

1892.

## NEW ZEALAND.

## PUBLIC PETITIONS M TO Z COMMITTEE.

REPORT ON THE PETITION OF HON. SIR J. VOGEL, K.C.M.G., TOGETHER WITH PETITION AND MINUTES OF PROCEEDINGS AND EVIDENCE.

*Report brought up 27th September, 1892, and ordered to be printed.*

## REPORT.

PETITIONER states that he was Agent-General for the colony, and also a director of the New Zealand Agricultural Company, which latter position he was required to resign. That he was appointed an 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; that he petitioned the House in 1885, and the Public Petitions Committee took evidence, and reported that the time at their disposal was too short to admit of their arriving at a definite report. That he formally instituted proceedings at law, but found that the length of time which had elapsed barred his claim.

Petitioner prays that the evidence taken in 1885 may be considered, and redress granted to him.

I am directed to report, That, in the opinion of the Committee, petitioner has no claim against the colony.

27th September, 1892.

T. THOMPSON, Chairman.

## PETITION.

To the Honourable the Speaker and the Members of the House of Representatives in Parliament assembled.

THE humble petition of JULIUS VOGEL, formerly of Wellington, in the Colony of New Zealand; formerly Agent-General of New Zealand, and Agent for the inscription of stock, &c., sheweth,—

1. That your petitioner was appointed Agent-General for the colony in the year 1876, and continued to hold that office until the 9th day of October, 1880.

2. 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.

3. That the Ministry did not afterwards approve of your petitioner being Agent-General and director of the said company, and asked him to sever his connection with the company; and your petitioner, by a telegram dated the 7th day of November, 1879, pointed out that it would be unfair to the shareholders to do so. The said telegram was as follows: "Cannot name time resign. Shareholders would think 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."

4. That your petitioner received a telegram from the Hon. the Premier, Sir John Hall, as follows: "Wellington, 10th November, 1879.—Vogel, London.—Agency-General incompatible other business. Government considering expediency relieving therefrom, appointing you Agent under Inscribed Stock Act at centage. Report fully by post arrangements you would propose. Sketch scheme estimate annual conversion. We would associate two Agents with you.—HALL."

5. That your petitioner, in sending the first-mentioned telegram to the Ministry, intended that the offer to take the loan agency made thereby should include the then proposed loan of £5,000,000, and that he should receive a percentage on that loan, as well as on other loans to be thereafter raised.

6. That your petitioner was induced to believe from the telegram received from the Hon. Sir John Hall, and from the reason that the proposed new loan of £5,000,000 would at that time, so far as it appeared, be the chief source of profit, that the offer held out by the telegram of appointment as Agent for the inscription of stock would include the agency connected with the floating of the new loan, and your petitioner acted on that belief.

7. That your petitioner, fully believing that the £5,000,000 loan was to be included in the agency to be undertaken by him, and that he was to receive commission for his services in common with the Agents associated with him in floating the said loan, refrained from communicating with the Ministry on the subject previously to the issue of the new loan.

8. That if the £5,000,000 was not intended to be included in the work to be done by your petitioner, for which he was to be paid, then your petitioner was misled by the inducement held out to him, and the proposed appointment was not of the substantial character that your petitioner had the right to expect.

9. That one of the Agents associated with your petitioner in floating it was Sir Penrose Goodchild Julyan, who stipulated that before he lent his aid to the floating of the loan the payment of his services should be fixed, and it amounted to more than four years' salary of the Agent-General.

10. That your petitioner had, as the correspondence will show, great anxiety and trouble in helping to float the new loan.

11. That the Loan Agents claimed a commission on the floating of the loan and on inscribing the stock, but afterwards, on the suggestion of Sir Francis Dillon Bell, agreed to accept one commission.

12. That your petitioner was also satisfied to receive only one commission.

13. That your petitioner has been paid no commission.

14. That a considerable portion of the loan was inscribed after your petitioner ceased to be Agent-General, but whilst he still continued to be Stock Agent, and that no commission therefor was paid to your petitioner.

15. That the Colonial Stock Act has been of immense service to the Colony of New Zealand, and large sums of money have been saved to the colony by adopting the provisions of this Act.

