

and submitted to the Treasury for their adoption ; and the draft of a Bill to be passed in the colony was in like manner prepared and settled.

Sir Julius left England about the end of the year 1875, and before anything further could be done ; and Mr. Mackrell (acting in concert with the Agent-General for New Zealand and the Agents-General of the other colonies, whom Sir Julius had got to take an interest in the matter) conducted the negotiation with the Treasury and the Bank of England, which was partly carried on through the Colonial Office and with the Commissioners of Inland Revenue.

The delay which took place on the part of the Government in dealing practically with the matter, and then in insisting on provisions being inserted in the Bill which the Bank of England would not agree to, carried these negotiations on to close upon the end of the session of 1876, when Mr. W. H. Smith, the Financial Secretary of the Treasury, told Sir A. Michie, the Agent-General for New South Wales, and Mr. Mackrell, that the Government found it impossible to deal with the question in that session ; but he promised that the Bill should be ready to be, and should be, introduced early in the next session, and be at once pushed forward.

In December, 1876, Sir Julius returned to England, and, as Agent-General for New Zealand, joined very warmly in the matter ; but a further protracted negotiation took place between the legal advisers of the Treasury and of the Bank of England, which Mr. Mackrell had to conduct, and it was not until the 20th July, 1877, that the draft Bill was finally agreed upon ; and then it became blocked by Mr. Parnell, and would not have passed in that session had not Mr. Mackrell succeeded, through the influence of a friend, in getting Mr. Parnell to withdraw his opposition ; and the Act was passed just at the close of the session.

Sir Julius Vogel has written the following with reference to Mr. Mackrell's exertions in the matter : " He devoted himself with untiring assiduity to arranging all the details of the measure for inscribing colonial stocks, and but for his personal exertions, extending over two years, I doubt if the measure would have been passed."

The first colonial Government to take advantage of its provisions was the New Zealand Government, who at the end of 1879 put out a loan for £5,000,000, to be subscribed for at the Bank of England, with an option to convert into inscribed stock.

All that Mr. Mackrell had anticipated was borne out by the result, and the value of the Colonial Stock Act was at once realized.

There are now eight colonies who have availed themselves of the Act ; about £30,000,000 of colonial stocks are arranged to be inscribed under it ; the Imperial Exchequer has benefited, or will benefit, by these issues or conversions to the extent of £150,000 ; and the English public have found investments which they can safely adopt, and which yield a fair rate of interest.

What the value of the Act may be to the colonies, to the Imperial Exchequer, and to the English investing public in the future, cannot be measured, but it must be very great.

It is perhaps only fair to mention that (irrespective of counsels' fees and other disbursements) Mr. Mackrell only received 250 guineas for two years' exertions in obtaining the Act, and otherwise in connection with the matter.

No. 2.

The PREMIER to the AGENT-GENERAL.

SIR,— New Zealand. Premier's Office, Wellington, 29th September, 1884.

I have the honour to acknowledge the receipt of your letter of the 6th August respecting Mr. John Mackrell's claim to be regarded as the originator of the scheme of inscribing colonial stock.

2. I do not see the necessity for your putting forward Mr. Mackrell's claim. If he had desired to approach the colonial Government, he might have done so directly ; or he might have availed himself of the privilege of addressing us through you or the Loan Agents. He does not seem, however, to have asked for your interference in his behalf, nor to have complained to you, as Agent-General, that the remuneration he received as professional legal adviser to the then Agent-General regarding the inscribing of stock was insufficient. It appears to have only been after some solicitation that he allowed you to use his private memorandum—a memorandum prepared not for submission to the colonial Government ; and what seems also somewhat surprising is, that, though his permission to use the private memorandum was given in March, it was not until August that you considered it fit to make use of it. I feel sure, from what I know of your generous disposition, that you did not delay so long because of any feeling towards Sir Julius Vogel and the position he was taking in the colony ; but I regret that you should have placed yourself in the position of allowing people who did not know you to assume that Mr. Mackrell's claims may have been put forward as against those of Sir Julius Vogel.

3. You state that the memorandum was handed to you because Mr. Mackrell thought you " might be of a little use to him, and it became necessary, for the part he had taken in inscription, to be mentioned in a high quarter." I fervently hope that the meaning of this is not that you, as Agent-General, were asked to request the Imperial Government to confer on Mr. Mackrell some Imperial distinction. I do not know anything that would be more unconstitutional than that the accredited agent of a Government, without consulting his Government, should ask that honours should be conferred on any one, however distinguished. By such an action the colonial Government is bound. If any one who has either served the colony, or been the means of conferring any boon on the colonists, desires that his services be recognized by the Imperial Government, and asks the aid of the accredited agent of the colony for that purpose, it is the bounden duty of the Agent-General to submit such an application to the Premier of the colony, so that he may consult his colleagues in the Government, and tender such advice to the Governor as may be thought advisable.

4. I can hardly believe that the Loan Agents are, without reference to others who may claim to be the " inventors" of the inscribed-stock scheme, going to " record" in their report that Mr.