

A report of the debate, which is instructive and will repay perusal (11th September, 1880; A.-5, 1880, p. 4), was forwarded to Sir Julius Vogel, and he was made acquainted with the strong opinion expressed in the House of Representatives that the salary of the Agent-General must be held to cover any services connected with colonial loans rendered by the holder of the office.

This appears to me a complete answer to the contention that I promised, through Mr. Fox, to bring Sir Julius's claim before Parliament. I did not make such a promise, as indeed Mr. Fox's letter proves. All it says is that "if Parliament would be willing to vote an honorarium, the Government would not only not oppose, but would support it." But Parliament never showed the least disposition to vote such honorarium; on the contrary, it was evident that if any such proposal had been made it would have been rejected with hardly a dissentient voice.

If Sir Julius has ground for complaint against any one—I am not asserting that he has—it is against the House of Representatives. The Government did *bonâ fide* all which they promised to do; their proposals were rejected, and they had to bow to the decision of Parliament.

Sir Julius complains, however, that when in June, 1881, the following year, the appointment of the Stock Agents was revoked and new appointments were made, his name was omitted. There were two reasons for this omission. In the debate above mentioned it was urged that there was really no occasion for three Agents, and that two were quite sufficient. Mr. Ballance, Sir Julius's present colleague, put forward this view very forcibly, and urged moreover, that the Agent-General should be one of the two (*Hansard*, August, 1880).

The Government eventually came to the same conclusion, and an Act was passed authorising the reduction in the number of the Stock Agents. The Agent-General was appointed one of the Stock Agents, and the question arose who the second should be.

In a matter of such importance to the interests of the colony, as the determination of the time, the terms and the conditions on which the conversion of debentures into stock should be undertaken, the Government were anxious to secure the very best advice and counsel which it was possible to obtain. The Government had reason to hope that the assistance of Sir Penrose Julian could be secured, and Sir Julius Vogel will hardly question, will hardly deny, that of the gentlemen whose services might have been secured, including himself, there is no one whose ability, financial experience, standing, and influence in monetary circles, rendered him so eligible as Sir Penrose. The offer was therefore made to and accepted by him.

Upon a reconsideration of the facts of the case, and of the evidence given before the Select Committee, and with the fullest desire to do justice to Sir Julius Vogel, I can see no justification in anything that has been done for any claim for compensation. No wrong has been done for which compensation is due.

I now ask you, Mr. Chairman, whether you think it is desirable I should state what I thought might be done.

*The Chairman*: I think it is well to have all the information you can give. Your opinion would have weight with the Committee.

*Witness*: My letter went on to say:—

At the same time I fully appreciate the special value of the services rendered by Sir Julius to the colony in promoting the passing of the Imperial Inscribed Stock Act, and the advantage which this Act has proved to New Zealand and other colonies.

My colleagues and myself proposed to recognise those services by the arrangement which they submitted to the New Zealand Parliament. The extract from my private letter shows that Sir Julius was made acquainted with the views of the Government.

The House of Representatives, after a very full debate, thought proper to reject the Government proposition, and the Government were therefore unable to give effect to their wishes. As already stated, this does not, in my opinion, give Sir Julius any cause for complaint against the Government, or any claim for compensation, but it leaves open the question whether his special services should not receive some practical recognition in some other way.

I am still of opinion that it would be proper for New Zealand to acknowledge what he has done in the matter above mentioned, and if it is the wish of Sir Julius Vogel that this recognition should take the shape of an honorarium, I for one think it should be done. It has been done in other cases. Nothing of the kind can, however, be done while Sir Julius reserves this particular claim, as he does in his evidence before the Committee, for future consideration.

The appointment which the action of Parliament prevented him from obtaining was, as he was distinctly told, intended as a reward for the exertions by which the Imperial Act was obtained. He cannot now claim a pecuniary reward in lieu of that office and at the same time reserve the right of hereafter making a claim on the colony in respect of those exertions.

If he is willing that it should now be dealt with, I think it should be dealt with liberally.

That is what I wrote at the time I saw the report of the Select Committee. I am aware that many of the points raised in Sir Julius Vogel's petition are perhaps not answered by what I have now read. If there is any point upon which I can give the Committee further information, I shall be very glad to do so.

2. *Hon. Mr. Reeves*.] With regard to the last part of the letter you have just read, how would you define your own view of Sir Julius Vogel's claim? Would you call it a moral claim, as it were, or an equitable claim, because from that letter you would appear to think that he had some sort of claim upon the colony, although not, of course, of a legal character?—I do not know that I should call it strictly a claim. He exerted himself on behalf of the colony to very good purpose while he was a salaried officer of the colony; in strictness this work may have been considered to have been paid for by his salary; but, when an officer renders unusual services it is not unusual to make a special recognition of them. That is the light in which I look upon this matter.

3. Of course, you thought nothing in the shape of a legal claim existed?—Not at all.

4. Then there comes this question: Would you say that there are certain moral or equitable grounds upon which a claim for recognition might be considered—would you go that far?—I should say there are moral grounds upon which New Zealand might fairly give Sir Julius Vogel an honorarium.

5. Do a generous action?—Yes, do a generous action—that is right. I should add that there was a subsequent letter of mine to Sir Harry Atkinson about the conduct of Sir Penrose Julian. Sir Julius Vogel states that Sir Penrose Julian insisted, after he had somewhat suddenly resigned the office of Crown Agent, upon having a specified remuneration guaranteed to him before he would undertake to go on with the raising of the Five-million Loan. That statement was mentioned to Sir Penrose Julian, who entirely denied that it was correct. The following is an extract from the letter which I wrote on the subject:—

"Having heard that Sir Penrose Julian had seen the evidence in question, and had denied its correctness, I wrote to ask if this was so, and have just received his answer.

"He says that he wrote to Mr. Stout on the 12th February last, pointing out that Sir Julius Vogel was wrong in the statement he made, and requesting that his letter might be laid before the Committee at its next meeting, so