

The proposal in your letter is, that, on account of the delay in the peaceable possession by the Province of the Manawatu Block, the General Government should advance a sum of £20,000 to enable the Provincial Government to liquidate its outstanding liabilities, such advance to be repaid out of the first proceeds of land sales within that block, after the deduction of any charges to which such sales may be legally liable.

The Government have anxiously and carefully considered this application and the circumstances out of which it has arisen, but they are unable to authorize such an advance. They do not consider that they would be justified in taking upon themselves the responsibility of making any advance merely for the purpose of generally covering the liabilities of a Province, without any provision for the future maintenance of those of its Departments essential to the peace and order of the community, and without any guarantee against the recurrence at any future period of similar liabilities, and a similar appeal to the Colony; but more especially do they consider they would not be justified in advancing money for such a purpose on the security of the proceeds of a block of land the possession of parts of which is at present disputed by Native claimants. The adoption of such a course, involving as it would do not only pecuniary liability but grave political considerations, could alone be properly sanctioned by the Legislature.

It remains, then, for the Government to indicate the responsibility which, in the present embarrassed state of the finances of the Province of Wellington, they would be prepared in the public interests to undertake, pending the action of the General Assembly, or, as they trust may be the case, the earlier restoration of those finances.

The Government will temporarily advance sufficient funds to meet the expenses shown to their satisfaction to be indispensable, and to have been sanctioned by Provincial Appropriation for the Departments of Gaol, Police, Hospital (including Lunatic Asylum), and of Harbour and Land, together with arrears in respect of those Departments; such advances to be made on the following further conditions:—

First, Money to be paid from the Colonial Treasury to respective claimants under the above-named heads, on warrants and vouchers duly certified and signed by the Deputy Superintendent and Provincial Auditor.

Secondly, That it be shown to the satisfaction of the Paymaster-General that all Provincial Revenue which does not pass through the Colonial Treasury has been first applied towards payment of these necessary expenses.

I have, &c.,
W. GISBORNE.

His Honor the Deputy Superintendent, Wellington.

No. 4.

Mr. W. W. TAYLOR to the Hon. the COLONIAL SECRETARY.

SIR,— Superintendent's Office, Wellington, 26th October, 1870.

I have the honor to acknowledge receipt of your letter of the 10th instant, No. 238, informing me of the conclusion at which Ministers had arrived in reference to my application of the 26th ultimo, and in reply to express my sense of the consideration with which it has been met, and my appreciation of the difficulties under which they find themselves placed in assenting to give pecuniary aid to the Province without the sanction of the Legislature having been first obtained.

To point out the objections to that sanction having been sought at an earlier period, would be to raise the question of responsibility for the non-settlement of the Manawatu land dispute, and would neither tend to a furtherance of that settlement nor promote an agreement upon the present application. The Provincial Government are anxious to throw no impediment in the way of an early adjustment of that dispute, and have already given ample proof of such desire by the manner in which at a ruinous cost to the Province, they have, in deference to the wishes of Ministers, desisted from pushing on the surveys in those portions of the block where interruptions from the Natives have occurred.

The proposals contained in your letter are such as I could not accept; but, subject to my being able to make satisfactory arrangements with the Bank of New Zealand as to the existing overdraft, I should be prepared to agree to them in the following modified form:—

1st. That the amount of advances under the present arrangement should not exceed £9,024 17s. 8d., consisting of

	£	s.	d.
Arrears of salaries owing on the 30th September last	6,179	7	8
Estimated amount required to defray the necessary charges for the same Departments during the month of October	2,045	10	0
And interest on overdraft due the Bank of New Zealand November next	800	0	0
	£9,024	17	8

- The November receipts will be required to meet payments for November.
- 2nd. That provision be also made for the contingency of the withdrawal of deposits from the Wellington Savings Bank, possibly to the amount of from £200 to £300.
- 3rd. That payments shall be made through and by the Provincial Treasurer, duplicates of the needful vouchers being furnished by him to the General Government.
- It is not in the power of the Superintendent to deal with the Provincial revenue, beyond the limit of existing appropriations, but the advances proposed above should, in my opinion, continue to be a first charge on the Provincial revenue, and the Provincial Government will use every effort to insure its being made such.