

1885.
NEW ZEALAND.

PUBLIC PETITIONS COMMITTEE

(REPORT OF THE) ON THE PETITION OF THE HON. SIR JULIUS VOGEL, TOGETHER WITH THE MINUTES OF PROCEEDINGS AND EVIDENCE.

Brought up on Saturday, 19th September, 1885, and ordered to be printed.

REPORT.

THE petitioner states that he was Agent-General of the colony, and that he was director of the New Zealand Agricultural Company, a position which he was requested to resign. That he was appointed Agent under the Inscribed Stock Act, and that he was to receive commission on the Five-million Loan, and that he was considered Agent under the new loan. That he has received no commission. That his appointment was cancelled, and no compensation allowed him. He prays for relief.

I am directed to report that the Committee have taken the evidence of the petitioner, Sir G. Grey, K.C.B., the Hon. Major Atkinson, the Hon. Sir F. Whitaker, K.C.M.G., and Sir W. Fitzherbert, K.C.M.G. They are, however, of opinion that, owing to the great importance of the questions involved and of the points raised, as well as the mass of correspondence and documentary evidence necessary to be examined and considered, it is impossible for the Committee, with the short time at their disposal, to attempt to arrive at a definite report during the present session of Parliament.

Minutes of the evidence taken are appended hereto.
19th September, 1885.

R. TURNBULL,
Chairman.

MINUTES OF PROCEEDINGS.

TUESDAY, 4TH AUGUST, 1855.

Present: Mr. Turnbull (Chairman), Mr. Allwright, Mr. J. C. Buckland, Mr. Duncan, Mr. Lance, Mr. Moat, Mr. Samuel, Mr. T. Thompson, Mr. J. W. Thomson, Mr. W. White.

The following petition was read and considered:—

No. 211.—From the Hon. Sir Julius Vogel, Wellington. For commission on raising loan and inscription of stock.

Sir Julius Vogel read a statement. Ordered to be printed.

Sir George Grey made an explanation.

Consideration adjourned.

FRIDAY, 4TH SEPTEMBER, 1855.

Present: Mr. Turnbull (Chairman), Mr. Allwright, Mr. J. C. Buckland, Mr. Duncan, Mr. Lance, Mr. Moat, Mr. Samuel, Mr. T. Thompson, Mr. J. W. Thomson, Hon. Mr. Tole, Mr. W. White.

The following petition was further considered:—

No. 211.—From the Hon. Sir Julius Vogel. Adjourned from the 4th ultimo.

Hon. Major Atkinson gave evidence.

Consideration adjourned.

I.—1A.

FRIDAY, 11TH SEPTEMBER, 1855.

Present: Mr. Turnbull (Chairman), Mr. Allwright, Mr. Duncan, Mr. Lance, Mr. Moat, Mr. Samuel, Mr. T. Thompson, Mr. J. W. Thomson, Hon. Mr. Tole, Mr. W. White.

The following petition was further considered:—

No. 211.—From the Hon. Sir Julius Vogel. Adjourned from the 7th instant.

Hon. Sir F. Whitaker gave evidence.

Consideration adjourned.

THURSDAY, 17TH SEPTEMBER, 1855.

Present: Mr. Turnbull (Chairman), Mr. J. C. Buckland, Mr. Duncan, Mr. Lance, Mr. Moat, Mr. Samuel, Mr. T. Thompson, Mr. J. W. Thomson, Mr. W. White.

The following petition was read and considered:—

No. 211.—From the Hon. Sir Julius Vogel. Adjourned from the 11th instant.

Sir W. Fitzherbert made a statement.

Consideration adjourned.

SATURDAY, 19TH SEPTEMBER, 1855.

Present: Mr. Turnbull (Chairman), Mr. Duncan, Mr. Lance, Mr. Moat, Mr. Samuel, Mr. T. Thompson, Mr. J. W. Thomson.

No. 211.—From the Hon. Sir Julius Vogel. Adjourned from the 17th instant.

Resolved, That the following be the report: That the Committee have taken the evidence of the petitioner, Sir George Grey, K.C.B., the Hon. Major Atkinson, the Hon. Sir F. Whitaker, K.C.M.G., and Sir William Fitzherbert, K.C.M.G. They are, however, of opinion that, owing to the great importance of the questions involved and of the points raised, as well as the mass of correspondence and documentary evidence necessary to be examined and considered, it is impossible for the Committee, with the short time at their disposal, to attempt to arrive at a definite report during the present session of Parliament.

Resolved, That the minutes of evidence be appended to the report.

MINUTES OF EVIDENCE.

TUESDAY, 4TH AUGUST, 1885.

SIR JULIUS VOGEL: The claims I wish to bring before the Committee are,—

1. Claim to a commission of one-eighth on the £5,000,000 loan, incidental to which I shall refer to special services.

2. If claim to commission on negotiation not allowed, claim to commission on conversion.

3. Claim to compensation for being deprived of agency for inscribed stock.

Soon after I became Agent-General, Major Atkinson asked me if I would, instead, be inclined to take the office of Agent for Inscribed Stock.

Major Atkinson left office, and the matter remained in abeyance, and was not renewed by Sir George Grey.

Some time after Sir George Grey came into office I became a director of the New Zealand Agricultural Company (Limited). At least three, and I believe four or five, members of the Government knew of this, and were favourable to my joining—Mr. Stout, Mr. Ballance, Mr. Larnach, and I am almost sure I had a communication from Mr. Macandrew on the subject, and that Mr. Sheehan knew of it.

I had no communication with Sir George Grey on the subject previous to my joining; but Mr. Stout stated in the House a short time ago that Sir George Grey knew of the company and had been asked to join himself, and knew of my being asked to join.

On the 13th February, 1879, I wrote a formal letter to the Minister for Immigration [see A.—10, Session I., 1879] :—

SIR,—

7, Westminster Chambers, London, 13th February, 1879.

I have the honour to inform you that I have joined the board of directors of the New Zealand Agricultural Company (Limited), and, following the precedent established by my predecessor when he joined a public company, I have to express the hope that you will see no objection to my doing so.

The primary object of the company is to promote settlement. The large estates it is to acquire are to be cut up into farms for the occupation of settlers. Frequently, since I have been in England, I have represented to the Government the desire on the part of suitable persons in this country to acquire land in New Zealand, on which they could settle and pursue their avocations as farmers. I, indeed, once suggested that a block of land should be set apart for the purpose, and that I should be authorized to dispose of it. The Government, however, replied that there was a great demand for land in the colony, and that they could not put people at a distance on more favourable terms as regards absence of competition than people within the colony had to submit to. I mention these circumstances in order to show you that, in my opinion, the company will fulfil a really public object. I believe it will greatly benefit the colony, by affording an opening to the numerous desirable people who constantly express the desire to obtain land for settlement in New Zealand.

I have, &c.,

The Hon. the Minister for Immigration, Wellington.

JULIUS VOGEL, Agent-General.

To which Sir George Grey replied by telegram :—

The PREMIER to the AGENT-GENERAL.

Wellington, 22nd April, 1879.

AGENT-GENERAL appointed additional Agent Inscribed Stock. Instructions by next mail. Government cannot approve connection Agricultural Company. Request you arrange early retirement therefrom.

Vogel, London.

G. GREY.

I replied by letter of the 17th June, 1879, asking further consideration at the request of the directors :—

SIR,—

7, Westminster Chambers, London, S.W., 17th June, 1879.

I have the honour to acknowledge the receipt of your letter No. 104, of the 26th April, 1879. I had previously received the telegram to which it refers. I wrote you last mail that I would reply to the telegram this month. The delay arose through the request of the directors that I should postpone bringing the matter before them until the return of one of their number, who was absent. On the return of this gentleman I addressed to the directors a letter of which the enclosed is a copy. I also forward a copy of the reply which I have received, and, in accordance with its request, I propose to refer the matter to you for further consideration. I do not think, in courtesy, I could refuse to do so, especially as your letter and telegram do not urge upon me hasty action.

From passages which have occurred in some of the papers in New Zealand, I think the objects of the company are misunderstood. It is essentially the object of the company to cut up large estates into small farms, and to settle thereon a good class of farmers. We are preparing to send out at once a number of these and their families, and we will continue to supply similar emigrants. Nor will our operations be confined to one part of the colony. Ever since I have been Home I have urged on the Government the desirability of enabling me to make arrangements with farmers to proceed direct to farms in the colony engaged by them in advance. The best class of farmers is reached in this way. Men in every way suitable and with adequate means shrink from emigrating with uncertainty before them as to their proceedings in the colony. I am convinced that to allow an Agent-General to influence emigration of this character is to place him in the position of rendering the largest service to the colony.

The present salary of the Agent-General is inadequate, considering the expenses he is put to, if he is restrained from entering into other pursuits. Dr. Featherston was allowed to join the board of a bank; besides that, he was permitted to draw up to £500 annually for travelling expenses. It is a common thing here for officers of the Civil Service to act as directors of public companies. There is also a land company which constantly advertises that its local board in Queensland and in South Australia is respectively presided over by the Premiers of those colonies.

I have, &c.,

JULIUS VOGEL.

This is the letter directed to the New Zealand Agricultural Company referred to in that letter :—

DEAR SIRS,—

135, Cromwell Road, South Kensington, 9th June, 1879.

I have received an intimation from the Government of New Zealand that they desire me to retire from the board of the company.

It is due alike to you and myself that I should explain that when I helped to organize the company I was aware that one if not more members of the Government knew I was to do so, and approved the same. Mr. Larnach will be able to satisfy you that this was the case. I looked upon this knowledge as a tacit approval of your consent to my joining the board, and, though when the company was formed I asked permission, I considered my doing so was a

mere formality, since the Government already knew and approved of it. It has, indeed, been stated in some of the New Zealand papers that the Government consented to my joining the board, and, as far as I am aware, the statement was not contradicted.

I was, therefore, quite unprepared to receive the intimation to which I have referred. I should like to have your views when you would wish me to retire.

The Directors of the New Zealand Agricultural Company (Limited).

I am, &c.,
JULIUS VOGEL.

To this their reply was:—

DEAR SIR JULIUS VOGEL,—

110, Cannon Street, London, 16th June, 1879.

The directors learn with the greatest regret that a question has arisen between the New Zealand Government and yourself with regard to this company.

The directors are of opinion that the New Zealand Government cannot be aware of the real state of the case, or of the great importance to the company of your retaining your connection with it, and they beg that you will urge upon the Government the following reasons for changing their decision. The directors sincerely trust that these representations will have the desired effect—they are as follows:—

(1.) That the shareholders may consider they have cause to complain if you retire, as much of the support given to the company was due to the fact that you were to be a member of the board. (2.) That the directors certainly hold the opinion that your now leaving the board would be prejudicial to the company. (3.) That the company, having for its principal object the purchase of large estates for the express purpose of immediately cutting them up and making them available for settlement, and is now taking steps to secure settlers of a superior class, deserves every assistance at the hands of the Government, as it is in direct accordance with the principles of the public works and immigration policy, which has proved of such value to the colony. (4.) That the late Dr. Featherston, whilst acting as Agent-General for New Zealand, was also a director of the National Bank of New Zealand.

We trust that upon the above grounds the Government may see fit to reconsider the matter of your continuing a member of the board, and request you to urge this appeal as strongly as possible.

We have, &c.,

RICHARD C. MAYNE.	R. M. ROBERTSON.
W. CLARK.	W. J. M. LARNACH.
THOMAS SELBY TANCRED.	P. MAXWELL.

This is the letter which I received from Sir George Grey, dated the 19th July, 1879:—

SIR,—

I have the honour to acknowledge the receipt of your letter of the 9th May, enclosing copy of a telegram from me, and expressing the hope that I would not object to your delaying until the subsequent Suez or San Francisco mail to reply to the portion of that telegram which requested you to arrange for an early retirement from the position you hold in connection with the New Zealand Agricultural Company.

I have much pleasure in complying with your wishes.

Sir Julius Vogel, K.C.M.G., &c., London.

I have, &c.,
G. GREY.

That letter crossed my own letter which I have just read. On the 20th September Sir George Grey telegraphed:—

Vogel, London.

GOVERNMENT considered letter June seventeen. Still holds former opinion. Now requests you resign office director Agricultural Company at once. Reply "Yes" or "No," by telegram. Government cannot allow Agent-General to take any part in politics at Home or in any private business.

GREY.

To which I replied on the 9th October:—

Premier, New Zealand.

SOME members Government knew I was assisting organize company, and I find shareholders would not think it fair me to resign for some time to come.

VOGEL, London, 8.

I then received on the 3rd November the following telegram from Sir John Hall:—

Vogel, London.

WIRE names late Government knew assisting organize company, because statement respecting this knowledge reasonable time be allowed you arrange retire. Present Government agree inexpedient you remain director or engage Home politics.

HALL.

To which I replied on the 7th November:—

Premier, New Zealand.

STOUT certainly, and best my belief Macandrew and Ballance. Cannot name time resign. Shareholders would think it unfair entertain such intention now. Am willing to take Loan Agency, payment by percentage, and act Agent-General without salary long as suits Government. Reply.

VOGEL, London, 6.

On the 11th November I received the following from Sir John Hall:—

To Vogel, London.

AGENCY-GENERAL incompatible other business. Government considering expediency relieving therefrom, appointing you Agent Inscribed Stock at centage. Report fully by post arrangements you would propose; sketch scheme, estimate annual conversion. We should associate two Agents with you. Anxiously waiting news loan.

