

Sub-Enclosure to Enclosure in No. 58.

Legislative Council Chamber, Wellington, 18th March, 1872.

THE Managers of the Legislative Council and of the House of Representatives transmit to the Colonial Secretary herewith a case, stating the facts upon which they are agreed, for reference to the Law Officers of the Crown, in accordance with the Resolutions of both Houses, relating to the difference on a question of privilege which arose between both Houses last Session.

Appended to the case are stated at full length the reasons submitted by the Managers of the Legislative Council in support of the view urged by the Legislative Council.

The Managers of the House of Representatives do not deem it necessary to submit any further statement beyond the statement of facts contained in the case.

It is requested that the Colonial Secretary will move His Excellency the Governor to transmit the accompanying papers to the Secretary of State, by the outgoing mail.

W. B. D. MANTELL,	}	For the Managers of the Legislative Council.
HENRY SEWELL,		
F. D. BELL,	}	For the Managers of the House of Representatives.
A. DE B. BRANDON,		

A QUESTION has arisen between the Legislative Council and the House of Representatives of New Zealand, upon which the opinion of the Law Officers of the Crown in England is sought to be obtained. The Legislative Council amended a Bill by striking out a clause. The House of Representatives insisted that the Bill was of that class in which the Legislative Council is, by constitutional usage, debarred from making amendments.

The facts of the case are as follows:—Under various Acts for regulating the Public Revenues of New Zealand, certain principal branches of Revenue, viz., the Duties of Customs, Post Office, Stamps, &c., are thrown together and form the Consolidated Revenue of the Colony, out of which the annual supplies for the Public Service are appropriated.

By "The Payments to Provinces Act, 1870," (of which a copy is herewith,) certain capitation allowances, determined according to the population of each Province, were made payable to the respective Provinces of New Zealand out of the Consolidated Revenue for a period of seven years, the amount payable to each Province being fixed on a gradually descending scale, varying in amount, according to the population in the respective Provinces, each year. In the current year, the rate per head of the population payable under such Act would have been 38s.

In the same Act was also contained a provision that, in every year during the same period of seven years, a sum of £50,000 should be paid out of the Consolidated Revenue to the Provinces, in the ratio of their respective population, for distribution amongst the various Road Boards within such Provinces, according to a scale fixed by the Act.

In the same Session (1870) another Act was passed, intituled "The Immigration and Public Works Act, 1870," (a copy of which is herewith,) whereby provision was made for various subjects viz.:—The Construction of Railways; Immigration; The Construction of Water-races on Gold Fields; The Purchase of Lands from the Natives; The Extension of Telegraphs; The Formation of Roads in the North Island.

And by another Act of the same Session (1870), intituled "The Immigration and Public Works Loan Act, 1870," (a copy of which is herewith,) authority was given to the Governor to raise by loan £4,000,000, to be applied in the way prescribed by the Schedule to the Act, viz.:—

For Railways	...	...	...	...	...	£2,000,000
Immigration	...	...	...	...	...	1,000,000
Construction of Roads in North Island	...	...	...	...	...	400,000
Waterworks on Gold Fields	...	...	...	...	...	300,000
Purchase of Land in North Island	...	...	...	...	...	200,000
Extension of Telegraph	...	...	...	...	...	60,000
Unapportioned	...	...	...	...	...	40,000
						£4,000,000

The amount was authorized to be raised by issue of debentures,—the charge for interest and sinking fund not to exceed 6 per cent,—and the same were to be a charge upon the Consolidated Revenue.

The 14th section provided that the "moneys raised under the authority thereinbefore contained should and might, subject to the provisions thereafter contained, and to the provisions contained in 'The Immigration and Public Works Act, 1870,' be issued and applied to the purposes mentioned in the Act and no other; and as to purposes mentioned in the said Schedule, should be issued and applied in sums not exceeding the amounts in the said Schedule respectively provided."

It was further provided by the 19th section, that in the event of the Imperial Parliament passing an Act to guarantee any loan raised by the Colony of New Zealand for all or any of the purposes for which the loan thereby authorized might be applied, the Governor, or any such Agents as might be appointed under the Act, might raise any portion of the loan, with such guarantee, upon and subject to all or any of the terms, conditions, and stipulations expressed in such Act of the Imperial Parliament; and the Governor or such Agents as aforesaid was further empowered to enter into any such contract or arrangement as he might think fit, with the Lords Commissioners of Her Majesty's Treasury in England, with regard to any portion of the loan, and the guarantee thereof, and in and by any such arrangement or contract, the Governor or such Agent as aforesaid might fix the order of priority of charge on the Consolidated Fund of New Zealand, which the loan so guaranteed, or any part or parts thereof, should take with relation to any other part or parts of the loan; and in and by such arrangement might provide for the transmission to England and investment of the Sinking Fund (if any) of