

2. The Commissioners observe that it appears that the exceptional conditions produced by the war render it desirable that any change in the method of collection of contributions affecting shipowners should be postponed for the present, and the existing arrangements should therefore continue until further notice.

I have, &c.,

L. HARCOURT.

Governor His Excellency the Right Hon. the Earl of Liverpool,
G.C.M.G., M.V.O., &c.

No. 86.

New Zealand, No. 53.

MY LORD,—

Downing Street, 5th February, 1915.

With reference to my despatch, No. 16, of the 8th January, I have the honour to acquaint Your Excellency, for the information of your Ministers, that the Lords Commissioners of the Treasury have issued the following explanatory statement with regard to the Royal Proclamation of the 7th January, relating to trading with the enemy (banking transactions with branches of enemy firms, &c.):—

“As some misunderstanding has arisen with regard to the Proclamation of the 7th January relating to trading with the enemy, it may be as well to explain that it was not intended, nor is it proposed, to interfere by this Proclamation with *bona fide* commercial transactions simply on the ground that they may involve some financial operation which technically comes within the meaning of the words ‘banking business,’ if that operation is merely incidental to the transaction, and does not affect the general character of the transaction, as a commercial (distinguished from a banking) transaction. Nor was it intended, nor is it proposed, to interfere by this Proclamation with transactions of British banks or their branches with firms which do not do banking business, or which, in carrying out the special transaction, are acting in the ordinary way of commerce, and not in any way as bankers, so long as those transactions are permissible independently of the Proclamation.

“Licences will also be granted in proper cases to British banking firms having branches in neutral countries, not being neutral countries in Europe, enabling them to continue their banking business, notwithstanding that the business, by bringing them into contact at some point or another with branches of enemy banks, may technically be within the prohibition of the Proclamation.”

I have, &c.,

L. HARCOURT.

Governor His Excellency the Right Hon. the Earl of Liverpool,
G.C.M.G., M.V.O., &c.

No. 87.

New Zealand, No. 65.

MY LORD,—

Downing Street, 12th February, 1915.

With reference to my despatch, No. 435, of the 2nd October last, I have the honour to transmit to Your Excellency, for the information of your Ministers, a copy of a Proclamation by the President of the United States of America, issued the 13th November, 1914, of rules and regulations governing the use of the Panama Canal by vessels of belligerents and the maintenance of neutrality by the United States in the Canal Zone. These rules and regulations, it will be observed, are in addition to the general rules, &c., for the operation and navigation of the canal and its approaches issued on the 9th July last, of which I take this opportunity to enclose a copy for the information of your Ministers.

I have, &c.,

L. HARCOURT.

Governor His Excellency the Right Hon. the Earl of Liverpool,
G.C.M.G., M.V.O., &c.