16. That it was owing to the agreement which your petitioner made with the Bank of England in 1875, and to the Colonial Stock Act, the passing of which by the Imperial Parliament your petitioner was mainly instrumental in obtaining, that the new loan of £5,000,000 was so successfully floated.

17. That your petitioner was appointed an Agent for the inscription of stock before he resigned the Agent-Generalship; but though informed by the Premier, Sir John Hall, that the appointment would be a permanent one and was a reward for his services, his appointment was cancelled, and no remuneration or compensation allowed him.

18. That your petitioner in 1885 presented a petition to your Honourable House, and the then Public Petitions Committee took evidence upon the said petition, which evidence is printed in the Appendices to the Journals, 1885, I.—1A.

19. That the Committee reported to your Honourable House that with the short time at their disposal it was impossible to arrive at a definite report.

20. That your petitioner formally instituted proceedings at law to recover the moneys your petitioner claims to be entitled to, but owing to your petitioner, in his anxiety to avoid litigation, having allowed too great a time to elapse, your petitioner is barred from recovering the whole or any part of the amount claimed by him.

Your petitioner therefore humbly prays that your Honourable House will take the premises into your favourable consideration, and will consider the evidence taken before the aforesaid Committee, and will grant your petitioner such redress as to your Honourable House may seem meet.

And your petitioner will ever pray, &c.

JULIUS VOGEL,  
By his Agent, HARRY B. VOGEL.

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## MINUTES OF PROCEEDINGS.

FRIDAY, 16TH SEPTEMBER.

*Present*: Mr. T. Thompson (Chairman), Mr. Joyce, Mr. Meredith, Mr. Harkness.

The following petition was read and considered:—

No. 126.—From Hon. Sir Julius Vogel, by his Attorney, Mr. Harry B. Vogel. For consideration of the evidence taken before the Public Petitions Committee in the session of 1885, *re* his claims, and for redress.

Mr. H. B. Vogel attended and made a statement in support of his father's claims.

Consideration adjourned, in order that the evidence of the Hon. Sir John Hall might be taken.

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WEDNESDAY, 21ST SEPTEMBER.

*Present*: Mr. T. Thompson (Chairman), Mr. Joyce, Mr. Harkness, Mr. Meredith, and the Hon. Mr. W. P. Reeves.

The following petition was further considered:—

No. 126.—Hon. Sir Julius Vogel. Adjourned from 16th.

Hon. Sir John Hall attended and gave evidence.

Mr. H. B. Vogel attended and gave evidence.

Consideration adjourned.

FRIDAY, 23RD SEPTEMBER, 1892.

*Present*: Mr. T. Thompson (Chairman), Mr. Joyce, Mr. Meredith, Mr. Harkness.  
The following petition was further considered:—  
No. 126.—Hon. Sir Julius Vogel. Adjourned from 21st September.  
Consideration adjourned.

MONDAY, 26TH SEPTEMBER, 1892.

*Present*: Mr. T. Thompson (Chairman), Mr. Wright, Mr. Harkness, Mr. Dawson, Mr. Meredith, Mr. Buckland, Mr. Joyce.

The following petition was further considered:—

No. 126.—Hon. Sir Julius Vogel. Adjourned from 23rd September, 1892.

Mr. Dawson moved, "That, in the opinion of the Committee, petitioner has no claim against the colony."

Mr. Joyce moved, by way of amendment, "That, in the opinion of the Committee, this petition should be referred to the Government for consideration."

Upon the amendment being put, the names were taken down as follows:—

*Ayes*, 1—Mr. Joyce.

*Noes*, 4—Mr. Harkness, Mr. Buckland, Mr. Meredith, Mr. Dawson.

Amendment negatived.

The original question was then put, and the names taken down as follows:—

*Ayes*, 4—Mr. Harkness, Mr. Buckland, Mr. Meredith, Mr. Dawson.

*Noes*, 1—Mr. Joyce.

So it passed in the affirmative.

## MINUTES OF EVIDENCE.

FRIDAY, 16TH SEPTEMBER, 1892.—(Mr. T. THOMPSON, Chairman.)

