of England. As soon as the opinion of the Bank's counsel was obtained, I put the matter into a shape for printing, and when printed I gave the Agents-General a copy. There seemed to me no necessity whatever to trouble them at an earlier period; and, excepting Mr. Forster, none of the other Agents-General have expressed dissatisfaction.

I have, &c.,

Hon. Colonial Secretary, Wellington.

JULIUS VOGEL, Agent-General.

Enclosure 1.

Captain JOPP to Messrs. MACKRELL and Co.

3, Westminster Chambers, Victoria Street,
21st March, 1877.

GENTLEMEN,—

I send you, as requested by Mr. Mackrell when I saw him to-day, the printed copy of correspondence relative to the Inscribed Stock Bill, given by Sir Julius Vogel to Mr. Forster on the 29th February last. Prior to this, the last communication received by Mr. Forster was Mr. Herbert's letter of the 4th December (in reply to the Agent-Generals' joint letter of 30th November), and he has not since received any other communication on the subject.

I also enclose a copy of Mr. Forster's letter of the 5th July to the Earl of Carnarvon, and of Mr. Meade's reply of the 14th July, relative to the correspondence from Sydney, which I left with you to-day (Chief Secretary's letter of 12th May, 1876, and enclosures), and which I find (since I saw you) was communicated to you on the 4th July last, the day of its receipt. On the same day, you wrote to Mr. Forster explaining matters as they stood prior to and on that date; and the Agent-General was not aware, until he received the printed correspondence from Sir Julius Vogel, that any further negotiations had taken place subsequent to the receipt of Mr. Herbert's letter of the 4th December, above referred to.

Yours, &c.,

Messrs. John Mackrell and Co., &c.

A. A. JOPP, Capt. R.E., Secretary.

Enclosure 2.

Messrs. MACKRELL to the AGENT-GENERAL for NEW SOUTH WALES.

Re *Colonial Stocks Bill.*

21, Cannon Street, London, E.C., 10th April, 1877.

DEAR SIR,—

In compliance with your request, we write to advise you as to how far the negotiation which has lately taken place with the Imperial Government with reference to this Bill, as detailed in the print of correspondence, &c., handed to you by Sir Julius Vogel, the Agent-General for New Zealand, will be likely to promote the views of your Government upon the proposed legislation, as expressed in the instructions sent to you last year, and communicated by you to the Right Hon. the Secretary of State for the Colonies; and we think it desirable to give you a brief review of the negotiations.

1. In 1875, Sir Julius Vogel entered into an agreement with the Bank of England, by which that institution agreed under certain conditions to inscribe New Zealand stocks, and to issue certificates to bearer on account of inscribed stocks. It was then supposed that the only Imperial legislation requisite would be to enable the stamp duties to be commuted.

2. It was found, however, that legislation would be required also to protect the Bank in carrying out its agreement, principally with respect to that part of it which concerned the issue of certificates. Sir Julius Vogel from the first attached the utmost importance to the issue of certificates to bearer, by means of which inscribed stock could be converted at pleasure into securities payable to bearer.

3. The legislation, therefore, which Her Majesty's Government were originally asked to initiate and carry through, had for its object only the commutation of stamp duties in respect of New Zealand stocks, and the giving such protection to the Bank of England as would enable them to manage such stocks, and issue certificates payable to bearer.

4. When the other Australian Colonies applied to have the Bill made applicable to their stock, and your Government asked to have the Bill so framed that other banks might work under it, the Government had a draft Bill prepared, which could have been made acceptable to all parties, if the Government would have given up the clause they had inserted, giving to all parties a right of inspecting the register, and which they doubtless insisted upon on account of the Bill being general, and enabling any person or corporation to act in the management of the stocks.

5. When Sir Julius Vogel entered upon his office of Agent-General, he found that the measure was practically in abeyance, and he exerted himself most strenuously to get it taken up again, and the result of his efforts is shown in the printed papers he has given you; and you will observe that he steadily kept in view the original object, viz., that the Bank of England should be enabled to carry out the arrangement into which it had entered.

6. Sir Julius Vogel is advised that the inscription of colonial stocks would be of little benefit to the colonies, unless provision can be made to enable certificates to bearer to be obtained by the holder of the stocks, similar to the arrangements under which such certificates can be obtained by holders of Imperial Government stocks; and considering the risks and responsibilities which necessarily attach to the issue of such certificates, and the re-registration of stocks, he has been advised that no establishment but the Bank of England would be likely to undertake the business.

7. Whatever may be the decision of Her Majesty's Government, as to the powers they will concede in respect of the management of colonial stocks and the issue of certificates, there can be no reason why the composition in respect of the stamp duties should not be general, so that all colonial stocks may, in this respect, be placed on a similar footing to the Canadian stocks.

8. Such a measure would give facilities for having colonial stocks inscribed by any bank in the