HALL.

Now, I desire to establish here that I throughout maintained a perfectly consistent determination not to throw over the shareholders by resigning the directorship.

It is important to bear this in mind, as I contend that at this date I was really holding office during the convenience of the Ministry.

As I am now entering on the period of my controversy with Sir John Hall, I wish to state explicitly that, looking back at the correspondence as I have done within the last few days, I think it right to say that I do not desire to allege that I have cause of complaint against that gentleman. He had numerous cares and anxieties at the time, and I do not think I sufficiently allowed for them. The correspondence, as it proceeded at last, assumed an unfriendly tone; but I am willing to believe I provoked it.

Shortly after the last telegram was received the loan was negotiated, and I have to state that before the operation took place I considered my claim to a commission would not be contested.

Had I been holding the office of Agent-General permanently, I should not have thought of claiming payment; but I was not. I was holding office until it suited the Government to appoint a successor.

I had absolutely refused to give up the directorship, and I was continuing a candidate for Falmouth.

Later on, March 4, Sir John Hall recognized that such was my position, and agreed to my commencing as Agent and continuing only to hold the Agent-Generalship until relieved. He stated subsequently in the House that at this period he considered I was holding the office of Agent-General for the convenience of the Government.

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,

but the benefits of the Colonial Stocks Act do not stop there. It has been the means of materially raising all colonial stocks. All the Australasian Colonies now use it. I believe I am within the mark in saying that some fifty millions have been brought within its operations during the short time it has been in existence, and with its aid operations take place of a magnitude which without it would be impossible. I doubt if any instance can be found of an equally successful general measure.

Now, in the controversy with Sir John Hall, I raised the question if I was not to receive commission on the negotiation of the loan I at least ought to receive it on the conversion. The Loan Agents put in a claim to double commission, but afterwards withdrew it on the representation of Sir F. D. Bell, who contended that the inscription involved no additional labour.

There was a great deal of force in what Sir F. D. Bell wrote, though he did not take quite all the circumstances into consideration. No colonial stock had been inscribed before under the Colonial Stocks Act. We undertook as Loan Agents to allow the Five-Million Loan within one year to be inscribed, and we subsequently had to make provision for the inscription. This was done by the deed-poll, which required a great deal of consideration.

Still Sir F. D. Bell is substantially correct in saying that the machinery for effecting conversion was not of a nature to call for payment. His contention amounts to this: that the real services of the inscribed Stock Agents is in devising, subject to the Government's approval, the mode, place, and time of conversion, and that the actual clerical or other work is provided for. It is fair, however, to the Agents to say that, when they asked for a second commission upon all stock converted after the 1st May, they had in consideration that other conversion operations of their devising would be proceeding, and that it would be difficult to draw the line between the different operations. They wrote under date 16th June, 1880:—

“After the 1st May the conversion might proceed more or less vigorously, and at any time other loans besides the Five Million might be introduced. To have placed on different footings conversion after the 1st May would, we thought, entail inconvenience and confusion, and the amount at stake was a mere bagatelle compared with the vast amount to which it related. Payments made for financial operations are not regulated by the time they occupy or the physical labour they entail. They depend rather on the influence, judgment, experience, and knowledge which are required to bring them to a successful issue.”

However, on Sir F. D. Bell's representation the Agents abandoned the claim to a dual commission, and I only ask for one, be it on the Five-Million as negotiated or as converted; and, as I have said, a great deal of the conversion took place after I ceased to be Agent-General, and whilst I was still Stock Agent.

I now come to my claim for deprivation of office as Agent under “The New Zealand Consolidated Loan Act, 1877.” On the 17th day of April, 1879, I was appointed an additional Agent under the Act as long as I continued Agent-General.

On the 31st January, 1880, a fresh appointment was made without the proviso of my continuing Agent-General; and, as to this appointment, Sir John Hall wrote me, in a letter marked private, (but which, after consulting numerous friends, it is considered I am at liberty, under the circumstances, to use) the following extract, under date the 26th February, 1880, that is to say, the month following the appointment:—

By the present post you will receive answers to the official letters respecting the floating of the loan and the proposed inscription of stock. So far as they affect yourself, I am afraid they will disappoint you; but, with a full appreciation of your services, and with every wish to do you justice, we have not found it possible to accede to that for which you believe you have a fair claim.

The argument that on all former occasions the services rendered by the Agent-General when acting as Loan Agent have been considered to be included in the duties of his office appears to us insurmountable. We are not unmindful of the value of the arrangements which you effected with the Bank of England in 1875, nor of the services which, as Agent-General, you have rendered to New Zealand; but, on the other hand, it is sure to be said that those services have been followed by your appointment as one of the Agents for the inscription of stock—an appointment which will, with the exercise of little labour, return, in all probability, a considerable income, and assist materially your position in London, whilst leaving you free to engage in any other business. From this point of view it is sure to be argued that this is not an unreasonable recognition of your services.

I should like to point out here that this letter of Sir John Hall's was dated two days before the letter of Mr. Fox, in which he told me semi-officially that the Government, although they did not think the House would grant the honorarium, would be glad to support it.

I was given to understand, after Sir F. D. Bell's arrival Home, that the powers conferred by the Governor in Council under the instrument of appointment were too extensive; but he conferred with me, in common with the other Agents, as to the remuneration the Agents should receive under a new appointment.

On the 17th June, 1881, the appointment was revoked, as I understood, solely on the ground that less extensive powers should be given in future.

On the 5th November fresh appointments were made of Sir F. D. Bell and Sir Penrose Julian, with the same powers as before, but I was not included.

I submit I have received a cruel wrong by this cancellation of my appointment and failure to reappoint me.

If you consider the letter Sir J. Hall wrote me, and what he says of the position in London which the appointment carried with it, you will, I think, be able to see that a money payment alone would not be sufficient to compensate me.

The cancelment of my appointment and failure to reappoint me was a marked slur in the eyes of every one who knew what an important part I had taken in procuring the passage of the Colonial Stocks Bill, and in making the arrangements with the Bank of England. It was an insult to me in the face of the world. The sense of wrong and the suffering occasioned to me by the feeling that the colony, to serve which I had passed the best years of my life, could put on me such an unmerited slight defies description.

At probably the nearly approaching close of a life which has been passed much more in endeavours to serve others than in attempts to serve myself, I ask the Parliament of New Zealand to say if I have deserved the treatment I received in my deprivation of this office.

I do not wish to attach blame to any one. I am aware that the Government were placed in a difficult position because the Agent-General refused to act as an Agent with me unless my claim against the Government was withdrawn. I wish to say nothing against the Agent-General: he has a right to his opinions. But I ask the Committee and the House to say is it defensible that a man should be deprived of an office to which he has rights of a direct and implied character because he will not forego the claim which every person possesses of placing his grievances before Parliament? I had already told the Agent-General that it was to Parliament I wished to appeal.

As to the money compensation for the loss of this office: I submit that on the estimate which Sir John Hall led me to suppose I might place on it a very considerable sum should be paid to me in addition to the commission on the Five-Million Loan.

In this I ask only for the satisfaction of just claims.

As to a general recognition of the services rendered by the Colonial Stocks Act, and arrangements in connection with it, I do not ask for this in the present position I hold. Some day it may be voluntarily offered to me or to mine. I have referred to the services now only so far as they relate to the particular operations concerned.

I would like to add half a dozen words to clear up points which I have, I think, left obscure. First of all, this claim was never absolutely submitted to Parliament or a vote taken upon it. The Government brought down some resolutions in reference to future conversions, but withdrew them on feeling that the House was not inclined to support them; but those resolutions did not involve the negotiation of the Five-Million Loan or the commission on its conversion. In regard to Sir Penrose Julyan, that gentleman, a few days before the Five-Million Loan was to be brought out, having retired from his office as Crown Agent, telegraphed to the Government that he had done so, and that his functions with regard to the loan were at an end. I have not the telegram before me, but I believe he indicated that he would be willing to act in his private capacity. The Government, of course, immediately telegraphed asking him to do so, and Sir Penrose Julyan insisted that the remuneration he was to receive should be settled by the other Loan Agent before he consented to act. Hence it was that the commission was settled before the loan was brought out. That is all the evidence that seems to me to apply to my case.

Sir GEORGE GREY, M.H.R., examined.

Mr. Turnbull (to Sir George Grey): You wished to be present to ask any questions?—I should like, Sir, to make a statement to the Committee. There is one passage in the petition that bears upon the statement. It is this: "That during this period your petitioner became interested in and a director of the New Zealand Agricultural Company (Limited) with the knowledge of some of the then Ministry." I should wish to have the point cleared up.

Mr. Turnbull: I think you will find that the statement that has been published entirely clears that up.

Sir George Grey: I do not think so. I find that the statement relating to what is in the petition is to this effect: "So far as it relates to the Agricultural Company, the attack made upon me by the honourable gentleman was the most extraordinary and surprising that could possibly be conceived, considering his own relation to that subject. Supposing it came within my knowledge that the honourable gentleman had been unfortunate in sustaining some private loss, I should hardly think it a desirable or dignified course for me to taunt him with in the House; and how much less would this be the case if I had been the means of, or in any way instrumental to, leading him into the loss which he had met! The plain fact of the case is this: If the honourable gentleman had a proper conception of the view which would be adopted by nineteen men out of twenty, instead of taunting me in this House in that matter, he would have come to me with tears in his eyes and begged my pardon for having been the means, however indirectly, of leading me into that enterprise, because it is beyond a question that the honourable gentleman and his colleagues did put that matter in such a way that—I will not say I could not have avoided it—I was naturally led into taking an interest in it. And I will say at once I was not unwilling to enter into the matter, because I agreed with the members of the then Government that it would prove a boon alike to the shareholders and to the Colony of New Zealand, in being the means of cutting up for settlement, into small properties and farms, a vast extent of country which was scarcely peopled by a dozen human beings." Well, then, in addition to that, there was a statement made in Sir Julius Vogel's evidence to-day to the effect that I had only said, when I was asked to be a director, that I had no time to attend to such a thing.

Sir Julius Vogel: It was a statement from Mr. Stout's speech, made a few days before that extract to which you referred, Sir George.

Sir George Grey: Well, on that statement of Mr. Stout, I should say it is difficult to recollect the whole conversation after such a lapse of time. But I was taken altogether by surprise at such proposals being made to me. Such proposals had never been made to me before, and in the course of either that conversation or with some one immediately afterwards I was informed that a sum of £40,000 was to be shared between the promoters of the company; and that was said to me in the way that I felt offended within myself and tried to avoid further discussion at the time, and during the night I made up my mind that if any of the Ministers joined as provisional directors or promoters that I would break up the Ministry and would have nothing further to do with holding office. I wish the Committee to know that such was my intention. I believed the formation of this company was likely to be embarrassing to my own Government and to future Governments. I objected to the Agent-General being a director of the company the instant I heard it was proposed, and the telegrams read to-day will show that I at once took a very decided stand. I considered it was a wrong thing that our Agent-General should be concerned in a private company, and I made up my mind unhesitatingly to pursue that line of policy, and did so until I was turned out of office. That is all I wish to say.

Sir Julius Vogel : I would like to say that, in the course of correspondence which took place years ago, Sir George Grey will observe that I made no reference to him individually in the matter. It was not until Mr. Stout spoke the other day that I recollected that I was informed that Sir George Grey had been asked to become a director. I hardly think the evidence I have given shows sufficiently strongly how many members of the Government were aware of the matter. Mr. Larnach was, of course, a member of the Government, and was acting as special agent at Home. Mr. Stout continued to be a member of the Government and corresponded with me. Mr. Ballance went down to turn the first sod of the railway, and after that I distinctly recollect his sending me a telegram saying what magnificent country it was. I am almost sure Mr. Sheehan was aware of it; and Mr. Macandrew certainly was. I put it to Sir George Grey whether, with all the evidence before me, I was not entitled to think the Government would not object to my joining the company. The correspondence I read to-day took place some time after I joined, when, as I explained in my evidence, I formally applied for permission to act as a director; but, certainly, at the time I had every reason to believe there was no doubt that the Government thought the company would be of essential service, and that it was desirable I should give my service.

Sir George Grey : To that I reply that the telegrams that I sent to you went with the knowledge and consent of the Cabinet; and how could I possibly have believed that persons who consented to such telegrams going had encouraged you to enter into a position of the kind? I could only judge from the facts.

Sir Julius Vogel : This correspondence was months afterwards, Sir George.

Sir George Grey : I do not understand that. I simply know that the moment I was aware of what you had done, I took a decided course, which I never departed from. The moment I knew the Agent-General was a director of the company, I insisted peremptorily upon his doing one of two things—either to resign the directorship or the Agent-Generalship. I simply wish to clear myself from the slur that has been thrown upon me. I think one of the letters was from Mr. Fox, and I want to know under what authority the Private Secretary of the Premier acted in writing a semi-official letter to any person in England. What position was Mr. Fox in to write a letter of that kind?

Sir Julius Vogel : He was, I fancy, either Private Secretary to Sir John Hall or Secretary to the Cabinet, or both. I am not quite sure.

Sir George Grey : That does not quite clear up my doubt. I do not quite understand what right a person in that position had to correspond with you in that way.

Sir Julius Vogel : The letter says that his writing to me was because Sir John Hall was not well enough to write.

