

and reports enclosed herewith he can form an estimate of the value of the reasons which may have induced the Council to express its unmeasured reprobation of the management of the Provincial affairs, and its intense alarm at the antagonism maintained by the Superintendent.

I have, &c ,

JAS. A. R. MENZIES,
Superintendent.

The Hon. the Colonial Secretary,
Auckland.

Enclosure 1 in No. 61.

Resolved,—

1. That in the opinion of this House the interests of the whole Colony are, to a considerable extent, bound up with, and may be seriously compromised by, the continuance of the present financial condition of this Province.
 2. That the management of the financial affairs of this province is of so disastrous a character that an immediate change of administration is absolutely required.
 3. That through such management the affairs of this Province have become seriously involved, and, therefore, this House views with the utmost alarm the position of antagonism to the views of the Provincial Council still maintained by His Honor the Superintendent.
 4. That, seeing the Superintendent refuses to act in accordance with the wishes or advice of the Provincial Council, this House respectfully but earnestly calls upon His Excellency the Governor to dissolve the Council forthwith, or to take such steps as he shall think necessary to prevent the further ruin of the interests of the Province, as well as for the protection of the credit of the Colony.
 5. That the Hon. the Speaker be requested to forward a copy of the above resolutions to His Excellency the Governor.
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Enclosure 2 in No. 61.

ADDRESS TO HIS HONOR THE SUPERINTENDENT ON OPENING THE SEVENTH SESSION OF THE
PROVINCIAL COUNCIL.

Mr. Speaker and Gentlemen of the Provincial Council—

I have been advised to summon you to meet in Council at this time, in order that you might be furnished with full information upon circumstances which have occurred since your last meeting, and take into consideration the measures which should be adopted with reference to the financial affairs of this Province. At the last session of this Council, after the financial position of the Province had been fully discussed and considered by you, three loan bills were passed, one for forty thousand pounds (£40,000), to enable the Government to complete the Bluff Harbour and Invercargill Railway; one for one hundred and twenty thousand pounds (£120,000), to cover liabilities on account of the General Expenditure of the Province; and one for twenty-five thousand pounds (£25,000), to meet liabilities incurred by the Government on account of, and advances to, the Town Board. The sum of those loans would have met all the liabilities of the Province, and completed the public works, which it had undertaken. The first mentioned loan bill alone, has received the assent of His Excellency the Governor; from both the others this assent has been withheld.

You will remember that, during the last session of this Council, intelligence was received that bank rates were high, and that New Zealand Provincial securities met with a very limited sale in London. By succeeding mails we were informed that they were nearly unsaleable, unless at a discount, and that they were not allowed to be quoted on the Stock Exchange. These circumstances occurring at a period of serious commercial depression in this Province, made the banks unwilling to negotiate Provincial loans. I believe that the high rate in the money market was the primary cause of the difficulty in effecting sales, but when the difficulty had once arisen, other considerations tended to increase it. Upon the Debentures under the Loan Ordinance for £110,000, the Provincial Government had arranged for advances to any extent that might be required, but its demands having exceeded the amount upon which the bank had calculated, it was unable to meet them, from its not having the requisite funds within the Colony at its disposal; this occasioned a serious embarrassment at once; still, that would soon have passed away if the measures adopted by this Council in its session in March had been sanctioned, but a crushing blow was given by the General Government when it disallowed the loan bills. Then it was manifest that the Provincial Government, unaided, would be unable to fulfil its engagements within the proper time and it became my duty to ascertain, without delay, what course the Colonial Ministry would propose, or agree to, to enable the Provincial Government to meet those engagements, as it had debarred the latter from doing so in the manner which the Provincial Legislature had considered advisable. After having some personal communication with the Colonial Ministry, I found that it would not sanction