

3. In exerting myself as I did, I need hardly say I considered that I was simply performing my duty to my Government. Mr. Forster seems to forget the history of the proposed measure, when he implies that the Bank of England's approval to the Bill was of secondary importance; and he seems also to forget that the Bank of England, in their objections to the clause as to the right of inspection, were supported by himself and the Agents-General of all the other Australasian Colonies, as well as by Sir John Rose on behalf of Canada. The Bill owes its origin and existence to the agreement I made, on behalf of the New Zealand Government, in 1875, with the Bank of England, and to the need of legislation to give it effect.

4. On my return to the colony, the other Australasian Governments desired, as I understood, their Agents-General to assist New Zealand, and certainly not to stand in its way. Mr. Mackrell had been instructed to look after the measure. He was subsequently informed that the Agents-General would assist him, and he resorted to their aid from time to time; and Mr. Forster is quite wrong, as you know, if he assumes that the New Zealand Government were ungrateful for the trouble the Agents-General took.

5. I shall presently again refer to the course I pursued, to show that it plainly involved no disrespect to the other Agents-General, and that clearly I was acting for my own Government. Meanwhile, in the face of the information given Mr. Forster by Messrs. Mackrell and Co., I am unable to understand how he could have concluded otherwise, and brought himself to write as he did.

6. Mr. Forster denies that the Bill was practically in abeyance. I consider that the phrase too feebly represents its condition when I inquired about it after my arrival. It was in fact shelved. New difficulties, besides those of inspecting the register, had sprung up, of which Mr. Forster seems totally unaware. The papers which I gave him prove that the Treasury proposed to abandon the Bill. Clearly, he cannot have made himself acquainted with them, although he adopted them as an excuse for his present action.

7. Then, as to my action of which Mr. Forster complains. I first desired to learn the condition of the Bill, and for that purpose sought an interview with Mr. Smith. I did so strictly on behalf of my own Government, and pointed out to him how they were interested to obtain the means of procuring the fulfilment of their agreement with the Bank of England. I had previously, in an interview with Mr. Mackrell, armed myself with two or three suggested additions to the Bill, which would in no way have altered the measure otherwise than to have enabled the Bank of England to use it.

8. So that there should be no mistake as to what I proposed to Mr. Smith, I enumerate the suggestions I made, assuming the Bill to stand as we had seen it:—

- (1.) A proviso exempting the Bank of England from the operation of the provision as to the inspection of the register.
- (2.) A general clause declaring that the Bill devolved no liability on the Imperial revenue.
- (3.) A proviso by which a colony using the Bill would have to publish yearly a statement of the gross amount of stock inscribed on its behalf.

I did not suggest to Mr. Smith that he should alter the character of the measure. It was plainly apparent to me at this interview, that, besides the question of inspecting the register, other difficulties had sprung up in connection with the Bill. Shortly subsequently I learned through Mr. Mackrell that the Treasury were considering the abandonment of the Bill, except as regards commutation of stamp duty, on the plea that other legislation was not required; and the Colonial Office afterwards invited him to show the grounds upon which it was considered that other legislation was necessary. How was this to be done? Eminent counsel might have been consulted, but their opinions would have had only to be considered as against the opinions of the legal advisers to the Treasury. There was but one way to give a substantial effect to such advice, and that was, by seeking to know if the Bank of England would act without legislation. Neither Mr. Forster nor the other Agents-General were in a position to treat with the Bank of England, since none of them had any arrangement with that institution. The New Zealand Government could do so, and I was fortunate in obtaining from the legal advisers of the Bank an expression of their opinion. That opinion was conveyed to the proper quarter, and then I took the trouble to put in print, for the information of the other Agents-General, the letter in which I explained to my Government the action I had taken.

9. As to Mr. Forster's own exertions, his Government may easily estimate them. At the close of last session, a promise was made by the Imperial Government to introduce the Bill at the very commencement of the next session. When I gave Mr. Forster the papers, on the 29th February, Parliament had already met for three weeks. He then knew nothing whatever about the position of the Bill, and had made no inquiry as to why it was not introduced. He did not even know that other difficulties besides the inspection of the register had sprung up in connection with it; and, in defiance of the written evidence that the Treasury were contemplating the abandonment of the Bill, he now denies that it was even in abeyance.

10. I venture to think the Government of New South Wales, with the friendship to New Zealand which uniformly distinguishes them, would not desire to stand in the way of a measure to which that colony attaches importance, however limited it might seem to be; nor will they see ground for offence in the fact that I acted on behalf of my Government, and at an important crisis endeavoured to save the Bill in the only way in which such saving seemed possible.

11. It only remains for me to explain, as I should have done to Mr. Forster had he given me the opportunity, how it was that, during my negotiation, I did not communicate with the other Agents-General. My object, at my interview with Mr. Smith, was to learn the position of the Bill, and to press upon the Treasury the desire of my Government that the Bill should pass. There was nothing before or at this interview which made it seem necessary for me to communicate with the other Agents-General. I judge from Captain Jopp's letter that Mr. Forster, in a similar manner, last year placed himself in communication with the Colonial Office on the subject. On the 2nd February, I was informed that the Treasury had it in contemplation to drop the Bill, and that the Colonial Office desired to have the view of our counsel, and of the counsel of the Bank of England, as to the necessity for legislation. I have already explained that the other Agents-General were not in a position to treat with the Bank