Sir George Grey : Does it purport to be written by Sir John Hall's direction?

Sir Julius Vogel : I think, if you read it, you will see there is no doubt about that. The letter goes on, after the passage I have already read, as follows: "Mr. Hall will probably write to you on these points as well as others, but he is far from well, is awfully worried with work, and may be prevented writing. He wishes that something should certainly reach you on the subject. Therefore this."

The Chairman (to Sir George Grey) : I should like to ask, in reference to this £40,000, how did that come to your knowledge?—Some one of the Ministers mentioned it. I could not at this distance of time tell who.

You did not take any means of ascertaining the facts beyond mere statement?—No. I was asked to be a provisional director, and I was told that others of the Ministry thought of being so, and then I was told—I could not say by whom—that £40,000 was to be divided amongst the promoters.

Mr. Samuel : At the same interview?—Well, there were two or three interviews in the day. Mr. Stout was not the only one who spoke to me. Mr. Sheehan, I think, spoke to me, and I am not sure Mr. Ballance did not.

Did you take it that this amount of £40,000 was intended to be an inducement to you to become a director?—I have no right to say that; but that the promoters would get a division of that amount. Of course I am quite ignorant of these things, but the Committee will know better than I do whether a provisional director would be a promoter. I understand that division would be amongst the promoters, whoever they were. I was told that two of my Ministers had contemplated becoming directors, and I felt grateful that from the moment I expressed an opinion against it there was no recurrence to the matter.

The Chairman : Have you any opinion in reference to the appointment of Sir Julius Vogel as Inscribed Stock Agent?—Nothing of that, as far as I can recollect, came within my knowledge. The one thing I recollect is, the moment I heard he was a director of the company, I instantly submitted the matter to the Cabinet, and, as far as I know, there was a general acquiescence in the course I pursued.

FRIDAY, 4TH SEPTEMBER, AND MONDAY, 7TH SEPTEMBER, 1885.

Hon. Major ATKINSON, M.H.R., examined.

1. *Mr. Turnbull.*] When you succeeded to office in 1879, Sir Julius Vogel was Agent-General?—Yes.

2. Was there any correspondence in the office in reference to Sir Julius Vogel's position as Agent-General?—Yes; there was a correspondence going on with the Government which we succeeded about the position which Sir Julius Vogel held as a director of the New Zealand Agricultural Company, and it had arrived at that point where the late Premier had called upon Sir Julius Vogel to resign either the directorship of the Agricultural Company or the Agent-Generalship.

3. Did the Government of which you were a member hold the same views on that subject?—Yes; our Government held the opinion that the offices were incompatible.

4. Was any proposition made by the Government to Sir Julius Vogel in reference to exchange of position?—Yes; it was proposed to offer Sir Julius Vogel the position of Agent for the inscription of stock, at a percentage, subject to the approval of Parliament.

4A. When the telegram dated the 11th November was sent, was it then under the consideration of the Cabinet to include commission for the raising of the future loan?—I could not answer that directly, but I should think that, had Sir Julius Vogel received the appointment of agent for the inscription of stock with the approval of Parliament, he would probably have been appointed Agent for raising future loans. I am not able to speak certainly on that point.

5. Was it intended by the Government to apply to the loan then being raised—the Five-million Loan?—Certainly not, as far as I understood.

6. Sir Julius Vogel was specially appointed one of the Agents for raising the loan?—Yes; he had been, I think, by the preceding Government. But there is no doubt the Hall Government would also have made that appointment had it not been made when they came into office.

7. Would it be part of his duties as Agent-General to act as one of those Loan Agents?—Yes; that is the view I have always taken: that the Agent-General should, when required, act as a Loan Agent without extra remuneration.

8. Then, appointment of the Agent-General as Loan Agent would not imply additional duty and payment?—Yes; it would imply additional duty; but it is one of the duties the Agent-General, in my opinion, ought to perform. Sir Julius Vogel was appointed because he was Agent-General.

9. It would not imply an additional sum to be paid to him for those services?—Certainly not; as far as I understand.

10. At the time of sending this telegram of the 11th November, had the question of Sir Julius Vogel's successor been considered?—Not as far as I am aware; and I think if it had been considered I should have known of it.

11. When was Sir Dillon Bell appointed Agent-General?—I am not able to give the exact date, but I think at the end of 1879 or the beginning of 1880.

12. Was it before the loan was raised?—No; after the loan was raised.

13. In your opinion, did the sending of this telegram relieve Sir Julius Vogel of his position as Agent-General?—No, certainly not; and I think you will find a letter written by Sir Julius Vogel some months after that, in which he speaks of himself as being quite willing to change the office of Agent-General for that of Stock Agent on certain terms.

14. Had the services of Sir Julius Vogel during the year 1879 been of a particularly onerous nature as regards financial matters?—Yes, particularly so. By every means in his power he strove to carry out the views of the Government, that the whole of the loan should be raised.

15. And a great deal depended on his judgment in the position of affairs then?—Yes, a great deal.

16. In your opinion, was the agreement made between the Bank of England and Sir Julius Vogel of great value to the colony?—Yes; I think so.

17. When Sir Julius Vogel made that arrangement, was he acting in any capacity in the service of the colony?—Yes, as a Minister of the Crown. I am not quite certain whether he was Premier or Postmaster-General.

18. Do you know what sum was paid to the other Loan Agents for their services in connection with the Five-million Loan?—I believe one-eighth of 1 per cent. was paid to the Crown Agents, and one-eighth of 1 per cent. was paid to Sir Penrose Julian.

19. Was this sum paid by direction of the Government, or upon whose recommendation was it paid?—The amount paid to the Crown Agents was the same as was always paid as a matter of course if they were employed. The amount paid to Sir Penrose Julian was without the knowledge of the Government, just as all other loan expenses are paid.

20. In raising a loan the Agents have power to pay expenses?—All ordinary expenses. The Government thought that the payment should not have been agreed to be made to Sir Penrose Julian without reference to them. Sir Penrose Julian was a Crown Agent when he was appointed one of the Loan Agents to raise the Five-million Loan. But before the loan was floated, the Government received a telegram from the Agent-General, Sir Julius Vogel, informing them that Sir Penrose Julian had retired from the position of Crown Agent, and asking whether they desired that his services should be retained. The Government replied that they did desire to retain his services. Nothing was said, so far as my memory serves me, as to payment, and the Government knew nothing about it until letters arrived in due course. Then the payment had been made.

21. Do you consider that Sir Julius Vogel stood in the same position as Sir Penrose Julian after that telegram of the 11th November?—No, I do not think so. I had no idea that Sir Julius Vogel then considered he was holding the Agent-Generalship merely for the convenience of the Government.

22. Was the opinion expressed on page 5, line 8, of Sir Julius Vogel's evidence the opinion of the Ministry, or only the opinion of Sir John Hall?—I should think that was not the opinion of either Sir John Hall or the Ministry. I do not know what it refers to. There is nothing in Sir John Hall's letter about compensation.

23. Has Sir Julius Vogel made any claim on the Government for his services?—Yes.

24. When were they first made?—Very shortly after the Five-million Loan was raised.

25. Was the claim admitted or recognized by the Government?—No; it was never admitted as far as I know.

26. Did Sir Julius request that it might be brought before the House?—I think the position Sir Julius Vogel took up was that he would be quite satisfied if the House decided against his claim,

27. In what shape did the Government bring the question of remuneration before the House?—I cannot remember certainly; but, as far as my memory serves me, there was no direct vote taken upon Sir Julius Vogel's claim, but only on the general question of whether we should go on with the inscription of stock. The Government, as far as I know, never admitted that Sir Julius Vogel had any claim for commission on the Five-million Loan.

28. Since that time, has Sir Julius Vogel made any further application in reference to this claim?—Yes.

29. He has always kept it alive?—Yes; I think always.

30. Why was not the claim brought before the House?—Because the Government never admitted there was any claim. They were willing, as I understood, to have submitted a proposal for inscribing stock; and, in that case, they would have appointed Sir Julius Vogel.

31. Why were Sir Julius Vogel's services as Agent for the inscription of stock dispensed with by the Government?—I am not able to say certainly; but I think it was considered desirable to have only the Agent-General.

32. Did the present Agent-General receive any additional sum for acting as Stock Agent?—No; he got less, because he gets a smaller salary than Sir Julius Vogel had.

33. *Mr. Lance.*] I am not quite clear about Sir Penrose Julyan's position. You say that the Government telegraphed that they wished his services retained for floating the loan after he had retired from his position as a Crown Agent for the colonies: was that so?—Yes.

34. At the time of that telegram to the Agent-General the Government must have expected that Sir Penrose Julyan would have received some remuneration for his services?—I should think so.

35. You said that the $\frac{1}{2}$ per cent. had been paid without the knowledge of the Government?—Yes.

36. But the Government could not expect to get his services for nothing?—No; but the Government thought it was far too large a payment considering the position Sir Penrose Julyan had occupied, and the fact that he had commenced the negotiation of this loan while he was Crown Agent; and that since then he has taken very much less indeed.

37. *Mr. Duncan.*] Taking the whole facts of the case into consideration, do you consider that Sir Julius Vogel has any claim with regard to either the raising the loan, or for the conversion into inscribed stock?—No; I think no claim whatever. I have always held, and still hold, that the whole energies of a public man are due to the colony as long as he holds any political or semi-political office, such as Agent-General; and I think it is very unfortunate when our public men value their services rendered while they are holding offices under the State at a money rate.

38. Is it in your knowledge that Sir Julius Vogel has rendered any services since he resigned the Agent-Generalship with regard to the conversion into inscribed stock?—Not as far as I know. He may have completed the arrangements. I am not certain of that. Otherwise, of course, he has been ready at all times to render any services in his power to the colony. His services have always been given freely and very effectively.

39. *Mr. Samuel.*] On the 11th August, 1879, the Five-million Loan was assented to. At that time Sir Julius Vogel was Agent-General for the colony at a salary of £1,500 a year. Four days afterwards three persons were appointed Loan Agents—Sir Penrose Julyan, Mr. Ommaney, and Sir Julius Vogel. On the 11th December the Bank of England was authorized to receive tenders for the loan, and on the following day the loan was raised. In the meantime, on the 10th November, Sir Julius Vogel received the telegram, which he—rightly or wrongly—treats as equivalent to dispensing with his services; and since the receipt of which he considers that he was acting only for the convenience of the Government. Were not the services in connection with the raising and conversion of the loan all rendered subsequent to the 10th November, 1879?—No; but, of course, the most important part, as relates to the actual raising of the loan, was subsequent to that date; because very great judgment is required to be exercised by the Agents in selecting the exact time at which to float the loan; a day or two either way would make all the difference between success and failure. By far the most important part of the services in connection with the raising of the loan, and the whole of the services as Inscription of Stock Agents, would be rendered after the 10th November.

40. Did Sir Julius Vogel, after the 10th November, still continue to perform the duties of Agent-General, as well as one of the Agents under these two Acts?—Yes; until he was relieved by Sir F. D. Bell some months afterwards.

41. For the services which Sir Penrose Julyan and Mr. Ommaney rendered each received $\frac{1}{2}$ per cent, or £6,250 each?—Well, the Crown Agents Fund received one of the commissions. Mr. Ommaney does not receive the amount himself; the fund received it.

42. And Sir Penrose Julyan received £6,250 himself?—Yes.

43. Did Sir Julius Vogel receive anything in respect of his services?—He drew his salary as Agent-General during the time, and the Government looked upon his duties as Loan Agent and Inscription of Stock Agent as part of his duties as Agent-General.

44. In addition to what they received, is it not a fact that each of these two other Agents applied for $\frac{1}{2}$ per cent. for their services under the Inscription of Stock Act?—I believe they did, but it was never recognized by the Government. Ultimately they withdrew their claim. Sir Julius Vogel still maintained his.

45. His claim was for one commission only. Had he ever made a claim for more than one?—I am not certain. I should suppose that if the other Agents had been paid $\frac{1}{2}$ per cent. upon inscription he would also have claimed it, but I do not know that he did claim.

46. In fact, you understand Sir Julius Vogel's position to be this: He was one of three agents; two of them each received a commission of $\frac{1}{2}$ per cent.; Sir Julius Vogel received nothing, because at that time he was Agent-General for the colony, and was being paid a regular salary for the

discharge of those duties, and was not entitled to any other remuneration for the extra services performed?—Yes; that is so.

47. And that is the claim which the Government always refused to recognize, and Sir Julius Vogel always kept on foot from time to time?—Yes; that is so.

48. But doubtless these are extra services?—No; they are part of the duties of the Agent-General. They do require separate appointments under the Loan Act and the Inscription of Stock Act; but the Colonial Treasurer, if he is Commissioner of Customs and Postmaster-General, must have a separate commission for each, though he performs the duties without extra pay. No Government that I know of ever admitted that the Agent-General had any claims for extra services that he rendered.

49. Was this Five-million Loan the first after the passing of the Inscription of Stock Act?—No; there were several before it. The Act was passed in 1874 or 1875.

50. Had any extra commission ever been paid before?—Never, to my knowledge.

51. *Mr. Allwright.*] Does the present Agent-General act as Agent for floating loans and Agent for inscription of stock without any additional salary?—Yes; without any addition.

