

## Enclosure 2 in No. 1.

The TREASURY to the COLONIAL OFFICE.

SIR,—

Treasury Chambers, 27th April, 1874.

The Lords Commissioners of Her Majesty's Treasury have had before them the Act of the Legislature of New Zealand, "to authorize the raising of Money for Railways and Purchase of Native Lands," enclosed in Mr. Herbert's letter of 23rd February last.

Their Lordships have directed me to request that the attention of the Secretary of State may be drawn to the 20th section of this Act, by which "any part of the loan guaranteed by the Lords of the Treasury under certain Acts of the Imperial Parliament, may be applied to any of the purposes to which is applicable that part of the loan authorized by this Act to be raised for purposes of railways."

The Secretary of State is aware that the Imperial Act 33 and 34 Vict. cap. 40, limits the purposes to which the loan of £1,000,000 guaranteed by this Board, under the provisions of that Act, may be applied to the construction of roads, bridges, and communications, and the introduction of settlers into the colony.

Their Lordships presume that there is no intention on the part of the New Zealand Government to apply the moneys raised under the guarantee to purposes not provided by the Act; but, as a doubt may arise with regard to the strict interpretation of the 20th section of the Act now submitted for the consideration of this Board, they would suggest that the New Zealand Government should be informed that it must be clearly understood that their Lordships have no power to consent to the application of the Guaranteed Loan, except in conformity with the provisions of the Act 33 and 34 Vict. cap. 40.

I am, &amp;c.,

The Under Secretary of State, Colonial Office.

JAMES H. COLE,  
(for Secretary).

## No. 2.

Sir J. VOGEL to Mr. HERBERT.

SIR,—

London, 26th June, 1875.

I have the honor to acknowledge the receipt of your letter of June 23rd, forwarding to me, by direction of the Earl of Carnarvon, copies of two letters from the Lords Commissioners of the Treasury, on the subject of the New Zealand Guaranteed Loan; and inviting me to remark thereon.

2. I am able to say, with confidence, that the Government and Legislature of New Zealand did not intend or desire, by either of the Colonial Acts referred to in the letters from their Lordships, to infringe in the least on the terms under which the guarantee of Her Majesty's Government was authorized to be given. In fact, those terms are already fully complied with; for it would be easy to place before the Lords Commissioners of the Treasury vouchers for the expenditure, out of the £4,000,000 Loan, 1870, of three times the amount of the guaranteed portion of it, on purposes strictly within the spirit, letter, and intention of the Imperial Act.

3. Their Lordships, I understand, desire that an amending Colonial Act should be passed. I venture to suggest that, to amend a Loan Act to which effect has already been given, would be liable to create misapprehension, and that it seems to me either of two other courses would equally meet the views of the Treasury. A declaratory Act might be passed, stating that whereas doubts have arisen as to the provisions of the Act in question possibly conflicting with the Imperial Act, it is hereby enacted that nothing in the said Act shall confer any power or authority to spend any part of the money the proceeds of the Guaranteed Loan, on other purposes than those authorized by the Act of the Imperial Legislature, 33 and 34 Vict. cap. 40. The alternative course I have the honor to suggest is, for the Treasury to accept, finally, vouchers for the expenditure of the full amount out of the same loan, as already explained in this letter.

4. Should, however, the Lords Commissioners still prefer the amending Act, I have no doubt the Government of New Zealand, with the sanction of their Law Advisers, will submit the measure desired.

5. As I am leaving town for a time, and as the Assembly will very shortly be in session, may I ask you to send a copy of your reply to me to the colony, addressed to the Acting Premier.

6. In conclusion, let me express the hope that the observations I have made will be satisfactory to their Lordships.

I have, &amp;c.,

R. G. W. Herbert, Esq.

JULIUS VOGEL.

## No. 3.

Sir J. VOGEL to the COLONIAL SECRETARY.

SIR,—

Victoria Street, Westminster, S.W., 26th June, 1875.

I have the honor to forward, for the information of the Government, a letter (with enclosures from the Colonial Office, respecting the Guaranteed Loan; and also copy of my reply.

I have, &amp;c.,

The Hon. D. Pollen, &amp;c.

JULIUS VOGEL.

## No. 4.

Mr. MALCOLM to SIR J. VOGEL.

SIR,—

Downing Street, 13th November, 1875.

With reference to your letter of the 26th of June, replying to a letter from this department of the 23rd of the same month, on the subject of the Act of the New Zealand Legislature, No. 25 of