

1876.
NEW ZEALAND.

GUARANTEED LOAN ACT, AND
ACT NO. 25, 1874,

(CORRESPONDENCE RELATING TO).

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

MR. HERBERT to SIR J. VOGEL.

SIR,—

Downing Street, 23rd June, 1875.

I am directed by the Earl of Carnarvon to transmit to you a copy of a letter from the Lords Commissioners of the Treasury, in which certain objections are pointed out to the Act No. 25 of 1874, passed in the last Session of the New Zealand Legislature, "to authorize the raising of Money for Immigration and Construction of Public Works."

I am also to enclose a copy of their Lordships' previous letter in regard to the application of moneys raised under the Imperial Guarantee to the purposes specified in the Colonial Act No. 49 of 1873.

Lord Carnarvon desires me to request your early attention to the points raised by the Lords Commissioners of the Treasury, and will be glad to receive any observations which you may wish to make on this subject.

I am, &c.,

Sir Julius Vogel, K.C.M.G.

ROBERT G. W. HERBERT.

Enclosure 1 in No. 1.

The TREASURY to the COLONIAL OFFICE.

SIR,—

Treasury Chambers, 26th May, 1875.

I have laid before the Lords Commissioners of Her Majesty's Treasury your letter of the 2nd February last, with the copies of the two Acts of the Legislature of New Zealand enclosed—namely, No. 25 of 1874, "An Act to authorize the raising of Money for Immigration and Construction of Public Works," and No. 34 of 1874, "An Act to enable the Auckland Harbour Board to construct a Dock and other Harbour Works, and to raise Money to defray the cost thereof."

With regard to No. 34, relative to the dock, &c., at Auckland, I am to state that, unless the Act in any way affects the loans guaranteed to the colony by the Imperial Government, which it does not appear to do, seeming to be in the nature of a private Act, my Lords have no observations to make on the subject.

With regard, however, to the Act No. 25, for raising money for immigration, &c., their Lordships would observe that some of the purposes specified in the schedule, and covered by section 20, cannot in their opinion be deemed to come within the purposes for which the loan of £1,000,000 was guaranteed under the Act 33 and 34 Vict. cap. 40; and they request that the attention of the Secretary of State may be called to the letter from this department of the 27th April, 1874, and to the observations contained therein, with reference to the application of moneys raised under that guarantee to the purposes specified in the Colonial Act of 1873.

The objections of this Board would, however, be removed by the section referred to being amended as follows:—

"Any part of the loans respectively authorized to be raised under the Loan Act No. 1, and the Loan Act No. 2, which is not guaranteed by the Imperial Government, may be applied to any of the purposes to which is applicable the loan authorized by this Act to be raised; but that portion of the loan authorized to be raised under the Loan Act No. 1, which is guaranteed by the Imperial Government, shall be applied only to the purposes specified in the Act of the Imperial Legislature, 33 and 34 Vict. cap. 40."

I am, &c.,

The Under Secretary of State, Colonial Office.

R. R. W. LINGEN.

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.

The Under Secretary of State, Colonial Office.

I am, &c.,

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.

R. G. W. Herbert, Esq.

I have, &c.,

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, &c.,

The Hon. D. Pollen, &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

1874, "to authorize the raising of Money for Immigration and Construction of Public Works," I am directed by the Earl of Carnarvon to transmit to you a copy of a despatch which is about to be sent to the Governor of New Zealand on the subject.

Sir J. Vogel, K.C.M.G.

I have, &c.,
W. N. MALCOLM.

Enclosure in No. 4.

The EARL of CARNARVON to the MARQUIS of NORMANBY.

MY LORD,—

Downing Street, November, 1875.
With reference to my despatches Nos. 42 and 43 of the 23rd of June and 3rd of July respectively, I have the honor to inform you that, after further consideration of the subject, the Lords Commissioners of the Treasury have decided not to press further the objections raised in their letter of the 26th of May to the Act of the New Zealand Legislature, No. 25 of 1874, "to authorize the raising of Money for Immigration and Construction of Public Works."

Their Lordships desire, however, to be furnished with a report of the Auditor-General of New Zealand, in continuation of that supplied to Her Majesty's Government at the time of the preparation of the Bill which afterwards became 35 Vict. cap. 15.

Proof was then afforded of an expenditure of £800,000, but the Imperial guarantee has been given to a sum of £1,000,000. Proof, therefore, is wanting for the sum of £200,000.

Their Lordships are perfectly satisfied that the money has been spent, but they are bound to have the documents proving the spending of the money on record in their department, so that they can produce them in support of their action in the matter of the Imperial guarantee, in the event of any question arising in Parliament in reference thereto.

Governor the Most Hon. the Marquis of Normanby, K.C.M.G.

I have, &c.,
CARNARVON.

No. 5.

Sir J. VOGEL to Lord CARNARVON.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,
22nd November, 1875.

MY LORD,—

I have the honor to acknowledge the receipt of a letter from Mr. Malcolm, dated November 13th, enclosing, by direction of your Lordship, copy of a despatch addressed to His Excellency the Marquis of Normanby, in continuation of correspondence respecting the Act of the New Zealand Legislature, No. 25 of 1874, and to thank your Lordship for the same.

The Right Hon. the Earl of Carnarvon.

I have, &c.,
JULIUS VOGEL.

No. 6.

CERTIFICATE of the AUDITOR-GENERAL.

I CERTIFY that the expenditure of the General Government of New Zealand, on immigration, roads, and communications, during the years 1872, 1873, and 1874, was as follows:—

During the year 1872	£617,907	15s.	1d.
" 1873	£1,199,516	4s.	2d.
" 1874	£2,165,249	0s.	5d.

28th January, 1876.

CHARLES KNIGHT,
Auditor-General.

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