Mr. HARRY B. VOGEL appeared as agent for the petitioner.

*The Chairman*: What course do you propose to take in connection with this matter?

*Mr. Vogel*: I have no evidence to call; I have simply to ask that the evidence now printed, taken before a Select Committee in the session of 1885, may be considered by this Committee.

*The Chairman*: What you wish the Committee to do, is to take the evidence as given before the Committee in 1885 as if it were given to-day?

*Mr. Vogel*: Yes; and allow me to go over it carefully, and explain the matter to you. I shall endeavour to be as brief as I possibly can. The petition itself puts forward almost the whole tale as succinctly as I could possibly place it before you. The petition sets forth that Sir Julius Vogel was, in 1879, Agent-General for New Zealand. He was also a director of the New Zealand Agricultural Company, and, in his evidence, he states that he became so, as he thought, with the approval of the members of the then Government; in other words, he did not know that he was doing anything wrong. Moreover, he had a precedent, to a certain extent, in the late Dr. Featherston, who was a director of the National Bank at the same time as he was Agent-General. However, whether by mistake or otherwise, he (Sir Julius) became a director of the New Zealand Agricultural Company, and he wrote a formal letter (page 3 of I.—1A., 1885) to the Minister for Immigration, giving notice of what he had done. He received a reply. The Government at once took up an opposite position: both the Government of Sir George Grey, which happened then to be in office, and the Government of Sir John Hall, which succeeded him, took up an opposite view to Sir Julius, and said it was incompatible with the business of Agent-General that he should be a director of this company. And then there succeeded a series of cablegrams that, unfortunately, in their brevity, were misleading, to a certain extent, to both parties. As need hardly be pointed out, there is extreme difficulty by telegram in really expressing what is meant, and, in trying to be brief, one is very often apt to imagine that the person receiving the telegram will interpret it in the spirit in which it is sent. In these cablegrams that passed between Sir George Grey, and subsequently Sir John Hall, and Sir Julius Vogel, it came to this, that both of them were somewhat at cross purposes. On the 17th June, 1879, Sir Julius Vogel wrote a letter with reference to the directorship, asking time for reconsideration of the decision that he was not to join the directorship, and the Government sent the following cablegram; and it is really on this cablegram and the four that followed that the whole point rests:—

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.

On the 9th October Sir Julius Vogel replied,—

Premier, New Zealand.

SOME members Government knew I was assisting organize company, and I find shareholders would not think it fair of me to resign for some time to come.—VOGEL, London, 8.

On the 3rd November the following telegram was received from Sir John Hall, who had taken the place of Sir George Grey as Premier,—

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.

