

Now, it was only during the previous short session that a five-million loan was authorised, because of the existing extraordinary financial crisis. The country was almost bankrupt, and it was absolutely necessary to get this five-million loan. It was proposed by a Government which was supposed to have lost the confidence of the country. On the 7th November Sir Julius returned the following reply by cablegram:—

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 as long as suits Government. Reply.—VOGEL, London, 6.

On the 11th November comes the answer:—

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, the whole question comes to this: After that last telegram was sent, what was the position of Sir Julius, as regards the Agency-General? He had been asked by Sir George Grey to reply "Yes" or "No" whether he would resign, the implied meaning of Sir George Grey's telegram being that, if he said "No" he would not resign the Directorship of the Agricultural Company, he would have to resign the position of Agent-General. Sir John Hall most explicitly states in his telegram that the "Present Government agree inexpedient you remain director or engage Home politics."

*The Chairman*: The query of Sir George Grey to him is to say "Yes" or "No" in regard to his connection with the Agricultural Company.

*Mr. Vogel*: Exactly so. Then comes Sir Julius's answer. They called him to name the time for him to arrange to retire from the Agricultural Company, with the implied addition that if he could not retire from the company he would have to retire from the position of Agent-General—in fact, that if he did not retire from the directorship of the Agricultural Company it would be expedient for him to retire from the position of Agent-General. Sir Julius replies that it is absolutely impossible for him to "name time resign," and he goes on further to say: "Shareholders would think it unfair entertain such intention now." Now the meaning of the word "now" is, "Now that I have joined the directorship." He says most positively that the shareholders would think it unfair to even as much as entertain the question of resigning his directorship. A letter on the top of page 4 of I.—1A, 1885, shows what the feeling of the company was on the question of his resigning. He had joined it as being a prominent colonial in Wellington, and it would have been a very great blow to the company if he had resigned the directorship. The position therefore was that the Government absolutely declared that it was impossible for him to continue as a director of the Agricultural Company. In the face of the Government having told him that the two things—the Agent-Generalship and the directorship—could not go together, he says he cannot name a time to resign the directorship, and he goes on even further and says that he cannot entertain such an idea. This telegram of the 7th November is the first telegram which opens up any new matter. He suggests to the Government that he would be willing to take Loan Agency, "payment by percentage, and act Agent-General without salary long as suits Government." The reply of Sir John Hall, was first of all, an indorsement of the statement previously made—that the Agency-General is incompatible with other business. Now, before considering the rest of the cablegram I ask the Committee to consider the effect of this first part upon Sir Julius Vogel's mind when he received that cablegram. He was told that he must take a certain line of action. I submit that the answer of the Government could have led Sir Julius to no other conclusion than that the attitude he had taken up was thoroughly understood by the Government and accepted by them: that is to say, that the Agency-General was incompatible with other business, and that as he would not abandon that "other business" he could no longer hold the Agent-Generalship. That cablegram affirmed what they had already said—namely, that the two things, the Agency-General and the directorship could not go together. The Government had received a telegram from Sir Julius, in which he said it would be absolutely impossible for him to resign from the directorship of the Agricultural Company. Obviously, in the minds of both, there could only be one other thing to be done—the Agency-General must be abandoned. That Government thoroughly understood Sir Julius's position is shown by the next portion of their telegram, where they say: "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 awaiting news loan." Now, I may say that that scheme was sent in a long letter by Sir Julius Vogel. Now, this is the whole of one phase of the matter. Sir Julius had plainly indicated that he could not abandon the company; and the Government had absolutely told him that it was impossible for the Agent-Generalship and the directorship to remain together, and, as a result, they were considering the proposal to relieve him from the Agent-Generalship. What possible position could he afterwards occupy, save as temporary Agent-General? There is another matter which should not be lost sight of. On the 3rd November the Government informed Sir Julius that, in addition to the inexpediency of being a director of the Company, it was inexpedient for him to engage in Home politics. Now, it was notorious that Sir Julius was standing as a candidate to represent Falmouth in the Imperial Parliament, the election for which seat took place in May or June, 1880. Therefore, if Sir Julius had not been obviously performing the duties of temporary Agent-General—if he had not received, if I may use the words, his "marching orders"—he would have been in a most insubordinate position. He would have been deliberately standing for a seat in Parliament in the face of the expressed wishes of the Government, and he would have deliberately continued a director of the Agricultural Company. I am sure those who know Sir Julius and his