

authority, introduced to me by Mr. Featherston, told me that, as it was known we required to sell £4,000,000, selling half and keeping half would just as much depress the market as offering the whole. No one whom I consulted thought we could do so well as we have done. No one whom I have met since the operation has failed to congratulate me on it as a most brilliant success.

10. Permit me to add, that your efforts to recal conversations that have taken place have obscured your appreciation of what it was most incumbent on you to explain. You wholly fail to justify Sir P. G. Julyan's sending me a document, purporting to be a copy of a signed letter, but which was not signed. I cannot too strongly express my sense of the disastrous consequences to political and commercial morality which such a course would be fraught with, if it were accepted as a precedent. A person would not be able to express even a qualified approval of a document, without being liable to find that his signature, with all its usual details, was attached to a copy of the document sent to his friends. I am left, also, quite at a loss to understand how Mr. Featherston could reconcile himself to overlook such an offence against his public position—I say nothing of his private feelings. The reasons which actuated you in keeping me from your deliberations are not explained; or, rather, the attempt to explain them is wholly unsatisfactory.

The Government, in appointing the Agency, desired that one at least of the Crown Agents and the Agent-General should act together, but should each exercise his own judgment, and not depute one to the other his functions. The affairs confided to your charge were of too great magnitude to be left to the management of two partners (which Sir P. G. Julyan once described to me to be the position of himself and Mr. Sargeant), or to a single management. When, in the colony, I discovered the serious mistake which you had committed in making a large issue of wrong bonds, I felt that such an error could be hardly possible if two persons independently watched all the details of the transaction. I am, perhaps, very much to blame for overlooking that occurrence. It, as well as those incidents of the purported copy of a signature, the indifference with which the act was regarded, the exclusion of myself from your deliberations, and other incidents to which it is here unnecessary to refer, point to the conclusion that in reality all the very great responsibilities devolved upon the Agents for the Colony rest upon one gentleman. I am not reflecting upon him when I say that this exclusive power is larger than it was meant he should possess.

Sir Penrose G. Julyan, K.C.M.G., C.B.
I. E. Featherston, Esq.
W. C. Sargeant, Esq.

I have, &c.,
JULIUS VOGEL.

Enclosure 2 in No. 11.

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

SIR,—

London, 12th May, 1875.

We have to acknowledge the receipt of your letter of the 5th instant, in reply to ours of the 12th ultimo.

Although we should have been amply justified in treating your observations on our proceedings as Loan Agents in the light of a protest against the conclusions at which the majority of your colleagues had deliberately arrived—and as such calling for no further remark—still, we have thought it due to the high official position you occupy in the colony, to give to what you have stated our most careful consideration; and having done so, we have come to the conclusion that the interests of the Government, no less than a sense of what is due to ourselves, require that we should abstain from all further allusion to those points which have already been dealt with, and upon which our recollections and opinions are so totally at variance with your own as to preclude all hope of agreement.

There are, however, one or two comparatively trivial occurrences which you have imported into the discussion, by way, as it appears to us, of endeavouring to neutralize the legitimate weight due to the fact that the views we have expressed are those of *three* out of the *four* Loan Agents, which call for some notice.

1. You say—“When, in the colony, I discovered the serious mistake which you” (Julyan, Featherston, and Sargeant) “had committed in making a large issue of wrong bonds, I felt that such an error could be hardly possible if two persons independently watched all the details of the transaction;” and you go on to state that this and other incidents “point to the conclusion that in reality all the very great responsibilities devolved upon the Agents for the colony rest upon one gentleman.”

To this charge our reply is, that the mistake to which you refer occurred just twenty-two months ago; that it has no relation to the differences of opinion which have unhappily existed between you and ourselves as co-Agents for the loan recently contracted; that the mistake was not of a nature such as might be inferred from the manner in which you state it, but simply a misdescription in the printed heading of 100 bonds, whereby the wrong Act was quoted, all of which was officially explained to the Government when the oversight was corrected; that the bonds referred to were prepared exactly as you tell us the Government desire they should be, viz. by one Crown Agent and the Agent-General; and finally, that Sir Penrose Julyan, to whose monopoly of responsibility you attribute this mistake, was, as officially reported to you at the time, not in England when the bonds in question were created by Messrs. Featherston and Sargeant.

Although it is evident that your conjectures in this case are widely at fault, we cannot lay claim to infallibility in our manipulation of debenture bonds, but we are reconciled to our failing by the knowledge that out of the many thousands of such instruments we have created and dealt with for the Government of New Zealand, this solitary and harmless mistake is the only one which has been brought to our notice.

According to our experience in such matters, this circumstance abundantly testifies to the care and attention with which, what you correctly term, “the very great responsibilities devolved upon the Agents,” have been for so long a period successfully discharged.