Parliament. In reply, Mr. Smith stated that he had had a conference with Sir Henry Thring and Mr. Jenkyn, the Parliamentary Counsel of the Treasury, and that they seemed to think that all that was desired, except the alteration of the stamp law, might be secured either by a Colonial Act or by a contract between the Colonial Government and the parties taking the loans; but that it had been arranged that these gentlemen should have a conference with Mr. Malcolm, one of the Assistant Under Secretaries of State for the Colonies, and he then expected to receive a communication from the Colonial Office upon the subject.

On the following day, we saw Mr. Malcolm, and learned from him that he had had a conference with Sir Henry Thring and Mr. Jenkyn, who were of opinion that legislation was unnecessary, and that the Treasury now expected that the Colonial Office would point out and prove to the Treasury what provisions were necessary in order to induce the Bank to become the registrars of colonial stocks, and he invited us to consider the subject; and, after discussing the matter with him, he thought it would strengthen any views we might entertain if we could report the opinion of the advisers of the Bank of England, and of our own counsel, Mr. Reilly, on the subject.

After fully conferring with you upon the matter, it was, as you know, arranged to have a preliminary conference with Mr. Reilly, and then to endeavour to arrange a consultation between him and the advisers of the Bank of England.

On Monday last, this preliminary conference was held, at which you were good enough to attend, when, after going very fully into the whole question, it appeared clear that it would be impossible to carry out the arrangement with the Bank, unless aided by Imperial legislation.

In the meantime, we had seen Mr. Freshfield, the solicitor to the Bank of England, who was good enough to assent to Mr. Cotton, Q.C., the counsel of the Bank, meeting Mr. Reilly in consultation; and on the following day the consultation was held between them, Mr. Freshfield, and our Mr. Mackrell. As you were good enough to offer to come to Lincoln's Inn to attend the consultation, the advisers of the Bank cheerfully assented to your being present, and counsel had the benefit of your explanations and suggestions.

After considering the Bill clause by clause, and the statutes which had been passed regulating arrangements by companies with their shareholders and bondholders, and the provisions of the National Debt Act, counsel came to an agreement as to (1) which of the provisions in the draft of the proposed Bill were essential to enable the Bank of England to carry out the arrangement you had made with them, (2) which of those provisions it was desirable to retain for the better working of the scheme, and (3) which of those provisions could be dispensed with; and they promised their written opinion upon the subject as soon as possible.

We were able to obtain this opinion on Thursday morning; and after conferring with you thereon, and settling with you the communication to be made to Mr. Malcolm, we forwarded to him a copy of the joint opinion of Mr. Cotton and Mr. Reilly, with the covering letter of which we send you a copy herewith.

We also send you a copy of the opinion, and a print of the Bill referred to in our letter to Mr. Malcolm.

We trust that this opinion will satisfy the Lords of the Treasury that Imperial legislation is necessary, and that, after having by your influence brought the matter to this point, you may succeed in bringing it to a satisfactory conclusion.

We have, &c.,
JOHN MACKRELL AND CO.

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

No. 2.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,
1st May, 1877.

SIR,—

I have the honor to report to you that, on the afternoon of the day of the departure of the last mail by Brindisi, Captain Jopp, the Secretary to the Agent-General for New South Wales, called at this office, and left for Mr. Hoey, who was not then in, copies of three documents, of which I append copies hereto, but without any covering letter. They consist of copies of a letter from Captain Jopp to Messrs. Mackrell and Co., of a letter addressed to the Agent-General for New South Wales in reply, and of a paper headed "Minute of the Agent-General." The last is without signature or address, but was, I assume, written by Mr. Forster, the Agent-General for New South Wales, and intended for his Government; and, as it contained reflections upon the course I have taken in the discharge of my duty, I feel myself constrained to notice it, not only that you may be properly informed upon the subject, but that you may, as I presume you will at once do, forward my explanation to the Government of New South Wales. The manner in which Mr. Forster has dealt with the matter, in writing to Messrs. Mackrell and Co., and addressing his Government without asking me for an explanation, will doubtless surprise you as much as it has done me; and no doubt you will feel, as I do, that such a course is not calculated to promote that harmony and good feeling which, in the interests of our respective Governments, should exist between their representatives. As far as I can understand Mr. Forster's minute—(1) He complains that in the document I gave him I did not take notice of his exertions prior to my arrival here. (2) He objects to my having exerted myself to push the Inscription of Stock Bill on without reference to him and the other Agents-General. (3) He denies that the Bill was "practically in abeyance at any time;" and (4) He is anxious that his Government should recognize his own exertions in the matter.

2. The document I gave him was a print of my letter to you under date of 7th February, 1877, with its enclosures, in which I described what had taken place since I arrived in England. There was no necessity that I should relate in my despatch to you what the other Agents-General had done last year, as every step they took, down to the end of the last session of the Imperial Parliament, was described in papers which have already been printed and published.

No. 1, and enclosures.

B. 6. to B. 6c., 1876.