It appeared to us that, in fact, Sir Julius wished to hold on to both offices as long as possible, and at any rate to gain time before giving a positive answer.

The Government therefore replied, by my telegram of 11th November, 1879: "Agency-General incompatible with other business;" but, wishing to deal as considerately as possible with a distinguished public servant, added that they were considering the expediency of appointing him, with two others, Agents for inscribing stock, to be remunerated by a percentage, and asked him to report what arrangements he would propose for this purpose.

Sir Julius Vogel assumes that I had promised, or Mr. H. B. Vogel, in his evidence, assumes that I had promised Sir Julius an appointment; but the Committee will perceive, from my telegram to him, that what I said was "the Government were considering the expediency of appointing him to the office in question," and asked him to report what arrangement he would suggest.

Sir Julius reported accordingly (18th November, 1879), and proposed that the percentage should be ⅛ per cent. to each Agent; and on the 16th December he further proposed that this should include the inscription of debentures of the Five-million Loan.

For reasons, however, which are given in my letters and telegrams, this appeared to us quite unreasonable, was never contemplated, and was at once refused (letter, 20th February, 1880). This refusal was repeated several times.

The claim appeared to us entirely unreasonable. What was the position in regard to the Five-million Loan? It was issued with certain conditions attached, one of which was that the debentures could be converted into inscribed stock on specified terms, after the expiration of a specified time. I think it was in May 1882. That was all arranged before Sir Julius Vogel ceased to be Agent-General. Therefore, the consideration and determination of the terms and conditions on which the inscription of this loan might take place was done while Sir Julius Vogel was Agent-General. He was remunerated for the work as Agent-General, and, although some part of the actual inscription did not take place until after he ceased to be Agent-General, that involved merely clerical work, if any. That is important.

After considering Sir Julius's report, it was decided to ask Parliament for its sanction to the proposed inscription and to the appointment of Agents, to be remunerated by a commission, such commission being $\frac{1}{12}$ per cent., instead of ⅛ per cent. as suggested by Sir Julius. He was informed accordingly, 27th February, 1880, it being distinctly stated that this was subject to the approval of Parliament.

Sir Julius did not, in support of his application, at this time say anything about "holding office for the convenience of the Government." At a later date, to which date special attention should be directed, Sir Julius claimed that I admitted in Parliament he was "holding office for the convenience of the Government." This is a very unfair and misleading statement.

The facts are as follows: As already stated, the Government wished to deal considerately with Sir Julius, and, pending the decision of Parliament on proposals which, if approved of, would have given him a remunerative appointment, they did not press him for a decision as to which of two incompatible offices he would resign. Before, however, the General Assembly met, the British House of Commons was (I believe, in March, 1880) somewhat suddenly and unexpectedly dissolved. Sir Julius was brought face to face with a general election, and the question of his candidature for Falmouth had to be dealt with. If the Government had then objected to his proceeding with his candidature, he would have relinquished the Agent-Generalship, and the Government would suddenly have been left without an Agent-General, an event for which they were not then prepared, and which would have produced considerable inconvenience. We, therefore, decided not to interfere, but to await the result of the elections. Subsequently, on being questioned on the subject in the House of Representatives, I said—as reported in *Hansard*, August, 1880—that, "at the time of the late English elections, he (Sir Julius) was rather holding office for the convenience of the Government, and, as the election came on suddenly, it would not have been fair to prohibit him from pursuing his candidature."

The report of this speech was forwarded to Sir Julius, and would reach him early in November. Thereupon, in his letter of the 30th November, 1880 (A–5, 1881, page 3), he for the first time claims that he had, at a much earlier period, been holding office for the convenience of the Government. The suggestion never appears in his correspondence previously. In reply to this letter, I wrote to him (23rd April, 1881; A–5, 1881, page 6), pointing out that my statement, quoted above, did not and could not apply to the month of December, 1879, when the loan was negotiated, but to a later period and a different set of circumstances; and I positively repudiated the idea that it was for the convenience of the Government that he held office when the Five-million Loan was floated.

I think the Committee should take notice of this, because Sir Julius Vogel claims that he was, in December, 1879, holding office for the convenience of the Government. In my opinion, he was holding office entirely for his own convenience.

I am sorry to find that Sir Julius, in his evidence, still endeavours to make out that I made some admission of his contention in respect to this matter. My words will show that, while endeavouring to defend his position at the time of the election, I carefully guarded myself from going further.

If any doubt could remain in the matter, it appears to be completely removed by the subsequent correspondence.

The House of Representatives negatived the Government resolutions for appointing Stock Agents to be paid by commission; these resolutions were not withdrawn, as Sir Julius erroneously states.

After this the Government could no longer delay insisting upon his relinquishment of either the Agent-Generalship or the directorship of the Agricultural Company, but they decided on giving him another opportunity of choosing between the two.

I, therefore, telegraphed as follows (7th September, 1880; A–5, 1881, page 1): "Government request you now decide whether you will relinquish directorship Agricultural Company, which they consider incompatible with Agent-Generalship."

Sir Julius did not reply, as he would have done if his present contention were correct, "I decided this matter months ago, and am only holding office for the convenience of the Government," but he said, "Reply few days; must consult directors; some away."

Obviously Sir Julius had not even then decided whether he would give up the Agent-Generalship at all. Not receiving an answer after the expiration of ten days, I telegraphed again, as follows (17th September, 1880; A–5, 1881, page 1): "Please reply soon as possible."

After the lapse of a further week, I received the following reply (24th September, 1880, same page): "As before stated members Government aware organising company, and shareholders would complain my retirement. Will resign Agent-Generalship if you wish."

This, then, was the time at which Sir Julius made up his mind to resign the Agent-Generalship. He was informed (6th October, 1880, same page) that the Government had no alternative but to request him to send in his resignation, which he accordingly did.

The above facts appear, in my opinion, to make it idle to contend that in November and December, 1879, when the Five-million Loan was floated Sir Julius had already made up his mind to resign the Agent-Generalship, that he continued to hold office only for the convenience of the Government, and ought on that account to be entitled to make a special charge for services rendered at that time.

I can see nothing which takes his case out of the well-understood rule already mentioned, that the salary of the Agent-General covers the whole of the services rendered by him during his tenure of office.