52. *Sir Julius Vogel.*] In all these answers you have assumed, I think, that I was asking for this compensation or commission as part of a payment which might be made to me whilst I was acting as Agent-General. You have not taken into consideration the point which I have constantly urged, that I based my claim upon the fact that I was only holding the Agent-General's office during the time until the Government found a successor; they having signified to me that I could not continue to hold the office of Agent-General whilst I was a director of the Agricultural Company; and I having told them unequivocally that I could not name a time when I could resign the directorship?—No; I have assumed throughout that your claim was made because of your contention that you were only holding office temporarily for the convenience of the Government. But I stated that I was not aware of it, nor was the Government; and it seems to me that the papers show that it was not the case. You had been positively called upon by the previous Government to make your election, and you had not done so definitely, and you were appointed and continued to act as Loan Agent and Inscription of Stock Agent, without saying that you held the office of Agent-General at the convenience of the Government; and you did not say that until some considerable time after—in February or March. You then stated that you were willing to exchange the office of Agent-General for that of Agent for the Inscription of Stock.

53. I should like to call your attention to the fact that your memory deceives you in this matter. I had unequivocally shown that I could not resign the directorship. I should like to read these telegrams from Sir John Hall, 3rd November, 1879: "From Wellington, 3/11/79. Vogel, London. Wire names late Government knew assisting organize company. Because statement respecting this knowledge, reasonable time be allowed you arrange retire. Present Government agree inexpedient you remain director, or engage Home politics.—HALL." To which my reply was: "7th November. Premier, New Zealand. Stout certainly, and, best my belief, Macandrew and Ballance." These words I wish particularly to call attention to: "Cannot name time resign. Shareholders would think unfair entertain such intention now. Am willing take Loan Agency, payment by percentage, and act Agent-General without salary long as suits Government. Reply." Can anything be more definite than that reply of mine, that I could not name a time when I would resign the directorship of the company?—Yes. I think you might have written much more definitely if you did not want to hold the office of Agent-General. You made no objection to that, as you wanted to hold on to all offices if you could, and act as Agent-General unpaid, payment being for inscription of stock. I never had any idea from any of the telegrams that you considered you were holding office for the convenience of the Government. What was in my mind, and, I believe, in that of every member of the Government, was this: that you had rendered great public services to the colony, and ought to be dealt with very "tenderly;" but it never entered my head that you were holding office for the convenience of the Government.

54. Is not this clear: I was told I could not hold office unless I could name a time to resign. I distinctly said, "Cannot name time; shareholders would think unfair entertain any such intention now"?—But you observe what follows keeps the whole question open, by proposing another arrangement, not with any idea of resigning, but of keeping all the offices. You had a much more definite telegram from Sir George Grey, calling upon you to make your election, and you did not make any election definitely.

55. Then, Sir John Hall says, I must name a time; and I say, "I cannot name time"?—Yes; but you did more than that. You made proposals which you knew the Government were entertaining, with the object of retaining you in the service, possibly as Agent-General, without pay.

56. My contention is that my relinquishing the office of Agent-General was settled before the loan was negotiated, and that the question was opened in regard to my taking the agency for the inscription of stock. You referred in your evidence the other day to some correspondence which had been going on before you left office, on a former occasion, about my being appointed Stock Agent. I have not referred to that, because I think you did not wish it to be considered official?—No; it was clearly only private.

57. I based my claim on the fact that I considered my term, as Agent-General, had virtually expired, and I was holding office for the convenience of the Government; and I think you will recollect that in Parliament, during the following session, Sir John Hall stated that I was holding office for the convenience of the Government after March?—Yes.

58. Now, I do not know anything that occurred further between the time of this telegram in November and March to make me holding office for the convenience of the Government more in March than in November?—Well, your own telegrams. You will recollect you sent a telegram when it was announced that Sir Francis Dillon Bell had been appointed, and you said it was then

very inconvenient for you to hold office, because the elections were coming on ; but that you would hold on for a period.

59. I think you are mistaken ; he was not appointed until long after March, 1880. Telegram of the 4th March, 1880 : “ (Received 4th March, 1880 ; dated 4th.) New arrangement excludes late loan, for which work already done. No objection your commencing as Agent, subject conditions stated my letter last mail, with understanding you continue act Agent-General until relieved. Terms for any contemplated conversion to be submitted Government before publishing. —HALL.” That was in March, 1880, long before Sir Dillon Bell was appointed. He was not appointed until after Parliament rose in that year. That was the date Sir John Hall expressed the opinion that I was holding office for the convenience of the Government. My contention is that there was nothing that took place between November, 1879, and March, 1880, to alter the position I was in ?—Of course I can only give you my opinion ; but in all that time you took up no exceptional position to lead the Government to believe, as far as I could judge, that you intended to resign just as the loan was floated, or that you intended to make any claim until after the loan was floated. I have no hesitation in saying that, if you had taken up that position, the Government would not have submitted to it.

60. I quite admit that point seems not to have entered into your mind, but I assure you your telegram did convey that impression to me ?—If that is so, surely it was your business to communicate with us that you were going to claim commission for this loan, rather than raise the loan and claim commission afterwards.

61. If I had communicated with you, saying that I thought I should get commission for the loan, I should have been doing what you just now said would have been looked upon as trying to take advantage of the Government in an emergency, which I quite agree with you the Government would have been very indignant at. At that time, too, I was in a much closer relationship to the Government than an ordinary Agent-General, because you were consulting me almost as a colleague. To have made any claim at that time would have been very indecorous on my part ?—Yes ; we consulted you freely.

62. I wish to ask you about telegrams of Sir Penrose Julyan’s which have never been made public. For months past, in anticipation of this loan, the Government had obtained exceptionally heavy advances from various monetary institutions in England principally by assistance of Sir Penrose Julyan ?—Yes ; that is so.

63. To my amazement, as much as to anybody’s else, only five or six days before the loan was to be floated, Sir Penrose Julyan came to me and told me he had cabled out that he had ceased to be one of the Crown Agents, but that he was willing to give his services as an ordinary Loan Agent. To that the Government replied that I must retain Sir Penrose Julyan’s services. I think I was justified in doing what was necessary to retain those services. If his name had been withdrawn it would have been almost fatal to getting the loan. You will bear me out in saying it was a most critical period of the negotiation—a few days before we agreed to bring out the loan. It was almost impossible to get the institutions at Home to accept such an amount ?—Yes ; it was a very critical time.

64. Then, Sir Penrose Julyan received a reply, and I think I did also, that his services were to be retained. In putting it as you did, that he did not require to know what remuneration he was to receive, if I assure you that he absolutely insisted on it. Do you not think the other Loan Agents were acting rightly in agreeing to the condition, there not being time to communicate with the Government ?—No ; I always thought they ought to have communicated with the Government. I cannot suppose for a moment that a man in Sir Penrose Julyan’s position would have withdrawn simply because the amount of his commission was not agreed upon. I believe Sir Penrose Julyan would have been quite willing to leave the payment to the Government.

65. I assure you to the contrary. He insisted on having the amount settled in advance ?—Of course I can only give my opinion.

66. At the same time I wish to state that I cannot see it reflects in the smallest degree on Sir Penrose Julyan that he should ask that the terms should be settled before he acted ?—No ; of course I cast no reflection on Sir Penrose Julyan at all. I think very highly of him indeed. But I cannot help thinking that if the Agent-General had said I cannot pay this commission without communicating with my Government, he would have said it was perfectly reasonable.

67. I am not certain that the Government did not authorize me to make arrangements with Sir Penrose Julyan ?—I cannot say I am absolutely certain, because I have not seen the telegrams since the time they were sent, but to the best of my memory and belief there was nothing about payment in the telegrams.

68. Supposing that I ceased to be Agent-General whilst I was holding the appointment of Agent for Inscribed Stock, and that there was a large amount of that Five-million Loan still unconverted, and converted after I left the Agent-Generalship, do you not think that legally I am entitled to receive commission upon that ?—No, I do not think so ; but if it were shown that you had done any special work for the colony after you ceased to be Agent-General, I think it would be quite reasonable you should be paid.

69. If I held an appointment from the Crown, to which was attached the payment of a certain amount, what right has the colony to the use of my name without paying me for it ?—Well, to tell you the truth, it makes me uncomfortable to discuss such a question with a public man.

70. My contention is that, all along, as you yourself say, there was a proposition that when I ceased to be Agent-General I should be Agent for Inscription of Stock. You adduce technical reasons why I should not be paid whilst I was Agent-General. If, after I ceased to be Agent-General, and before I was relieved of the agency for inscription of stock, a large amount was done, do you not think that I am properly entitled to be paid for it ?—It would entirely depend upon circumstances. If you did work for the colony I think you should be paid for it ; but the mere use of

your name, because you happened to be Agent-General, I do not think entitles you to any payment, that is, looking at the positions which you have held.

71. In your evidence you speak of this letter of Sir John Hall's as referring to some appointment to be made in the future?—Yes, I think so.

72. The circumstances were undoubtedly these: The Grey Government had appointed me Agent for Inscription of Stock as long as I was Agent-General. That was altered by the succeeding Government omitting the limitation as to whilst I was holding the office of Agent-General. It was altered on the 31st January, when the new appointments were made. Under date of the 26th February Sir John Hall wrote to me. He says, "We are not unmindful of the value of the arrangements," and so on; "but on the other hand it is sure to be said that these services have been followed by your appointment as one of the Agents for the Inscription of Stock, an appointment which will, with the exercise of little labour, return, in all probability, a considerable income, and assist materially your position in London, whilst leaving you free to engage in any other business." You will notice by that that Sir John Hall did not mean to estimate the amount of my remuneration by the amount of manual or clerical labour?—Clearly no; nobody who knows the facts would do so. I think Sir John Hall, beyond all doubt, speaks to you of an appointment which was to be made. I am quite free to admit that there was still that difference between us: that Sir John Hall excluded from the proposed appointment for the Five-million Loan. He was speaking of an appointment which had been made before he wrote his letter, but the emoluments for which would not include the Five-million Loan. His inference was unquestionably to the appointment made a few days before he wrote his letter.

73. You see he still adheres to it.—Yes; he referred to it in one sense, that is to say, he had it in his mind, and also there must have been the idea of payment. But all this was subject to Parliament approving the inscription of stock scheme; and there was no idea of your getting payment for that unless Parliament approved the scheme which you had submitted, and which was slightly altered by the Government.

74. After the appointment of Sir Dillon Bell as Agent-General, are you aware he called a meeting of the Stock Agents, and conferred with them as to future remuneration?—Yes.

75. And that he asked them to withdraw all claims outstanding: that they agreed to do so excepting myself. I said I could not withdraw my right to appeal to the Government and to Parliament; but that I did not intend to make any claim of a legal character?—Yes; that is so.

76. After that Sir Dillon Bell recommended that all existing appointments should be revoked on account of the powers given being too extensive?—I think that is so. I do not like to state positively: the papers will show.

77. The papers do show that. During the session following you carried a Bill through the House by which, instead of there being a necessity for having three Agents, you made it necessary there should be only two. Do you recollect that Bill?—Yes.

78. The appointments were revoked upon the ground that the powers given were too extensive: then this Bill was passed, and fresh appointments were made. Sir Dillon Bell and Sir Penrose Julyan were appointed, and I was omitted altogether. I would ask you, having regard to what Sir John Hall had said, was it keeping faith with me in not retaining me?—I do not think there was any breach of faith, because the whole scheme had been knocked on the head by Parliament refusing to assent to it; and therefore the whole proposition, as far as you were concerned, fell to the ground. I am not able to say from memory what influenced the Government in making the appointments; but it did not seem to me any breach of faith at all.

79. I join issue with you there. I contend that, having been told, before I left the Agent-Generalship, this appointment which I should hold in future would be an office of great responsibility, and a very desirable one; that, after having ceased to be Agent-General, the existing Agent-General having asked me to meet him with the other Agents with a view of considering what payment we should receive in future, and we having agreed upon this point, and the appointments being revoked upon the ground that it was giving too large powers, I think I was as injuriously treated as any person could be by an Act being passed which enabled one of the Agent's services to be dispensed with, and by my not receiving a reappointment, inasmuch as the other Agents were reappointed with precisely the same powers as they had before. In other words, the whole of these things were done to shut me out from an appointment which, during previous years, and by Sir John Hall's letter, I had been led to suppose I would have.

80. *Mr. Turnbull.*] Was it in consequence of appointing two Agents that Sir Julius Vogel's services were dispensed with?—Yes; the whole arrangement with Sir Julius Vogel as to his appointment depended upon the approval of Parliament to the scheme for inscription of stock, and Parliament rejected the scheme. There was a very general feeling among members that the proposed expenses were a great deal too much, and that two agents would be quite sufficient, hence the Act that was then passed.

81. Was it looked upon in the light that Sir Penrose Julyan's services were a necessity rather than those of Sir Julius Vogel?—Yes; I should say that Sir Penrose Julyan held a higher position in the City than Sir Julius Vogel; but of course Sir Julius Vogel has been more active in obtaining powers for inscription.

82. *Sir Julius Vogel.*] Do you not think my services and knowledge of inscription entitled me to consideration?—Yes; I think they entitle you to a great deal of consideration; and I should have been very glad to have seen Parliament give effect to the resolution proposed.

83. You speak of Parliament rejecting these resolutions; do you not recollect that you withdrew them?—Speaking from memory, I think there was an amendment made by Mr. Stevens. If the resolution was withdrawn it was only to save that amendment being carried, which might have complicated matters in the future.

