

1886.  
NEW ZEALAND.

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# CHARGING INTEREST TO CAPITAL

## DURING CONSTRUCTION OF PUBLIC WORKS

(FURTHER PAPERS RELATIVE TO).

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

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### No. 1.

The AGENT-GENERAL to the COLONIAL TREASURER.

SIR,— 7, Westminster Chambers, London, S.W., 7th May, 1886.  
Continuing my letters on the subject of charging interest to capital during the construction of Indian railways, I have now received through the Colonial Office the reply of the India Office to the question I put in a letter I wrote to them on the 29th March. I transmit to you herewith copy of those letters, together with the Administration report upon the railways of India mentioned by the India Office.

The pressure of work for this mail has made it impossible for me to say anything to you upon this remarkable report, but I shall do so at an early date.

The Hon. the Colonial Treasurer, Wellington.

I have, &c.,

F. D. BELL.

### Enclosure 1 in No. 1.

The AGENT-GENERAL to the SECRETARY of STATE for the COLONIES.

SIR,— 7, Westminster Chambers, London, S.W., 29th March, 1886.

I have to acknowledge the receipt of your letter of 23rd instant, with one from the India Office containing the information I had asked for on the subject of charging interest to capital in the Indian railway system; and I beg you to be pleased to convey the best thanks of my Government to the India Office for their kindness.

I trust I shall not appear to abuse that kindness if I ask for a further detail. Mr. Godley's letter divides the Indian system into the three heads of "State," "Guaranteed," and "Assisted" lines; and my Government would be glad if they could know the total amounts which have been paid for interest out of the revenues of India, distinguishing the sums charged to capital in respect of State lines from the sums allowed to companies for guaranteed and assisted lines. If a return has been published from which I could save trouble by making out these particulars myself, I should be much obliged by my attention being called to it.

I observed a few days ago, in a press telegram of Sir Auckland Colvin's Financial Statement, that the proposal was renewed this year to devote a portion of the Famine Insurance Fund to the payment of interest on capital in the case of one of the lines. Having regard to what the Select Committee of the House of Commons said in 1884 respecting the objection which had existed up to that time against proposals of the same kind, it may perhaps not be improper for me to ask whether that objection has yet been received.

The Under-Secretary of State for the Colonies.

I have, &c.,

F. D. BELL.

### Enclosure 2 in No. 1.

The COLONIAL OFFICE to the AGENT-GENERAL.

SIR,— Colonial Office, Downing Street, 29th April, 1886.

With reference to your letter of the 29th ultimo relative to the Indian railway system, I am directed by Earl Granville to transmit to you, for your information, a copy of a letter, with its enclosure, from the India Office on the subject.

I have, &c.,

The Agent-General for New Zealand.

JOHN BRAMSTON.