

and to ask if Captain Elles' view of the matter is in keeping with the meaning and tenor of said letter. Further, if his entirely passing our claim, while paying others, is reasonable or in keeping with their meaning.

We complain of what appears to us partiality hitherto shown, and respectfully solicit your interference in this matter, with a view to our getting a portion of the £15,000 due on the 26th inst.

It has been suggested to us that we should accept Superintendents' warrants in payment. These we have declined; but we are willing to take say £5,000 in cash, and the balance in some legal and negotiable documents—of course bearing Bank interest at, say, 2, 4, and six months—equally divided, and payable to our order here, free of exchange.

We therefore beg, most respectfully, to ask the General Government to take immediate action in this matter, in order to ensure a compliance with our very moderate demands, and preserve the credit of the Colony: as, to be candid, we cannot allow this matter to remain in its present position any longer: nay, failing some favourable action on the part of the General Government, we can see no other course open to us than to issue proceedings at law.

We are aware of Capt. Elles' recent payments, and we hold that, under any circumstances, we were entitled to a pro-rata payment as well as others. You, Sir, will see at a glance the very great hardship of our case, and the loss and inconvenience of the non-payment of such a large sum to men with an extensive business; and we with confidence look to you for an early remedy, as the Southland Government is perfectly helpless.

We would ask you therefore, in conclusion, to issue instructions to Capt. Elles to pay us on terms stated. Failing this, and without any desire to issue proceedings, we cannot see any other course open to us, in justice to our own interests.

An answer in due course would confer a favour.

Mr. Heale is, we understand, now in Auckland; and, a reference to him would confirm our statements herewith: also, that while his Honor the Superintendent was willing to have paid us, the General Government's agent has positively refused to do so.

We have, &c.,

JAMES MCKENZIE & Co.

The Hon. Mr. Fox,
Colonial Secretary, Auckland

Enclosure 1 in No. 73. *

A.

DATES and Amounts of Unpaid Vouchers on account of the Bluff and Mokonoko Railway Piers, Southland, and due James McKenzie & Co. by the Southland Government.

			£	s.	d.	£	s.	d.
<i>Mokonoko:—</i>								
April 25.	Amount of Voucher	...	2769	16	2			
June 14.	Ditto	...	3549	13	7			
"	Extras	...	834	15	0			
"	20 per cent. retained on progress payments	...	2273	12	6			
						9427	17	3
<i>Bluff:—</i>								
April 25.	Amount of Voucher	...	2000	4	7			
June 14.	Ditto	...	1996	15	5			
"	20 per cent. retained on progress payments	...	1573	19	7			
						5570	19	7
						£14,998	16	10
	Extras, Labour, &c.	...				164	5	3
						£15,163	2	1
	Amount acknowledged by Deputy Superintendent, as per Letter, vouched in Treasury	...				£15,142	12	1
						£20	10	0

All the above Vouchers are now in the Southland Treasury.