84. Referring to one of your answers about the Crown Agents: are you not aware that for a

long while the Crown Agents were allowed to receive payment besides their salary?—Yes; they used to receive much smaller salaries, and were allowed commission. Subsequently their salaries were rearranged, and the commission went into the fund.

85. I would like to ask you in reference to the letter of Mr. Fox, in which he said, "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." Does that express, as far as you recollect, the opinion of the Government?—No; I have no recollection of that letter having been written. So far as my memory serves me, the general opinion of the Government was that you had rendered very great services, and that if any claim was made it must be as a matter of grace and not of right. I am only able to give you my own opinion. Of course that letter is the Premier's, expressing his opinion, and if the letter was a public one it would go a long way to binding the late Government to supporting a gratuity to you if proposed to the House. If it was a private letter it would not have any such effect.

Sir Julius Vogel: Mr. Fox commenced by saying, "This is a sort of semi-official, or not merely private, letter."

87. *Mr. Turnbull* (to Sir Julius Vogel).] You said you were in correspondence with Major Atkinson rather as a colleague of the Government?—Yes; the Government asked my advice about various measures. I think the correspondence is not published. They seemed to look upon me not only as Agent-General but as one of themselves, who had better opportunities of knowing what was taking place at Home than they had, and asked my advice.

88. *Mr. J. W. Thomson* (to Sir Julius Vogel).] It struck me, in reading over your statement, that you were scarcely justified in saying you were holding office for the convenience of the Government. You and Major Atkinson have already been discussing that point. Have you anything further to say in reference to that subject?—I am obliged to you for giving me the opportunity of saying so again, that I consider the course I took was absolutely and obviously a refusal to give up the directorship of the Agricultural Company. I was also notoriously continuing as a candidate for Falmouth, a position quite incompatible with that of Agent-General. I considered that I was holding the office entirely for the convenience of the Government, otherwise I should have been in a most insubordinate position. And when the question was raised by the lawyers at Home as to whether I was eligible to stand, as receiving salary from the Crown, I telegraphed out that instead of receiving salary I would act as Loan Agent; and the Government telegraphed back at once to say they were agreeable. If there was any chance of my continuing as Agent-General, would I have been permitted to continue to be a candidate for Falmouth? I certainly say in my mind, and I think the evidence is undoubted, that I was holding office for the convenience of the Government. I used that phrase because Sir John Hall used it. It is not exactly the phrase I should have invented myself. I would say I held office until it suited the Government to appoint my successor. But I had ceased to be permanent Agent-General.

89. Do you think that the Government had in their mind any person to succeed you, because you telegraphed on the 7th November giving the names of members of the Government that knew about you being director of the Agricultural Company, and Mr. Hall sent you a telegram four days afterwards? Do you think that during those four days Sir John Hall had made some arrangements for your successor?—The telegram of the 11th November contained the names of the late Government, who were aware of my holding the directorship. I think my answer was conclusive. I said, "Cannot name time resign." I did not think Sir John Hall could possibly have contemplated my continuing as Agent-General. I put it as strongly as I could in respectful language. The Government said you must resign. They afterwards said we will give you time because of members of the late Government knowing of your becoming a director; to which I replied, "Cannot name time resign." Then I said I should be willing to act as Agent-General without salary as long as it suited the Government. Two or three months afterwards, when the time came for my standing for Falmouth, I suggested that course again, and the Government said at once there was no objection. They treated me and I treated them with full knowledge that I had ceased to be permanent Agent-General.

90. Do you not think, if you had stated absolutely to the Grey Government that you would not resign the directorship, that they would have taken some means to appoint a successor to you; and that, if they had done that, this claim of yours would not have arisen, because you would not have been Agent-General?—You will recollect that when Sir George Grey first challenged my appointment I wrote out reasons why I thought he should not do so, and asked him to reconsider the question; to which he replied that he still held former opinion, and requested me to resign the directorship, and asked me to reply Yes or No; to which I replied that shareholders would not think it fair for me to resign for some to come. Then Sir John Hall, coming into office, took up the view of the previous Government, and, in reply to him, I absolutely declined to name a time for resigning the directorship, and said I was willing to act as Agent-General without pay. My telegram to Sir George Grey was dated the 9th October; on the 3rd of the following month Sir John Hall telegraphed to me. I presumed there was a change of Government in the meanwhile. I am quite sure that, had Sir George Grey continued in office, after asking me to reply Yes or No, he would have considered my reply a respectful refusal to accede to his request.

91. The idea seems to be this: that as you held that you were really holding office for the convenience of the Ministry you might have resigned, and that as your name was in the Order in Council to raise the loan you would have been entitled to the commission, and that although you did not resign you should be treated as though you had done so?—When it became necessary, in order to enable me to stand for Falmouth, I did not draw salary as Agent-General for the time, but left it undrawn, to be charged against the agency. When I was defeated for Falmouth the salary was paid to me. I agree with what Major Atkinson said just now that it would have been very sharp practice for me to have resigned the Agent-Generalship just at the time when my doing so

would have destroyed the whole loan. With all the knowledge I now possess I cannot say I regret not having done so. It would have been an act I should not have been proud of.

92. I notice in your petition, and also in your statement, you say a great deal about the difficulties connected with the raising of the loan, and also in regard to your connection with the Inscribed Stock Act. This might be brought forward as a ground for your receiving some consideration from the Government; but I do not see the bearing of your remarks on this special claim?—The Government had in a measure said to me you must do all you can to get the Agents to agree to the whole of the Five-million Loan being raised. The Agents were averse to more than half the amount being borrowed. I had full knowledge of the whole subject, and was the author of the scheme for conversion of stock; and through my having made an arrangement with the Bank of England we got the bank to negotiate the loan. But for their considering that that agreement imposed an obligation on them, they would not have brought out the loan. I bring this forward to show that my services were indispensable in the matter, and that had I said to the Government, on the eve of the negotiations, relieve me of the Agent-Generalship, or agree that you will pay me a commission, I should have been placing the Government in the position of either acceding to the request, though they might have thought it most indelicate at such a time, or risking the whole of the loan. Although Major Atkinson says so to-day, that they would have resented such an application and refused it, I hardly think such would have been the case, for the Government were in extreme difficulty. They telegraphed to me that price must be no object in the way, and I think that I could have compelled them to have made the appointment; but I do not think it would have been a course that I should have been proud of adopting.

93. But I do not see the bearing of these remarks on this particular claim?—As showing how necessary my services were in the then condition of the loan; and, though I was virtually holding office only until my successor was appointed, I made no terms.

94. I notice that the directors of the Agricultural Company, in reply to a letter from you, state that much of the support given to the company was due to the fact that you were to be a member of the board: did this refer to you in your individual capacity or as Agent-General; did the fact of your being Agent-General give importance to the company?—I cannot say exactly what the directors thought, but probably both these impressions were in their minds.

95. I notice also in your statement you say you had not attended to your own interests, and that your life had been spent much more in endeavours to serve others than in attempts to serve yourself. That seems to be a reflection, to some extent, on the colony: that you have not been sufficiently remunerated. Do you wish the Committee to take that interpretation out of it?—Most certainly. I would like to call the attention of the Committee to the return which was laid on the table of the Legislative Council of the amount which I actually received. I have not seen the return myself, but Mr. Gavin tells me the entire amount I received was £27,193 16s. 1d. for all my salaries and expenses from the time I joined the Government in 1869 to the time of my retirement in 1881. That sum included my expenses for three trips to England and two trips back again, and two or three trips to Australia. I certainly made no money out of it.

FRIDAY, 11TH SEPTEMBER, 1885.

SIR FREDERICK WHITAKER, K.C.M.G., examined.

96. *The Chairman.*] Were you a member of the Ministry which succeeded Sir George Grey's?—Yes.

97. At that time Sir Julius Vogel was not only Agent-General but also Loan Agent?—I believe so.

98. On the 11th November was this telegram despatched by the Government of which you were a member?—Yes; I think so.

99. Do you remember at this distance of time what shape the consideration took in Cabinet as to the expediency of relieving Sir Julius Vogel of the Agent-Generalship?—I recollect the discussions upon it, and the conclusion we came to was that it was not desirable that the Agent-General in London should hold the position of director of the New Zealand Agricultural Company. This telegram I presume was sent as the result of that conclusion. I did not see the telegram at the time it was sent, but have no doubt it was sent in consequence of the position the Cabinet took up at that time.

100. Do you remember if the expediency of appointing Sir Julius Vogel Loan Agent was considered?—Yes; I recollect that. This telegram truly represents, I think, what was agreed upon by the Cabinet.

101. Was it intended that this appointment should apply to the Five-million Loan?—I have no recollection of anything being said about that. I do not think any particulars were gone into on the subject of that loan at that time.

102. Do you recollect Sir Julius Vogel making any claim in connection with his services as Loan Agent?—Yes.

103. Was that immediately or soon after the loan was raised?—Yes; I think it was soon after. I cannot speak certainly about dates, as it was some time ago.

104. Were these claims considered by the Government?—They were.

105. What was the conclusion arrived at?—They received consideration certainly more than once, perhaps several times. The conclusion came to was that Sir Julius Vogel had not any substantial claim.

106. That was the opinion of the Cabinet as a whole?—Yes.

107. Did anything lead you to take a different view of the question from the rest of the Cabinet?—No; I did not consider it separately at all. At that time I was Attorney-General, and

there was no legal question arising out of it to submit to me. I simply attended and considered the matter as one of the Cabinet.

108. From your experience, did you consider Sir Julius Vogel had any claim on the colony for his services?—I concurred with the rest of the Cabinet that he had not. There was no division of opinion in the Cabinet so far as I recollect. His claim rested a good deal upon the question of the Five-million Loan, and Mr. Hall, I understood, never intended it should be included. Sir Julius Vogel maintained that he was entitled to commission on that loan. I have never had any reason to alter the opinion arrived at at that time. The matter caused a great deal of consideration and some trouble with the Cabinet. I think there was a desire to consider it fairly, but the Cabinet could not see that there was any ground for Sir Julius Vogel's claim in respect of this Five-million Loan.

109. Sir Julius Vogel appears to have wished Ministers to bring his claim before the House?—I do not recollect that; it may have been so.

110. About 1881 you succeeded to the Premiership?—Yes; I was Premier during the greater part of 1882 and 1883.

111. Did Sir Julius Vogel make any claim while you were Premier?—Not that I recollect; there may have been some correspondence; but I do not recollect any.

112. The claim was understood to be kept alive by Sir Julius Vogel?—I could not say. I do not recollect any correspondence to that effect.

113. Do you remember the circumstances of Sir Julius Vogel being relieved from both these agencies he refers to?—I recollect its being done, but the matter did not come specially under any department of mine. Everything I think appears in the papers. I speak only from recollection; but I concurred in all that was done.

Sir Julius Vogel: I would first ask, as the point has been referred to several times, if there is any doubt in the minds of the Committee as to the claim having been kept alive throughout. Major Atkinson states that it was; and I would point out that it was kept alive during the time I was Agent-General; and, after that, I told Sir Francis Dillon Bell, when he came Home, that I would not relinquish my right to claim from Parliament and from the Government. I afterwards wrote to Major Atkinson when I came out from England to the same effect?

The Chairman: I think me may consider that proved.

114. *Sir Julius Vogel* (to Sir F. Whitaker).] I would ask you, if you can, to suppose yourself in my position at Home, and give me your opinion of these telegrams, relieved from the fact of your being in office in New Zealand. When Sir John Hall acceded to office in November, 1879, he took up the same line as Sir George Grey with regard to its being objectionable that I should be Agent-General and director of the New Zealand Agricultural Company; and he telegraphed to me on the 3rd November, as follows: "Wire names late Government knew you assisting organize company. Because statement respecting this knowledge, reasonable time allowed you arrange retire. Present Government agree inexpedient you remain director, or engage Home politics." To which I replied, "Stout, certainly, and, best my belief, Macandrew, Ballance. Cannot name time resign. Shareholders would think it unfair entertain such intention now." Do you consider that I did otherwise than state respectfully my absolute refusal to resign the directorship of the Agricultural Company?—When Sir George Grey's Government went out of office and the Hall Government came in, this question was discussed, and the view taken by the previous Government that you should resign this directorship was also taken, as I said, by the Hall Government. That was communicated to you, and at the same time you were told you would be allowed a reasonable time to resign.

115. To which I replied this answer: "Cannot name time resign"?—I recollect that; and it was considered, and agreed that you must resign within a reasonable time.

116. I ask you to consider it not from your point of view as a member of the Cabinet, but from my point of view at the time. Had I not signified that I was not prepared to resign?—No; I did not understand that. I would simply understand that you could not name a time—that you accepted the resignation—part of it—but could not name a time for the resignation to take place. There does not seem to be anything in the telegram to show that you would not resign. On the contrary, I would infer from it that you would resign, but that you could not at that moment name a time for so doing.

117. Would you be so kind as to read the last part of the telegram, and say if you are still of the same opinion: "Am willing take Loan Agency"?—But this applied to your directorship, not to the Agent-Generalship. It was the Agricultural Company the resignation had reference to.

118. Then, you look upon the telegram as indicating my intention to resign from the Agricultural Company?—I certainly infer from this telegram that all you required was that you should have some time before your resignation was sent in. You go on to say, "Shareholders would think it unfair entertain such intention now."

