

No. 11.

The PREMIER to Sir JULIUS VOGEL.

SIR,—

Government Offices, Wellington, 11th September, 1880.

In a letter which I have addressed to the New Zealand Stock Agents, informing them of the decision of Parliament respecting Inscription, it is stated that a condition as to payment of the Agents must not be understood as applying to the Agent-General.

2. You know that the Government have throughout the correspondence on this subject expressed the opinion that duties such as those of a Loan or Stock Agent for the colony when performed by the Agent-General, were to be regarded as incidental to his office. Such had been the rule, without exception, I believe, until the recent negotiation of the £5,000,000 Loan. The Government have been unable to see, in what has occurred respecting your possible resignation of the office of Agent-General, any reason why that rule should not be held to apply in your case. They have, therefore, been compelled to decline to recognize your claim for payment, whether as a Loan Agent or an Agent under the Consolidated Stock Act, in addition to your salary as Agent-General.

3. The correspondence on these subjects was laid before Parliament early during the past session; and you have no doubt received copies of the papers.

4. I now forward to you the *Hansard* report of the discussions upon the resolutions respecting Inscription of Stock, and upon the vote for the Agent-General's Department. That report shows how strong is the conviction in the House of Representatives, that the salary of the Agent-General covers any services connected with loans, &c., that may be rendered by the holder of the office. The same thing is shown by questions put and motions proposed by different members during the session.

5. It has, therefore, not been possible that effect should be given to your wishes. The Government know, of course, that you have strongly hoped that your claim for separate payment on account of services as Loan Agent, or as Stock Agent, would be admitted by the House, and they much regret the disappointment you will feel; but they have never—as regards extra payment to you while Agent-General—anticipated any result other than that which has been arrived at.

6. The Government have felt it to be their imperative duty to telegraph asking for a decision whether you prefer to resign the Directorship of the Agricultural Company or the Agency-General. The views of the Government as to the incompatibility of the offices have been endorsed by Parliament. The Government would very much regret the loss of your services on behalf of the colony; but the conviction that the two positions should not be filled by any one person is strongly held throughout the colony, and has not, I believe, been at all affected by your explanations, as given in the printed papers laid before Parliament. I shall doubtless receive your reply without delay.

I have, &c.,

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

JOHN HALL.

No. 12.

Sir JULIUS VOGEL to the PREMIER.

SIR,—

7, Westminster Chambers, London, S.W., 30th November, 1880.

I have the honor to acknowledge the receipt of your letter of the 11th of September, enclosing to me copies of the *Hansard* report of the debate in the House of Representatives on the payment for Inscription of Stock; also the report of the debate on the Agent-General's Department. Your letter also refers to the subject of my claim for payment for the negotiation of the last loan, and to my tenure of the office of Agent-General.

It would be convenient that I should follow your example and refer to these subjects collectively; and, to enable me to do so, I append copy of the late telegrams which have passed between us leading to my resignation of the office of Agent-General. See Nos. 1 to 7.

The debate on the Inscription of Stock was so far satisfactory to me, that it included a recognition of the several facts, that I was the author of the arrangement made with the Bank of England in 1875; that it was through my exertions the Imperial Act authorizing inscription was passed; and that it was through the use of the inscription and the aid of the Bank of England that the Five-Million Loan was negotiated. The vindication of the action of the Loan Agents was also satisfactory. Mr. McLean is to be thanked for the generous manner in which he withdrew opinions previously expressed by him, and admitted without qualification that the Agents, under the circumstances, did the best they could. The publication by you of a number of communications removes a difficulty in which, when before communicating officially on the loan, the Agents were placed. There can no longer be any doubt that the negotiation of the loan was a matter of extreme urgency. The published papers show that the very credit of the colony was at stake; that obligations were maturing; that the banks had refused to make further advances; and, in your telegram of the 4th November, 1879, you virtually told the Agents the loan *must* be negotiated, and they must fix the price accordingly.

I may be forgiven for re-asserting, what has been so often said before, that the Agents did the very best they could under the circumstances. They could not have raised a simple debenture-loan without an enormous sacrifice. I doubt if the £5,000,000 could have been obtained on five per cent. debentures, at even as low as 92. The opportunity the Agents had of giving the option