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

every action in public life would know very well that he would never have assumed such an attitude as that. He could, therefore, only have done so because he knew that he was no longer permanent Agent-General. At foot of page 4 of I.—1A, 1885, Sir Julius says—"Later on, Sir John Hall recognised 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." Now, nothing had occurred to make his position on the 4th March any different from his position in the November preceeding. The other question that arises out of this correspondence is this: When Sir John Hall was sending his telegram, in November, did he intend, or did he not intend, to include in it the Five-million Loan. That loan was assented to on the 11th August, and three persons were appointed Agents four days afterwards—Mr. Ommanney, Sir Penrose Julyan, and Sir Julius Vogel. On the 11th December the Bank of England was authorised to receive tenders for the loan, and on the following day the loan was raised. No bigger loan has ever, I believe, been raised at one time for New Zealand. When it was raised, the Committee will probably recollect from perusing *Hansard*, the loan was to be the last for some time. There was no idea or thought that there was to be another for years; indeed, Sir John Hall, in the Legislative Council, used the expression that he wished the loan could be reduced to two millions, because they could not possibly want the balance for some years to come. Now, Sir Julius had been in close connection with the Government as Agent-General, as Sir Harry Atkinson in his evidence admitted, and he knew the position of the colony very well. He knew or must have felt that, after the raising of the Five-million Loan, there would not be another for some time. When the offer was made to him of the Agency under the Inscribed Stock Act, at centage, to exclude the Five-million Loan would have been for him to put himself beyond the chance of receiving any money for many years to come. He was not in a position to have done so then. There can be no doubt that when he sent the telegram of the 7th November his idea of the Five-million Loan was this: that it was to be the one loan for a long time to come, and was to be the one on which this percentage was to be paid. It was the basis on which Sir Julius had calculated receiving a salary in place of the one he had received as Agent-General, and which he would lose when leaving the Agent-Generalship. I feel very strongly that I cannot place before the Committee the facts of the case as well as they are set out in evidence. I would not like to weary the Committee by reading out the whole of this evidence. At the same time, I can only trust that members will glance at the parts that I do not touch upon. Now, Sir Julius made no doubt about his idea that it was on this Five-million Loan that he ought to have received the commission which formed his claim. Immediately after the loan the question was raised. Sir Julius says: "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 28th February. He commenced his letter thus: 'This is 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?'" The Government thought that, although they could not pay the money, they considered that morally it was well-earned: they would not oppose it, but would gladly support it. I ask the Committee to look at it in the same light. Of course, years have gone by since what happened then, and any gratitude that might have been felt for the way in which that loan, under extraordinary difficulties, had been raised; and there can be little doubt that it was mainly owing to the extraordinary exertions of Sir Julius Vogel that the Colonial Stock Act passed, and that the agreement was made with the Bank of England, which agreement proved vitally important—I say that the gratitude that was then felt may perhaps after the many years that have gone by have somewhat died out. I would ask the Committee to take the view expressed in the semi-official letter just read, in which the Government said they would not oppose an honorarium, but would gladly support it. I would ask the Committee now at least to feel that they may do the same. I hardly like to pass over the Colonial Stock Act. It is not absolutely material to the case; it is only material in so far as considering the whole general question as put by the Government, in reference to the payment of an honorarium to Sir Julius Vogel, in consideration of his extreme exertions, and of the efforts that he made. The question was asked him, in his evidence, as to whether he considered he had been amply remunerated for what he had done for the colony during his life. He replied rather positively, but with a sort of reluctance that any public man has to deal with such a question. I feel myself at this moment before the Committee in an extremely delicate and difficult position on this very matter. Here I am appearing for my own father, which is certainly a peculiar position, although perhaps it is not an immaterial one, and there is very little secrecy in the fact that at the present moment Sir Julius is in extremely bad financial circumstances. Were he a wealthy man he would only too gladly say, "You may let the matter drop, you may let it go;" but there are times when a man, in justice not only, perhaps, to himself but to others he is naturally expected to help, cannot be guided by his wishes. I am perfectly certain that if Sir Julius felt that his claim was not just he would say at once: "If I have no right to the money I willingly abandon my claim. I make a present of it to the colony." I must, in justice to the reason why the claim is preferred, say that Sir Julius is in an extremely bad financial position, and he feels, in justice to himself, if he has earned this money really and morally he must ask Parliament to grant it to him. I would ask the Committee to consider this phase of the matter as kindly as they possibly can—to consider rather, perhaps, what I have left unsaid than what little I have made mention of. I ask that as to that particular phase of the matter; and as to the whole, I ask the Committee to consider the extreme difficulty I have in putting the question fairly before them, and that they will make

allowance for any omissions or errors on my part. Now, the other question that is raised in this petition is as to the non-appointment of Sir Julius as Agent under "The New Zealand Consolidated Stock Act, 1877," after his appointment, with three of the other Agents, had been cancelled for a specific purpose—viz., the limiting of the powers granted. I cannot do better than read to the Committee the evidence given on this branch of the subject,—

I now come to my claim for deprivation of office as Agent under "The New Zealand Consolidated Stock 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."

Gentlemen, that was never carried out. Sir John Hall wrote, on February 28th, that he would gladly support the granting of the honorarium; at the same time saying that the Government could not regard Sir Julius as Loan Agent in connection with the Five-million loan.

*The Chairman*: You are not correct in saying that Sir John Hall wrote the first letter.

