may be sanctioned by the Provincial Council, will also describe an area of average agricultural land which will be set apart as security for the Loan, it will rely on your approval of the security and entertaining the proposal favorably.

I have, &c.,

JAS. A. R. MENZIES,
Superintendent.The Hon. the Colonial Secretary,
Auckland.

No. 22.

THE COLONIAL SECRETARY TO THE SUPERINTENDENT, SOUTHLAND.

Colonial Secretary's Office, Auckland,
20th February, 1864.

(No. 49)

SIR,—

I have to acknowledge the receipt of your Honor's two letters, dated respectively the 4th instant, the one requesting the authorisation of a further Loan of £40,000 on account of the Bluff and Invercargill Railway and the other to a similar effect to the extent of £120,000 on account of the lines of communication with the Whakatipu country. In both cases the Provincial Government of Southland, when transmitting any Bill for raising Loans for these purposes which may be sanctioned by the Provincial Council, will also describe an area of agricultural land to be set apart as security for these Loans.

In reply, I have to inform your Honor that the General Government do not, at present, without further information and consideration, feel justified in acceding to your requests.

As the Hon. Mr. Gillies, the Postmaster-General, will have been in Southland since your Honor's letters were written, and as he is expected here immediately, the Government will defer their final reply till they have had an opportunity of consulting him.

In the meantime, it would be advisable that your Honor should not incur any liabilities in the expectation of the General Government assenting to the proposed Loan Bills.

I have, &c.,

WILLIAM FOX.

His Honor the Superintendent,
Southland.