

## Enclosure 2 in No. 5.

The Hon. Sir J. VOGEL to the LOAN AGENTS.

GENTLEMEN,—

London, 18th March, 1875.

I have the honor to acknowledge the receipt of two documents—one the draft of a report, which it is stated it is proposed the four Loan Agents should sign; the other a copy of a letter to the Acting Colonial Treasurer, already signed by you as three of the Agents.

2. The fact that this letter has already been determined on and signed without any reference to me, makes it unnecessary for me to consider that the matter still remains in abeyance, and therefore to abstain from officially addressing you.

3. I am willing to make great allowance for the natural disappointment of two of the signatories at the great success of the late negotiation through another channel than that hitherto adopted, and after the failure of Sir Penrose Julyan's previous negotiations. Still, I am surprised at the course adopted, of sending such a letter to the Acting Treasurer, when I, the Colonial Treasurer, am here. The letter can best be answered by me; and to send it to me shortly before the mail leaves, prevents the answer going out with the letter.

4. I shall advise the Acting Colonial Treasurer that there is no necessity for him to answer the letter, as I will do so; and I propose sending you a reply in a few days.

5. I cannot sign the draft report submitted to me, because, though on the whole not absolutely incorrect, it is of a nature to create incorrect impressions. Especially I do not consider that it gives such a faithful account of the negotiation of the last one million and a half as to enable that negotiation to be fairly compared with the present one.

6. I shall send out a statement of the actual facts. I shall be glad if you will forward me the accounts immediately, so that I may send them by this mail.

I have, &amp;c.,

JULIUS VOGEL.

Sir P. G. Julyan, K.C.M.G.

I. E. Featherston, Esq.

W. C. Sargeant, Esq.

## Enclosure 3 in No. 5.

The Hon. Sir J. VOGEL to the LOAN AGENTS.

GENTLEMEN,—

London, 25th March, 1875.

I have to acknowledge the receipt of your letter dated March 19th, signed "for Sir P. G. Julyan, Dr. Featherston, and self—W. C. Sargeant."

2. Your reference to Sir P. G. Julyan's letter of March 17th relieves me from a difficulty in which I was placed, through not knowing whether that letter was meant to be a private one, though enclosing official documents. Not feeling certain on the point, I did not forward to the colony a copy of Sir P. G. Julyan's letter, though I forwarded copies of the documents it enclosed. I will supply the omission by the next mail.

3. I regret to say that the letter to which I am now replying does not appear to me to correctly describe that which has occurred. The circumstances do not warrant my considering that you either "desired a personal discussion," or that "the reports" were sent to me "with a view of eliciting any suggestions" I "might have to offer." The documents which in your letter you term "reports" were,—one a draft report, the other a copy of a letter fully signed. Sir P. G. Julyan, in his covering letter to those documents, stated: "After conferring together as to what form of report should be made to the Government of New Zealand on our late negotiation of the Four Million Loan, Featherston, Sargeant, and myself have agreed to what we consider will fairly represent the facts, and we have drafted the enclosed report, which we shall be glad to learn you are prepared to unite with us in signing." He further said, "Be good enough to return the draft, with any observations you may have to make on it, at your early convenience; or if you prefer a personal conference with your co-Agents on the subject, I am sure they will be willing to meet your wishes in the matter at any hour you may name." From these extracts it is clear that, instead of my co-Agents desiring a personal discussion, I was told that if I preferred one I might have it, or I was to "be good enough," to use Sir P. G. Julyan's words, to return the draft, with any observations I might have to make. Sir P. G. Julyan seemed to contemplate that, although the draft report was sent to me to agree "to unite" in signing it, I might desire to make observations upon it. This is hardly tantamount to saying that it was sent me "with a view of eliciting any suggestions" I wished to offer; and such a statement is certainly wide of the fact in regard to the other enclosure. Respecting that other enclosure, Sir P. G. Julyan wrote: "We felt that it was due to you that we should abstain from giving expression in this report "to views upon which, as you are fully aware, material differences of opinion existed, and we have therefore felt it advisable to place those views on record in a supplementary letter, of which a copy is also enclosed, and in which we shall only be too glad to learn that you can see your way to join." This was no report for me to comment upon, but a letter prepared and written to exhibit the "material differences of opinion" which my co-Agents considered existed. The suggestion to me to join in the letter was unmeaning, seeing that it was expressly prepared because it was anticipated I did not agree with it.

4. You are, further, not quite correct in supposing that I desired to raise objections to your report and letter. I sent for Mr. Featherston, both from personally friendly motives and also for official reasons, to represent to him the grave mistake I thought he had made. In the course of our conversation I went through the documents, and pointed to certain passages as illustrating my previous remarks, but I gave him clearly to understand that I considered I was taking exception not so much to the documents as to the whole proceeding that had led to their production.

5. According to your letter now under consideration it would seem that you desired to consult me. I am constrained to say that it appears to me otherwise. Although I was one of the Agents, you