

It was my contention that I was equally doing so at the time when the loan was negotiated. Sir John Hall always combated this view; but I adhere to it, and say that in common fairness it was the right one, and that to exclude the Five-Million Loan from the new office I was to hold was not equitable.

I was given to understand, however, that Sir John Hall was willing to bring the claim before Parliament. His Private Secretary, Mr. E. Fox, wrote me under date February 28. He commenced his letter thus: "This a sort of semi-official or not merely private letter."

The following passage occurs in the letter: "At present the Government are convinced that the past forbids consent to your application to be treated simply as a Loan Agent in connection with the late operation. Further, they believe that Parliament would not approve of such treatment, whatever might be said or done. But if it should appear that they are wrong, and that Parliament would be willing to vote an honorarium, the Government would, I am to say, not only not oppose it, but would gladly support it."

I wish here to state that the negotiation of the loan was very exceptional. I am betraying no confidence in saying so, for the printed papers show it.

The anxieties and responsibilities were enormous. Supremely important though the loan was to the colony, there would have been no chance of negotiating it but for the Colonial Stocks Act, the passing of which I had been largely instrumental in securing, and but for the agreement which I had made with the Bank of England in 1875.

Some correspondence has lately been laid on the table in which the contention is made that I was not the author of the Act, because Mr. Mackrell had suggested that the Bank of England should be the medium for the inscription of stock. I am bound to explain my view of the subject. Mr. Westgarth for a long period had contended that colonial stocks ought to be inscribed or registered, and had suggested plans for doing so. I talked over the matter with many people, and amongst others, with the late Baron de Rothschild and with Mr. Mackrell. The latter gentleman suggested that the work should be done through the Bank of England in manner similar to the mode in which that institution dealt with consols and with the stock of the Metropolitan Board of Works. The members of the firm of Messrs. de Rothschild concurred, and Mr. Alfred de Rothschild introduced me to the Governor of the Bank of England.

After considerable negotiation I made the agreement with the Bank of England, and subsequently, when the Five-Million Loan was negotiated, the Governor of the bank declared that but for that agreement the Bank of England would not bring out the loan. I need scarcely say its success depended on the bank doing so.

The LOAN AGENTS to the PREMIER. Received 6th December, 1879.

Premier, New Zealand.

BANK of England agrees to invite subscription loan. Reluctant to do so, but considers, after agreement, 1875, could not consistently decline.

LOAN AGENTS, London.

The LOAN AGENTS to the PREMIER.

7, Westminster Chambers, London, S.W., 19th December, 1879.

WE some time since reported to you that, as Agents for the consolidation of loans, we asked the Governor and Deputy Governor of the Bank of England if they were willing to confirm the arrangement which they entered into in 1875 with Sir Julius Vogel, and the guardedly affirmative reply which was made to us. When the time approached which was in our opinion favourable for operating, we asked the Bank of England to call for tenders, as it did on the occasion of the last loan. We found there was great hesitation to accede to the request, on the ground of the very large borrowings of the colony. We urged that the agreement of 1875 to a great extent committed the bank, and, after some consideration and consultation, the reply was given to us that the bank, having agreed in 1875 to inscribe New Zealand stock, did not think it could consistently refuse to call for tenders for the proposed loan.

As regards the Act, it certainly would not have passed but for me. The papers show it; but I cannot too strongly say its passage was also immensely indebted to Mr. Mackrell's able and untiring exertions.

It seems to me that to say a man is the author of a measure does not mean that he has not received ideas and suggestions from others. Members who come here and introduce Bills are the authors of those Bills, although it goes without saying that they have received suggestions as to the measures being required. Indeed, in the absence of those suggestions the measures would stand self-condemned.

Lord Carnarvon, when moving the second reading of it in the House of Lords, gave me credit for it, although he said he did not attribute to me the idea. The idea was, in fact, but an application of the law relating to Metropolitan Board of Works stock. I quote the newspaper report.

The Earl of Carnarvon, in moving the second reading of the Colonial Stock Bill, said "its object was to enable such colonies as pleased to turn the bonds and debentures which they issued into registered stock. The Bill was considered at great length last year; it was brought almost to its final stage in the House of Commons, and had only failed on account of the lateness of the session, and of some negotiations that were going on. This Bill contemplated two forms of stock, one payable to bearer, and the other to the person named; and it provided that, where it was desired, the two forms should be made convertible. An undertaking was given that no Imperial guarantee, direct or indirect, should attach to this stock. Many of the clauses of the Bill had been taken from the National Debt Act of 1870, and a great deal of the Bill, which would be extremely valuable both to the colonies and to England, was due to the abilities of that distinguished colonist who was Prime Minister of New Zealand for a long time, and was now Agent-General for New Zealand in this country, Sir Julius Vogel. He did not say that the idea was his, but he it was that put it into the legislative shape in which the Bill now appeared before their lordships."

I wish to add a few remarks regarding the importance of the Colonial Stocks Act, at the risk of repeating evidence I have already adduced. It was only by the use of this Act that it was possible to offer inducements sufficient to float the Five-Million Loan. At first it was thought impossible to do so, but the agency of the Bank of England, and the option to convert into inscribed stock, were sufficiently potent agents to enable the apparent impossibility to be effected. I have already referred to the supreme importance to the colony involved in the negotiation of the loan,