

PAPERS RELATING TO

Total Estimated Liabilities

Due on Revenue Account	-	-	£143,124
„ Railways	-	-	296,000
„ Town Board	-	-	16,000
Permanent Debt	-	-	18,000
			£473,124

Statement of Revenue of the Department of Crown Lands from 1st January to 20th May, 1864.

	£	s.	d.
Deposits on Applications for Rural Lands	-	-	16,611 7 9
Auction Sales Town Lands	-	-	747 10 0
Fees on Transfer of Rural Certificates	-	-	68 0 0
Timber Licenses	-	-	276 0 0
License Fee on Runs	-	-	112 11 0
Assessment on Stock on Runs	-	-	206 13 9
			£18,022 2 6

A. J. ELLES,
Receiver of Land Revenue.

Enclosure 2 in No. 43.

MESSRS. DUNDAS AND HEALE TO THE SUPERINTENDENT, SOUTHLAND.

Invercargill, May 9th, 1864.

SIR,—

Immediately on receiving your Honor's letter, of Saturday's date, we conferred with Mr. Marchant, and we have considered as carefully as the shortness of the interval admitted, how the immediate expenditure on the Railways can be reduced so as to involve the least possible ultimate loss to the Province.

The construction of the Goods Station at Campbelltown, and that at Invercargill, for which tenders have not yet been received, can, it is clear, be postponed without material disadvantage; but to attempt abruptly to stop the contracts which are now in active progress would be simply to break them, and would immediately involve the Government in liabilities to an uncertain but no doubt a very large amount. Moreover, four different embankments on the Bluff Railway are being carried on from both ends across portions of the beach, their outer facings being protected from the wash of the sea by timber sheeting. Now, to leave these as they now stand, with their ends exposed, would involve their destruction, and to return the sheeting round the ends for their proper protection would occupy a fortnight, at nearly as much expense as if the work were being carried on in the right direction, and the whole of these returns would have to be removed when the works are resumed.

In estimating, on the other hand, the minimum to which the outlay may probably be reduced by allowing the contractors an extended time for the completion of the works, on condition of the immediate payments to them being kept within certain fixed limits, we find this to be so moderate that we are strongly of opinion that it will be found not only greatly to the ultimate advantage of the Province to avoid any breaches of contract, and only to extend the time with the consent of the contractors, but that that course will even be found to involve a smaller *immediate* outlay of money than the disastrous step of abruptly stopping contract works on which hundreds of men are already engaged in sub-contracts, who would immediately rush panic-stricken to the courts of law for damages and compensation.

We cannot, without communication, absolutely say that the contractors will consent to the reduction in the rate of progress of the works which we recommend, but we have good reason to believe that they will; and even if they should object, any loss they could sustain by the plan proposed would be an insignificant fraction of that which would accrue from absolute stoppage.

Taking the contracts *seriatim*, we think they might be carried on in the manner and at the cost hereafter mentioned, viz.:—

I. *Bluff Harbor and Invercargill Railway.*

The contracts in progress on this line are—

No. 1. Formation, &c., from Green Hills to near Invercargill, including the Mokomoko Branch—T. R. Davis.

All the works on this contract between Mokomoko and Invercargill are far advanced towards completion; the only earthwork yet to be finished being a portion of one embankment, which will cost