119. I would like you to read the last part of the telegram: "Am willing take Loan Agency, payment by percentage, and act Agent-General without salary long as suits Government. Reply." If you do not mind looking at it from my point of view, will you give me your opinion on this? When I sent that telegram offering to hold the Agent-Generalship without salary, and to take the Loan Agency with payment by commission, and bearing in mind that there was then this Five-million Loan being negotiated, and no other apparent business at all near at hand, is it not natural to suppose, I ask, that when I sent that telegram it was in my mind that commission on the Five-million Loan, either for negotiation or conversion, would be part of the remuneration I should receive?—I think that in the consideration of this question by the Cabinet the question of the Five-million Loan never dropped up at all.

120. But can you suppose that when I was sending the telegram saying I would take the Agent-Generalship without salary, it could have been otherwise than in my mind that this Five-million Loan would be included?—How can I decipher what would be in your mind,

121. I would ask you, though, to put yourself in my place. I was to take the Agency-General without salary, and there was no other loan business immediate; was it possible that the Five-million Loan would not be included?—I should think that very likely it was in your mind—not unlikely at all. I was not aware of the position of the Five-million Loan at the time, and it did not crop up when the question was discussed; but I should think very likely you had it in your mind.

122. Supposing that after I had ceased to be Agent-General, and before I was relieved of the agency for the inscription of stock, a large amount of stock was converted, do you not think I was entitled to be paid commission on that. I was not receiving pay as Agent-General?—After you had ceased to draw pay as Agent-General what did you do in reference to inscription of stock?

123. I took no active steps. The stock was inscribed after I ceased to be Agent-General in the usual manner. I took no particular action regarding it?—I should think it would be in reason, after you gave up the Agent-Generalship, that upon anything you did you should be paid. What that was I do not know.

124. I would point your attention to a letter you may not have seen before—a private letter of Sir John Hall's to me. I have been advised that I had a right to use it, and I have done so.

Page 4, date 26th February, 1880.) Do you think there can be any doubt, from that letter, that while I continued to be Agent as referred to in that letter, and had ceased to be paid as Agent-General, I was not entitled to be paid for the work?—I should think from Mr. Hall's letter, which I have never seen before, that he was under the impression, and would create the impression in you, that you were to be paid: that is the inference I draw from the letter.

125. I should like to state some facts, probably beyond your knowledge, that after I had ceased to be Agent-General, and Sir Dillon Bell came Home as Agent-General, he called a meeting of the Stock Agents, Mr. Sargeant, Sir Penrose Julyan, and myself, and told us that there was a great obstacle to future conversions, because of the claims which had been made by the Agents, and which he wished to have entirely withdrawn. I told Sir Dillon Bell that so far as withdrawing my claims I would undertake not to prosecute them legally, but that I would not yield the right to petition Government and Parliament. We then entered into the question of the remuneration which was to be paid to the Agents in future, and an understanding was arrived at as to what was to be the amount; I, of course, supposing that it referred to the appointment which Sir John Hall had told me would be a reward for my services after I left the Agent-Generalship. During the course of that interview Sir Dillon Bell said that he considered it would be absolutely necessary to revoke the powers already held by the Agents, those powers being too large. What took place afterwards was this: the appointments were revoked, as I was led to believe, for no other reason than that the powers were too extensive, and then an Act was passed, without explanation, making it necessary to appoint only two Agents instead of three, as the law required before. Then an appointment was made of two Agents, giving them precisely the same powers that the three had held before. The two Agents appointed were Sir Dillon Bell and Sir Penrose Julyan, and I was left out. I ask you, considering these facts and that letter of Sir John Hall's, was there not a breach of faith committed in not giving me one of those appointments?—I do not not recollect the circumstances, and did not know anything of what you mention as taking place in London; but I am certain I was no party at the time I was in the Cabinet to anything which might be called a breach of faith.

126. I do not think you were in office at the time?—Yes; I must have been; I was Attorney-General in 1880.

127. On the 17th June, 1880, the appointments were revoked solely on the ground that less extensive powers should be given in future?—I was in office then as Attorney-General.

128. On the 5th November fresh appointments were made?—I was in office then.

129. I was not included. I am not asking if you committed a breach of faith, as you were not cognizant of that letter?—No; I was not cognizant of the letter.

130. Do you think now that I was not entitled to be reappointed?—I do not recollect the grounds on which your reappointment was not made. They may have been good grounds, or they may not.

131. Major Atkinson said the other day that, having secured the power to appoint only two Agents instead of three, Sir Penrose Julyan's position in the city was such as made it desirable to appoint him as one of the Agents, and the Agent-General was necessarily the other?—I infer from this letter that the intention of Sir John Hall was at that time that you should be reappointed. Why it was not done I do not recollect. Are there no papers to show it? I am speaking entirely from recollection.

132. I would like to point out to you that not only did I get that letter from Sir John Hall, but Mr. Fox, who was Secretary to the Cabinet, wrote me a letter in which he commences, "This is a sort of semi-official, or not merely private, letter." Do you recollect that letter?—I do not recollect that at all. Of course if it was a semi-official letter I should not have seen it.

133. Do you not recollect the feeling of the Government?—All these letters would be written without my knowledge, unless there was some special question for the Cabinet. I do not recollect anything about them. To a certain extent I suppose anything that Sir John Hall said would be no doubt with the understanding that he was representing the feeling of the Cabinet at that time. He would not have said it unless he thought he was representing the view of the Government as well his own.

134. *The Chairman.*] Do you consider that the services of Loan Agent and Stock Agent should be included in those of Agent-General?—Yes; it was considered so.

135. Without any additional payment for their performance?—Yes. I understood the Agent-General's duties included all the agencies for the salary he received.

136. From your knowledge of financial affairs in 1879, do you consider the services of Sir Julius Vogel to have been of a particularly onerous nature?—Yes; I think they must have been.

137. And his conduct at that time was of great service to the country?—Yes; I think he satisfactorily performed his duties as Agent-General and Loan Agent. Of course there was a great deal of business of both kinds being done.

138. *The Chairman* (to Sir Julius Vogel).] You have not yet told the Committee what claim you have on the colony of a money value. Will you please say the amount you claim separately under the three heads—first, for commission on the loan; second, for the commission on conversion; and, third, the claim for compensation?—I would point out that in number two I said, as regards my claim for commission on negotiation, if that is not allowed, then I claim commission on conversion; so that numbers one and two resolve themselves into one claim. I consider I am entitled to one-eighth of 1 per cent on the Five-million Loan, £6,250, the same as Sir Penrose Julyan received. The claim for conversion would come to a similar amount. Under number three I claim compensation for being deprived of the office which Sir John Hall pointed out I was to hold.

139. What do you claim for that?—It is hard to say, but I would point out to the Committee they may reasonably say that if they pay the amount under number two, which Sir John Hall refused to pay, it might be looked upon as a part payment under number three. If they say we cannot deal with numbers one and two, it seems to me that I should receive commission on the amount which was not converted at the date of my leaving office as Agent-General, which was, I believe, £1,600,000, and that compensation should be paid for the loss of an office which, as far as we can see, will go on for a number of years. Sir Penrose Julyan received, I think, during two years some £1,300 or £1,400. He is now receiving £800 a year. So, if you consider the question of compensation for the loss of that office which Sir John Hall pointed out as of great value, I do not think you could give an opinion that it was worth less than £7,000 or £8,000, besides the commission on the £1,600,000. I should be content if the claim under number two, £6,250 were allowed me, and two years' salary, the same as Sir Penrose Julyan receives. I think that would be a satisfactory settlement of the claim.

140. You asked Sir Frederick Whitaker whether he did not consider you were entitled to commission on the amount of stock converted after you had ceased to be Agent-General: what would that amount to?—To the best of my belief, it was about £1,600,000. The commission would be about £2,000. To that would have to be added compensation for the Government not appointing me to the position which Sir John Hall said I should have, and which was one that, to use his words, was "an appointment which will, with the exercise of little labour, return, in all probability, a considerable income, and assist materially your position in London, whilst leaving you free to engage in any other business. From this point of view it is sure to be argued that this is not an unreasonable recognition of your services." In considering the compensation for the loss of that appointment I hope the Committee will take into account how great a slur was cast upon me in being omitted from an appointment which, of course, everybody expected I should hold. I am sure Sir Penrose Julyan himself would not have said that his claim to the appointment was so great as mine. I am not putting myself in comparison with him on the merits.

141. *Mr. Alhwright*.] Do we understand, then, your claim to be £6,250 and £2,000, or a total of £8,250?—Yes; £6,250, and two years' salary, such as Sir Penrose Julyan received, about £700 or £800 a year.

142. *The Chairman*.] It would be for the convenience of the Committee if you put the claim in writing under the different heads?—I will do so. I wish the Committee to understand this: that, if they pay me for the conversion of the Five-million Loan, the agency of which Sir John Hall wrote that I should not receive, I have a further claim for not receiving the office after ceasing to be Agent-General, as promised by Sir John Hall; and I think the justice of the case would be met by adding to the £6,250 for conversion two years' salary, such as Sir Penrose Julyan received. If I am denied commission on the Five-million Loan, then I consider this as the basis of my claim: First, commission on the amount converted after I ceased to be Agent-General; and, secondly, compensation for my not holding permanently the office which Sir John Hall pointed out to me I should hold: and in the elements of that compensation will have to be considered the advantages which he held that appointment would confer upon me; besides the very serious slur to me in being passed over when the appointment was made—not merely passed over but gazetted out of the appointment, and not re-gazetted when the new appointments were made. From either point of view, in my opinion, £8,000 would be a moderate compensation to pay me.

143. *Mr. Samuel*.] You state that £1,600,000 was converted after you ceased to be Agent-General, and whilst you still continued to be Agent for Inscription of Stock?—Yes.

144. And for that you received no remuneration whatever?—None whatever.

145. Why is it that you suggest that remuneration for that might be $\frac{1}{2}$ per cent instead of $\frac{1}{8}$?—Because in the position I was to hold after I was Agent-General the commission was originally $\frac{1}{8}$ per cent.; but we afterwards agreed to hold the agency at a commission of $\frac{1}{2}$ per cent. for subsequent operations. It is an important matter, therefore, if you put on one side all my claim to commission on the Five-million Loan, that you would have to take up the position as to what I should be entitled to merely carrying out Sir John Hall's letter to me as to the position being one of emolument; and from that point of view I should think you would say that would be the commission which would be payable on the £1,600,000. From this point of view also you would be pleased to consider the compensation I should receive for being deprived of that office. Then I would point out that, after having gone Home, as Major Atkinson has said, with the idea that the appointment would be given to me; afterwards, as Agent-General, having rendered most important services to the colony; being the author of the Inscription of Stock Act; and my whole career pointing, as Sir John Hall amply indicates in his letter, to the carrying out of this measure in London, it was taken from me, and my position, of course, was very much affected by being passed over entirely; the result being, as you know, that I have come out again to New Zealand.

146. Was not part of the loan unconverted when you were gazetted out as Agent under the Inscription of Stock Act?—All but half a million was converted.

147. Then, do you not think, when you acceded to the view that $\frac{1}{2}$ was to be given to you for conversion, you had a right to receive that $\frac{1}{2}$ on the whole loan then unconverted, not only on the £1,600,000 which was converted during the time you continued as Agent under the Inscription of Stock Act, but also on the remainder of the loan which was not converted at the time you were gazetted out?—I think Sir John Hall always reserved the Five-million Loan whenever I pressed that it should be included; but, as I never received any payment, I hold that if I was not to be allowed for the negotiation it should be included in conversion.

Sir Julius Vogel: I wish to say first that the more I reflect on this question the more it seems to me impossible to come to any other conclusion than that, when before the Five-million Loan was negotiated I telegraphed to Sir John Hall that I was willing to take the agency, and act as Agent-General without payment, I could have nothing else in my mind but that I should be paid on the negotiation or conversion of that loan. I was in no position to undertake to give long services without payment, and there were no immediate prospects of any other business. I put it to you, Mr. Turnbull, could I have had any other idea when I telegraphed on the 7th November than that the Five-million Loan would be included? And when I received this answer, four days afterwards, "Agency-General incompatible other business. Government consider expediency relieving you and appointing you Agent Inscription Stock. Post fully arrangements you propose. Sketch scheme. Estimate annual conversion. Would associate two Agents with you. Anxiously waiting news loan," could I for one moment, when I received that telegram, suppose that it was in the mind of the Government to exclude from the profits of conversion the Five-million Loan which was then being negotiated? I will only say, further, that I do trust that the Committee will recollect that the other witnesses who have been called, Major Atkinson and Sir Frederick Whitaker, have given their evidence—I will not say in an unfriendly manner to me—but they have given it in a manner that showed they considered it was clearly their duty to uphold the previous decisions of the Cabinet. You must be aware that really I am petitioning the House against those decisions; and it was very clear from Sir Frederick Whitaker's answers to-day that he could not take himself away from the responsibility of his opinions at the time. I would also ask the Committee to recollect that no other witnesses have been called. I have not thought it desirable to call lawyers, bankers, or others to say what their opinion would be on the matter. Supposing there was an arbitration, therefore, the evidence you have received is really the evidence of those who are upholding the decisions of years past. I do not think it is necessary for me to trouble you with any further remarks, except that if there is anything left in an unsatisfactory condition in the minds of the Committee, or as regards wanting any information, I shall be only too pleased to supply it.

