

advised that no injury will result to us on that account, as it is probable that nearly every man will return to his home with increased means. Further, we may expect a very useful addition to our capitalists and labouring population from Australia, by way of Otago.

From representations made by the Provincial geologist, Mr. Haast, I am prepared for the discovery of a gold field in the northern and one also in the southern district of Canterbury.

The Lyttelton and Christchurch Railway is progressing satisfactorily. Papers relating to the purchase of the site, together with a statement of all disbursements on the railway works, will be submitted to you.

With reference to the ocean postal service of Canterbury, I will only remark that its past and present condition render it desirable that the Province should make immediate provision for the more speedy transmission of its own mails. The Otago English mail was delivered in Dunedin a week ago; the Canterbury mail had not this morning arrived in Lyttelton, notwithstanding

both mails arrived in Australia per same vessel.

The greatly increased and rapidly increasing population of the principal towns of the Province has brought with it a daily increasing necessity for the outlay of very considerable sums of money upon numerous works and appliances indispensable both in a social and sanitary point of view. As it would be eminently unjust to charge the general revenue of the Province with the sole maintenance of the towns, it is a matter of imminent necessity that they should at once assume the management of their own internal affairs. All the machinery at present required for this end is to be found in the Municipal Councils Ordinance, Sess. XIV., No. 2, it is perfectly evident that the major portion of the outlay on public works within the boundaries of towns in New Zealand, as in all other parts of the world, must be charged on the inhabitants and properties therein. However distasteful or alarming the word taxation may be to colonial ears, yet it will be found that taxation is a condition inseparable from health and comfort in towns.