

that the true history of the affair might be known. Sir Penrose adds to me that the question was never raised nor ever heard of by himself or either of the two Crown Agents who were present; and parties to all the arrangements entered into, until the report of the Committee reached this country.

“No doubt Sir Penrose’s letter will have been laid before the Committee long before this reaches you, but it may be useful that you should have the above information.”

As a matter of fact, I believe that letter from Sir Penrose Julyan to the Premier is in the parliamentary blue-books; and if the Committee attach any importance to the proceedings connected with Sir Penrose Julyan, I would suggest that they should refer to this letter in which he denied the accuracy of the statement I have referred to. The sudden retirement of Sir Penrose Julyan from the Loan Agency came about in this way: He had been one of the Crown Agents, and as such had always been engaged in floating our loans. He had been negotiating for some time with the English Treasury for a retirement on a pension, and he received the Treasury sanction to this retirement very shortly before the Five-million Loan had to be floated. Therefore his retirement at that particular time was not a spontaneous act on his part; it was rather an involuntary one.

6. *Mr. H. B. Vogel* (agent for the petitioner).] You referred at the end of your letter to the question of the Consolidated Stock Act, and said that Sir Julius Vogel had taken a good part in promoting that Act—I mean the Inscription of Stock Act, and its value—would you give the Committee some idea of what, in your opinion, is its value? Of course, you have referred to the question of an honorarium, but it would be useful for the Committee to know what, in your opinion, was the real value of that to the colony. It would enable the Committee to form an estimate as to its value?—Before the Imperial Inscription of Stock Act was passed, colonial debentures were transferable by delivery, and passed from hand to hand; manifestly they were a less satisfactory security for the safe investment of money than stock inscribed in a registry of stock, and transferable only by registration. Manifestly it would add to the value of colonial stock as a security if it were no longer transferable by being merely handed from one person to another, but could only be transferred, as English Consols and Bank of England stocks are, by transfer in a Register. It was only by an Act of the Imperial Parliament that this could be effected. As to that Act, Sir Julius Vogel was very active in promoting it; and when it was passed it added to the value of colonial stock inscribed under its provisions. I believe you will find, on referring to the Stock Exchange lists, that colonial inscribed stock bears a relatively higher value than unscribed stock. The other colonies have availed themselves of this Act, and share in the advantages which result from it.

7. With regard to the Five-million Loan, was it not of very great importance that that loan should have been floated at the time?—Yes, certainly.

8. Now, there was an agreement, was there not, with the Bank of England, under which agreement the bank felt itself obliged to invite subscriptions for the Five-million Loan?—Sir Julius Vogel says so; I am not from personal knowledge in a position to say whether it was so or not. I do not doubt it; we have it on his statement.

9. I think it was a little more than his statement, because if you look at page 5 of paper I.—1A, you will see there are two telegrams from the Loan Agents to the Premier, which seems to point to that very strongly?—Yes; Sir Julius Vogel was the principal acting Loan Agent.

10. It is not mentioned for the first time in this evidence at the time it was set out?—No; I did not say so. Probably this telegram was written by him.

11. If what he says is correct, that agreement of 1875 was of very great value to the colony at that time?—No doubt.

12. There is one thing, not altogether in the way of a question, I would like to point out, in reference to what you were saying generally in the commencement of your letter. At page 4 of the printed paper, Sir Julius Vogel, in referring to his correspondence with you, made as it were an ample apology, and stated that he was not making an attack upon you, in any shape or form, at the time he was giving his evidence. He says, “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 that I provoked it.” When he was giving his evidence in 1885, he was not acting in a personally hostile spirit to yourself?—No; I quite understand that.

13. When you have read his letter, you will think so?—He may not have been acting in a hostile spirit, but his statement implied a breach of faith on my part, or at least exceedingly sharp practice. That is what I complain of. In fact, it was to defend myself from that charge that I wrote the letter to Sir Harry Atkinson.

14. You state in your letter that at the time when Sir Julius Vogel received the cablegram—on the 3rd November—the Government were only considering the question of the directorship—that it was a mere question of time. You inferred that the Government considered that the position was this: that it was only a question of time Sir Julius Vogel resigning the directorship, and that there was no question at that time of his resigning the position of Agent-General?—We said to him that he could not hold both places.

15. I think in your letter you went further, and said, on the part of the Government, that it was merely a question of time for him to resign the directorship?—What letter?

16. The long letter you read out as having been sent by Sir Harry Atkinson, where you said it appeared to the Government in the light of a moral question—that it was solely a question of time when Sir Julius Vogel should resign the directorship?—I said that Sir Julius only treated it as a question of time—that it would be unfair for him to do so now. It was solely a question of time, and in his telegram of the 7th November he says, “Cannot name time resign.”

17. I am mistaken; I understood you to say, when you required Sir Julius Vogel to resign,