148. *The Chairman.*] The Committee would be willing to afford facilities to call any evidence you wish affecting the case?—I had thought, for example, of calling some members of Parliament; but it seemed to me that it would simply be asking them to anticipate their decision when the Committee reported. Then, if I were to go outside members of Parliament, I should have difficulty in knowing whose opinions would have weight with the Committee. So it seems to me more natural to suppose that the Committee, following the evidence, would say they were quite capable of forming an opinion without assistance from others. I wish to point out that the evidence of Major Atkinson and Sir Frederick Whitaker has not been of any new facts at all, but simply a reiteration of what is already comprised in the correspondence. If the Committee would wish to have the opinion of outsiders, of course I should be happy to do so. The difficulty is that, as the end of the session is so nearly approaching, to call further evidence might prevent its being dealt with.

149. I know I am speaking the mind of the Committee when I say that, if there is any evidence you wish to call, by all means call it?—Would the Committee tell me if there is any point on which they desire further evidence?

150. If the Committee, in considering the case, wish for further explanation you will be communicated with.—I will leave it in that position.

151. There is one more question: did you write to or communicate with the Government by telegram immediately after the receipt of that telegram of the 11th November?—I do not think I telegraphed after that. I was then engaged on the loan, as I have explained, and as Major Atkinson bore out; and if I had troubled the Government by seeking to bind them to include the loan they would have looked upon it as a very ungracious act—an act I did not dream of carrying out, because, as I have pointed out to the Committee, it seemed to me beyond doubt that it would be included—the conversion at any rate, whether the negotiation was or not.

152. *Mr. Samuel.*] In the telegram you have several times read to us you were requested to "Write fully. Sketch scheme for conversion," and otherwise communicate fully. Did you ever do so?—Yes; the letter ought to be before the Committee. Speaking from memory, I think that letter was written before we decided to include conversion in the negotiation of the loan, and, if so, it would only deal with negotiation. It was not until the last minute we agreed to give the option of conversion to the negotiations of the loan. The letter will be found in the Appendices for 1880, B.-4, No. 16.

153. Then, you never did make a claim for any more than $\frac{1}{2}$ per cent.; you did not, as the other Agents did, make a claim for two commissions at any time. That appears so by your letter of the 16th December, 1879?—I had no idea of being paid two commissions; I endeavoured to keep alive the alternative, but it was always only one. The other Agents claimed for two. There was nothing to show that people would come in as they did. The whole five millions, excepting half a million, was converted within the year. They thought that when the Bank of England gave out the scrip their duties would be at an end, and that the loan would be treated the same as the other outstanding loans.

153a. Do you think the estimate you go into in this letter (November, 1879) bears in any way

upon the way we should estimate your claim? You go into the question of the probable amount that would be annually converted; can you indicate to us any means of calculating the remuneration you should receive for your services since you ceased to be Agent by what is contained in that letter?—I should be glad enough to abide by the estimate which supposed that over a course of ten years £10,000,000 would be converted; and that the payment each Agent should receive for the ten years would be £15,000, which was estimated to be a moderate one considering the enormous nature of the transactions. I should suppose, therefore, one-eighth of 1 per cent. is the payment to be made to me: that was the estimate I made at the time. I took a much more sanguine view of the effect of the Inscribed Stock Act than Sir Penrose Julyan or anybody else did at that time, and as it has happened my view was not sanguine enough, because it has been a gigantic success. There is no doubt a great deal more than £15,000,000 will be inscribed before the ten years come round. Already a very large amount has been inscribed. In reference to the smaller payments subsequently, Sir Penrose Julyan afterwards pointed out that the duties depended upon experience and ability for their performance, and not the amount of clerical labour given. Though we consented to receive the smaller amount, Sir Penrose Julyan did not think the first-named amount too much.

THURSDAY, 17TH SEPTEMBER, 1885.

Hon. Sir WILLIAM FITZHERBERT, K.C.M.G., examined.

154. *The Chairman.*] At the request of Mr. Macandrew, who presented the petition, I asked you to be so good as to attend this morning, and, in order that you should understand the matter, I forwarded you a copy of the evidence already taken, and the petition?—Yes, I have read them. I have no personal knowledge of the circumstances of this case, but I have been acquainted with, and at one time have studied deeply, the finances of the colony. I have also had responsible work in respect of the negotiation and conversion of loans, and so far I, perhaps, may be supposed to understand these kind of questions. When asked by Mr. Macandrew to attend I said “Yes,” and have gone through the evidence which you forwarded to me very carefully, and have made myself as much master of the circumstances as here disclosed as I am able. I am now willing to state the impression made on my mind, going from point to point, if the Committee think it proper that I should so do, without answering questions categorically. Being personally unacquainted with the circumstances, but having a general knowledge of such subjects, I submit that perhaps that would be more convenient for the Committee.

155. I think I am expressing the wish of the Committee that you should adopt the course you suggest. At the same time, in the course of your remarks any member of the Committee may like to ask for information?—Of course in that case I will answer to the best of my ability. This is a claim for compensation in respect of non-payment, as is alleged, of commission upon the raising of a loan of five millions, and also for compensation for deprivation of office in respect of being Commissioner for the inscription of stock. First of all, with regard to this claim I have been much impressed with this preliminary point: that the claim, whether it may be hereafter found to be tenable or otherwise, at any rate has been kept alive by the claimant. What makes a great impression on my mind is that it has not been called up for an occasion, or anything that could be called an afterthought. So much for that. Then, with regard to another preliminary question. I am speaking now within the four corners of these two points of evidence of the 4th August and 7th September. I am impressed with this: that I think it may be taken for granted, after reading all the evidence, that the work in respect of which the claims are made was well done. Those are two preliminary points with regard to which I am expressing the conviction on my mind after a perusal and study of them. First of all, that the claim was not taken up as an afterthought, but was kept alive—I may say obstinately kept alive—throughout, from the period of its first conception; and, second, that the work in respect of which the claim was made was done to the satisfaction of everybody. Now, with regard to the claims themselves. The first is a kind of double claim, a claim in respect of negotiation and also in respect of conversion, for which an attempt was made, apparently not persisted in very much, in respect of a commission for each. I gather from these papers that that was not insisted upon by Sir Julius Vogel, and I think rightly. I think that would have been entirely untenable. We therefore reduce the claims to two: the commission on the negotiation of the Five-million Loan and compensation for deprivation of office. With regard to the first, it is alleged on the other side that, however desirous the Government might have been to meet the views of Sir Julius Vogel as to this claim, they were put out of Court—they were disabled from doing so—because of the fact that he held office as Agent-General. And there lies the point—the crux. So far as receiving a commission whilst so acting as Agent-General, I think the Government were correct in their principle, and, technically, under these circumstances they were undoubtedly right, but in spirit I hold they were entirely wrong. The position at that time was that Sir Julius Vogel had been called to account because of his having joined a certain directory. That was held to be incompatible with his continuing to hold the office of Agent-General. In the communications that passed it came to this: that Sir Julius Vogel declined to give up his directory; and upon that there is a good deal of—let us say “fencing”—each holding his own opinions over a narrow ground. But I would call attention to this in the evidence given by Sir Frederick Whitaker—and it entirely concurs with the rest of the evidence: Sir Julius Vogel says: (No. 115, page 8, 7th September) “To which I replied this answer: ‘Cannot name time resign.’” Then the answer of Sir Frederick Whitaker is, “I recollect that, and it was considered”—that is to say, it was considered in Cabinet—that is the interpretation I put on the expression “considered”—“and we agreed that you must resign within a reasonable time.” That is to say, Sir Julius Vogel had received, as Agent-General, “notice to quit.” He could not therefore after that be

regarded as holding the office of Agent-General permanently, which was incompatible with the receipt of a commission for the negotiation of the loan. Virtually he was *functus officio*. He was no longer permanent Agent-General: he was merely holding office as any one else holds office, to perform in a perfunctory manner certain routine duties. He could not be considered as the permanent Agent-General of the colony, and might any day have been, and could not have complained if he had been, peremptorily removed. Then, this is what strikes me, under the circumstances: About November comes the negotiation of the said Five-million Loan. Sir Julius Vogel was holding office at that time simply until his successor was appointed, and for the convenience of the Government. If he had then considered that there would have been any obstacle to his receiving a commission for the work which he is acknowledged to have performed ably, he had only to telegraph out to say, "Negotiation of this loan suspended until you accept my resignation, which I now send to you." Is it credible that any one in undertaking a duty the successful performance of which involves the deepest interests and prosperity of the colony that he represents—not a mere clerical work, but one requiring the utmost vigilance and judgment, and the exercise of the highest discretion as to whether it would be a failure or success—and it proved to be a success—would do this? It was only a few months afterwards that his actual withdrawal from office took place; and can it be supposed that any one would have undertaken a duty in connection with two other persons, in which he performed at least an equally important part with the other two, if he had believed he was not to be paid, when he could have pursued the course which was, as I have said, open to him; and that he would have preferred holding the office for six or eight months at the rate of £1,500 a year—equal to about £1,000—and to forego that which would otherwise, and except on the technical ground that he was Agent-General, he would have been undoubtedly entitled to, viz., the same payment as the others, Sir Penrose Julyan and Mr. Ommanney—that is to say, that he could, with justice to himself, have foregone the payment of £6,250 that his coadjutors received, and only take in exchange £1,000 for an office the holding of which was only from day to day? In respect of this the calculation I make is that Sir Julius Vogel is entitled, undoubtedly, to the same commission as Sir Penrose Julyan and Mr. Ommanney received, less the amount he was paid, if anything, between the negotiation of the loan and his finally being relieved of office about eight months afterwards. I believe he is absolutely entitled to that. So much for my opinion on the first point. With regard to the claim for deprivation of office, what has impressed me very much, and what I think it hinges upon, is this: In what is set forth as a private letter of Sir John Hall's, the terms of which are well known to the Committee, this office is offered in distinct terms, and the circumstances and inducements are set forward in an attractive form in the following terms: "That there would be in all probability a considerable income, and assist materially your position in London, whilst leaving you free to engage in other business;" and "that this may be taken as a not unreasonable recognition of your services." That is from the Premier of the colony. I then compare that with the evidence as taken on the 7th September, page 5, and I find this: "The appointments"—that is, the appointments as agents for the inscription of stock—"were revoked upon the grounds that the powers given were too extensive. Then this Bill was passed, and fresh appointments were made. Sir Dillon Bell and Sir Penrose Julyan were appointed, and I was omitted altogether. I would ask you, having regard to what Sir John Hall had said, was it keeping faith with me in not reappointing me?" Then the answer was given by Major Atkinson, "I do not think there was any breach of faith, because the whole scheme had been knocked on the head by Parliament. I am not able to say what influenced the Government." My conclusion is directly at variance with that. The knocking on the head of a promise by Parliament has nothing whatever to do with a promise of that sort made by the Premier of the colony. If the Government were too weak, or if it did not suit them for other reasons to make a point of it, they were at any rate bound to have brought before Parliament the circumstances, and explained how far they had committed the country, and tell them the probable consequences in respect of compensation. The last remarks I have to make are from entirely an abstract point of view. In talking of the policy of finance my opinions are well known, and thoroughly adverse; but I am speaking of this question as granting that the policy is good. Here is certain work obtained, and a distinct promise from the Premier of the colony; and after they had taken Sir Julius Vogel into consultation as to how abatements should be made and powers reduced, and after they had got all his information on those points, they then go round and say, We will not have three Agents: we will only have two. And, although Sir Julius Vogel was promised it, this competence which was to be a proper recognition of his services is denied him, and he stands in reference to the people amongst whom he lives, and where he has to make a fresh start in life, with this stigma upon him. I say plainly to this Committee, as one who may be considered to know the bearings of these things, that if that case were brought before any twelve men, I believe that a claim infinitely larger than that set forth by Sir Julius Vogel would be sustained. I wish to say further, in respect of this claim by Sir Julius Vogel for commission on the Five-million Loan, that if it dies now it will never die out altogether. If I am right in the view I take it will be brought up again and again, if not by Sir Julius Vogel, by those who represent him, but will never be allowed to die until he is remunerated, and then by a much larger sum than he now claims. That, Mr. Chairman, is the result of my study of this question. I am inclined on all points of his policy of finance in quite an opposite direction to that of Sir Julius Vogel. I am bound to say that in justice to the consistency of the financial views I hold. But this is not a question of policy, but of payment for work done and services rendered.

156. *Mr. Lance.*] You said the Government were put "out of Court" in considering this question. I would ask you to look at the second page of Sir Julius Vogel's evidence with regard to that telegram of the 7th November, in which he says, "Am willing take Loan Agency at centage, act Agent-General without salary long as suits Government." In your opinion, was Sir Julius Vogel justified in considering that the commission on the Five-million Loan, which was about to

floated, would be included?—I can draw no other conclusion than that it must have been in his view. Sir Julius Vogel says, “Am willing take Loan Agency,” and talking of the terms, “payment by centage, and act Agent-General without salary long as suits Government.” Now, how could this be otherwise than applying to the Five-million Loan? In all the loans of New Zealand, five millions is about the biggest thing we have done, and, therefore, at any rate, it necessarily must have exhausted, in even the most sanguine mind, the capability of New Zealand coming forward in the loan market for any fresh loan, at least for one year. Then, how could Sir Julius Vogel, if it was not to include the Five-million Loan, debar himself for twelve months from remuneration by taking the agency, though knowing there was no possibility of any loan coming from which he could get a percentage. In my mind it absolutely must have been present to his mind this Five-million Loan, because it would absorb the potentiality of the colony borrowing for at least twelve months, if not more.

157. Then, take the next telegram, that of the 11th November. Does that telegram confirm the opinion, in your mind, that the Five-million Loan should be included?—I think it is evident that where you have to go upon elliptical writings, such as telegrams are—where you have to read a great deal between the lines—it is perfectly possible, almost inevitable, that any two persons, considering things from different points of view, might come honestly to different conclusions. Reading this telegram, we have, “Agency-General incompatible other business. Government considering expediency relieving you therefrom. Appointing you Agent Inscription Stock, payment by centage”—that is, instead of remaining Agent-General. Understand, You cannot receive commission for negotiating loans, but we will make up to you by appointing you Agent for Inscription of Stock. “Report fully by post arrangements you would propose. Sketch scheme. We would associate two Agents with you. Anxiously waiting news loan.” Virtually you are out of the Agency-General, but still you must not, in negotiating that loan, expect us to pay any commission—that I think clearly was in the mind of Sir John Hall. But I say that Sir Julius Vogel then had it open to him to do as I said, and it was only forbearance on his part not to do so. Technically he was Agent-General whilst this loan was being negotiated by his influence—technically the Government was right, but in spirit I think they were entirely wrong. The abridged statement of a few lines of a telegram may be sufficient excuse; but if they had said distinctly, “We will give you no commission—take your choice,” then, I say, they would, in all probability, have been met by the intimation that until Sir Julius Vogel’s resignation was accepted he must decline taking any further part in the negotiation of the loan, and it would have been hung up. I am clearly of opinion that Mr. Hall did not commit himself in that telegram to giving any commission on the Five-million Loan.

158. The Government said you must resign the directorship and you must not enter into politics. In your opinion, does not the fact of Sir Julius Vogel having distinctly stated that he could not resign the directorship, and also the fact of his having continued his candidature for Falmouth, show that Sir Julius, at all events, thought he was holding the office of Agent-General only until his successor was appointed?—I have not any doubt upon that point. I think, further, and I lay great stress upon this—I am of opinion that not only did Sir Julius Vogel think he had intimated that his choice had been made to continue to enter into politics and to continue his directorship, but that there was a mutuality in that conception—it was not merely a conception in the mind of Sir Julius Vogel and a practice accordingly, but was participated in on this side of the water. This is in Sir Frederick Whitaker’s evidence. When called upon, Sir Julius Vogel said, “Cannot name time.” Then Sir Frederick Whitaker says, “I recollect that, and it was considered and agreed that you must resign within a reasonable time:” that is to say, they had talked over it in Cabinet, and were agreed that it was only a question of time—a reasonable time—for a successor to be appointed, and a reasonable time for an old officer not to go at a minute’s notice. I think the thing was there and then settled, not only in the mind of Sir Julius Vogel, that he had ceased to be virtually Agent-General, but that also it was recognized on this side of the water by the Government.

159. With regard to the time of Sir Julius Vogel’s resignation that you alluded to. On the 4th March Sir John Hall must have recognized the fact that Sir Julius Vogel was at that time holding the office of Agent-General for the convenience of the Government. In your opinion, was the position changed on the 4th March from what it was in November? A great deal hinges upon that. Did anything transpire, as far as you can judge, between November and March to alter the position of Sir Julius Vogel with respect to the office he was holding?—I understand the gist of the question to be, Was there drawing-back or hesitation on the part of Sir Julius Vogel? I do not think there was. I think he fairly made his choice, and said nothing to mislead the Government: that, so far as I can make it out, until he was relieved by Sir Dillon Bell some months afterwards, there was no drawing-back; no saying, “Oh, now that I have thought it over, I will be Agent-General.”

160. Then, you think Sir Julius Vogel was entitled to commission on the Five-million Loan?—I cannot conceive how there can be a doubt about it. There is one point to which I have not referred. It may be desirable that I should, although I do not think there can be anything in it. A point is made of Mr. Ommanney paying the commission he received into the fund. There is a fund in the Crown Agent’s office into which commissions on negotiations for all the colonies of the Empire are paid; and it is not paid to an individual, or to two or three Crown Agents, but over the whole establishment. I have no doubt—and I am now speaking from my own experience, and the intimate relations I had during the fifteen months with the Colonial Office—that the Government had insisted that that should be done in diminution of the expenses of the department, and very properly. But that makes no difference: if Mr. Ommanney receives payment, and hands it over to his wife or children, or to the office fund, the payment made by the colony is the same, and the question of the rights of a third party is in no way affected by the after disposal of the money received from the colony. Sir Penrose Julyan also received £6,250. I say that does not diminish in any way the services of the third party to the floating of that loan under exceedingly discourag-

ing circumstances : that he should be deprived because technically he was Agent-General. Technically the Government were right ; in spirit they were wrong. Yet I do say, and repeat with all due submission to this Committee, that this claim is as nothing when compared to that for compensation for loss of office : in being so thrust out, and being excluded from an appointment which was to be compensation for services rendered. The letter says, and I attach the greatest importance to it, that the appointment would yield a "considerable income, and assist materially your position in London, and will not be an unreasonable recognition of your services." Not only is he deprived of that, after being taken into consultation, but also he received a slap in the face, that is of incalculable money injury to any man who intends to start in mercantile business or otherwise. I say that claim is most moderately put forth ; and I say there are no twelve men in any country but would regard that as a grievous wrong. It is to me inexplicable.

161. *Mr. W. White.*] I would like to ask whether you understand the then Premier, Sir John Hall, in the telegram of the 3rd November, to refer to Sir Julius Vogel's retirement from the Agent-Generalship or from the board of directors?—I think the context clearly shows that he refers to his retirement from the board of directors.

162. The point I wish to clear up is this : was there any understanding or mention of retirement from the Agent-Generalship on one side or the other prior to the floating of the loan on the 11th November?—I think this answer of the 7th November is clear : "Am willing take Loan Agency; payment by centage and act Agent-General, without salary." Whether Sir Julius Vogel retired or acted as Agent-General without salary—mind that "without salary"—he was free to take any other business.

163. Any resignation or retirement prior to the 7th November you consider as applying to the board of directors?—The particular point you asked me, I understood, was as to the meaning of Sir John Hall's telegram of the 3rd November, and I say, in reply, that that referred clearly to the retirement from the board of directors. Then, as to the question, Was there anything prior to the 11th November in reference to retirement of Sir Julius Vogel from the Agent-Generalship, I refer to the telegram of the 7th November, and I say that clearly refers to his virtual retirement from the Agent-Generalship ; at any rate so far as to obviate the objections to his undertaking any other business that would be incompatible with that office.

164. Then, the suggestion first came from Sir Julius Vogel, on the 7th November, when he states that he cannot resign—meaning from the board of directors—and suggesting that he should take up the position of Loan Agent at a percentage ; and the first telegram or communication from Government in reference to the resignation or retirement from the Agent-Generalship is under date of the 11th November, in your opinion?—Yes.

165. That is the first intimation we have of the Government considering the advisability of Sir Julius Vogel resigning the Agent-Generalship?—Yes ; but the point was raised, as I say, by Sir Julius Vogel on the 7th November, and the Government were in possession of it ; and what appears to me is this : when Sir John Hall, in the telegram, shows his anxiety about the loan, if he were determined to use Sir Julius Vogel's services, and still keep him hanging on to office, he should have said then, plainly, "No commission."

166. In your evidence I had the idea that you alluded to the retirement mentioned prior to the 7th November as referring to the Agent-Generalship, and not to the directorship?—No ; I think it clearly refers to the directorship.

167. And the suggestion of retirement from the Agent-Generalship, in your opinion, came from Sir Julius Vogel?—Yes.

168. *Mr. Samuel.*] You say, and very emphatically, that, in your opinion, Sir Julius Vogel has a good claim to the extent of commission of $\frac{1}{3}$ per cent., less the amount of salary received by him subsequent to the 11th November, the date of the telegram?—Yes.

169. You say also that you think he has a good claim for compensation in respect of his loss of the office of Agent under the Inscription of Stock Act. Do you say that the second claim is in addition to the first or alternative?—I think it is clearly in addition ; and I would say that, as far as I am able to judge of such things, though in the opinion of the Government the claim for commission was held not to be tenable because technically he continued to be Agent-General—although I say in spirit he had ceased—I think, even if that claim is to be admitted, the claim for compensation is infinitely greater : a good solid claim, as to which the other is as nothing in amount. I think the appointment was clearly promised by the Premier of the colony, and that it is no answer to that to say, "Parliament would not let us." They were bound to do it ; it was a thing upon which the Government should have gone out. In my opinion it is a thing upon which in any Court of justice the damages would come to a very large amount—for the injury sustained by any one who was promised such an appointment, whose information was obtained, whose brains were picked, and who then was turned back on the plea of granting lesser powers ; and, although the same powers are given, he is shunted, after having been promised the appointment as compensation for his services by the Premier of the colony. I say the claim to commission is as nothing compared to that.

170. You have applied by analogy to appeal to, and assessment of, a jury ; possibly I may be allowed to put it in this way : Upon the first count, that for commission, you have already told us what would be your finding, so to speak. Can you tell us what would be your finding on the second, supposing you had already found on the first?—I can only tell the Committee what I think in general terms ; as to the *quantum* I say nothing except this, that in respect to the claim, as I understand it in the figures put forward by Sir Julius Vogel, I think it is very moderate.

171. But you would go to this extent : that you think the damages should be substantial, in addition to the other?—I do, indeed. I have not the shadow of a doubt in my mind upon that.

172. *The Chairman.*] There is one question as to this letter of Sir John Hall's being a private letter : how far do you think that would be binding on the Government?—Of course, that is a new point. I do not know, but I have to take that as it is before me. Let me explain, by analogy,

the way it strikes me. Technically, I say, Sir Julius Vogel is out of Court with regard to commission on the Five-million Loan, because, *de facto*, he was Agent-General; but I say, in spirit, No. So with regard to this. If it is said that is a private letter, and any promise to you cannot be brought forward: I do not think that is a spirit the Parliament of any country should take up. It would be different if it was a private letter surreptitiously obtained. But really there are some things that cannot in their very nature be private. If a letter, which is alleged to be a private letter, is brought forward publicly, you get to look upon that letter as public; the mere calling it a private letter does not make it so. If, in the essence of that letter—in its spirit, in its construction, and in the whole tenor of it—it refers to public matters, that is not a private letter. I am speaking freely, because I have no doubt in my mind; but I do not think for a moment that Sir John Hall ever did anything which he thought was wrong. I think it was excessive conscientiousness led him to write that letter. A letter may not have the official seal or official signature, and it may not be copied in the press letter-book, but that does not constitute the difference. I say the whole of that is a public letter. There is nothing private in it. I speak with diffidence on this point, and only express my own very humble opinion. A private letter means a confidential communication that is sacred. Sir John Hall was incapable of anything of that sort—of uttering words of plausibility in a private letter, and in his public acts being contrary: no such thing is he capable of. Every word of this letter is public, although not written as Premier or Colonial Secretary. There is no word of caution to regard the letter as confidential, the whole thing breathes public questions, and with respect to public matters discussed on public grounds.

173. Then, you think this letter should have equal weight as if the matter had been discussed in Cabinet and a public letter sent?—I do. Let me say that my experience of Cabinets is that anything discussed there is as sacred as the honour of woman, or the honour of a man who would rather die than forego his word. Nothing is written down in Cabinets; and if a man does anything contrary to the spirit of what is agreed upon he is not worthy to hold a seat in any Cabinet. Especially that applies to the Premier, who is supposed to specially represent the mind of the Cabinet.

174. *Sir J. Vogel.*] You were Home in 1867, and were well acquainted with the financial world of London, especially its colonial side. I would like to ask whether you consider the failure to reappoint me as Loan Agent was calculated to injure me in the eyes of the people connected with financial affairs in London?—There can be no doubt about it. It was a serious injury, payable by compensation—there is no doubt about it.

175. Are you able to corroborate me in my recollection that you and I have never spoken upon this subject before? I may state this to the Committee: I have, in my position as Speaker of the Legislative Council, kept myself entirely aloof from matters of this sort, and the only license I allow myself is, if people come into my room and ask my opinion, I think there I may and do give my advice. But I have never called upon Sir Julius Vogel, and have never seen him since his return to the colony, except on one occasion in public on the Hutt racecourse, when I thought, as president of the club, it was a civility that I should go and say a word to him. That is the only occasion I have ever exchanged a word with Sir Julius Vogel since his coming out, and then this subject was not even alluded to. I have a high respect for Sir Julius Vogel, although we differ in our policy of finance as widely as any men in the country. I would not like to trust myself to say how strongly I differ from him, and my opinion in this is not the opinion of a person who admires his policy of finance. I say this, that if I do not know something about these matters I ought to know. Whatever ability I have had has been employed in the study of the finances of the colony. I have had fifteen months' intercourse with all the leading men in England connected with the colonies; I have had charge of loans and conversions; and in the inscription of stock I had many interviews with Mr. Westgarth, who was one of the first persons who brought it forward. I think Sir Julius Vogel has done this work admirably that had to be done, and I think he is entitled to that commission upon the negotiation of the Five-million Loan; and as to the injury done him in a commercial point of view through deprivation of office, I say it is greater than I care to name.