*Mr. Vogel*: I beg your pardon; I mean Sir John Hall's secretary, Mr. Fox. It was written that the Government would gladly support this grant of the honorarium, and, in a letter, Sir John Hall himself states that they were pleased that they were able to give something—that is, the Loan Agency—to remunerate Sir Julius Vogel for what he had done, and for the service he had rendered. It all remained a dead-letter, for the appointment was cancelled, and Sir Julius Vogel has never received any remuneration whatever in any shape or form. Hence this claim. As I have already said, I am perfectly sure that had Sir Julius Vogel been a wealthy man this claim would never have been made. In his great love for New Zealand, he would, I am sure, readily have abandoned it; but he is now unable to help himself, and the claim he is preferring is one which he thinks he is in all equity and justice entitled to, and which the Government, although they considered themselves unable to agree to put it in the form of an honorarium, then approved of, but which no attempt was ever made to carry out or give effect to. Sir Julius, in his evidence, goes on to say:—

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 Julyan, 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 have received in my deprivation of this office.

I do not wish to attach blame to anyone. 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.

No doubt Sir Julius Vogel spoke then with much feeling, and, at the same time, perhaps, there cannot be anything gainsaid in the remarks he made. As far as any personal feeling that existed between Sir Julius Vogel and Sir Francis Dillon Bell, it has long ago disappeared, and it has never been present in anything connected with this matter. Sir, that comprehends the second position in this case. Sir Julius received the appointment of Loan Agent whilst he continued Agent-General. That appointment was then cancelled, and reissued to him without the proviso of his being at the same time Agent-General. It was then cancelled for the avowed purpose of curtailing the powers. A fresh appointment was made with the same powers as before, only with this difference: that he was not included. Of course there is, apart from the moral justice of this part of the claim, a difficult legal point in this matter. It may be said—and I am not prepared to say that it is not so—that from a legal point of view Sir Julius has no claim against the Government for breach of contract; but it must be remembered that the Government is a peculiar body, if we may so call it. Ministers may, in a good many ways, do things which no other body, corporation, or private

individual can do. In prosecuting a claim by law, the Crown is often freed from all liability for actions done by Ministers, especially in positions of breach of contract, when a company or private individual would be undoubtedly liable. Sir Julius Vogel would very likely find himself met by various technical niceties of the law. Although he might have a moral claim against the Government, yet, at the same time, as far as the law goes, he might be defeated. This Committee is, perhaps, neither a Court of equity nor a Court of law. It sits here to deal out justice. It represents the very highest tribunal in the land, and, as I say, sits here to deal out justice as impartially and as fairly as it possibly can. Indeed, its duty is really to endeavour to remedy cases where justice cannot be done in the law-courts. It is impossible for the law always to do justice, and it is just in those very cases that this Committee has a right to act. Now, I would point out to the Committee that 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 Agent, would be rendered at the 10th November. These are almost the very words of Sir. H. Atkinson (page 10, question 39); that is after Sir Julius had been dispensed with as Agent-General. Now, as to Sir Penrose Julyan's position: I quote from Sir H. Atkinson's evidence when questioned by Sir Julius Vogel:—

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 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 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 negotiations—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.

The following extract from the previous evidence not only refers to the whole matter very succinctly, but touches very plainly on this question of Sir Julius being indispensable to the Government, and of his being able, had he chosen, to have done like Sir Penrose Julyan—viz., settled in advance for his commission.

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 time 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 G. 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 the 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 a 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.

Such is the position that Sir Penrose Julyan took up. Sir Julius Vogel might have taken up exactly the same position, and yet, as he explains in his evidence, he would simply disdain to take up such a position, and did not think it necessary. He was almost as essential—perhaps more so—seeing the prominent position he took in regard to the Colonial Stocks Act, and the arrangement with the Bank of England; in fact, the absolutely necessary services he had rendered in connection with the negotiation of the Five-million Loan. When he received the telegram from the Government on the 11th of November he might have asked for commission for his services in connection with that loan. If the Government had sent word back that they would not pay, Sir Julius might have fairly replied, “Well, I will not act.” The Government, no doubt, would have agreed to terms. But such an idea never occurred to Sir Julius: he left it entirely to the Government. That the raising of the loan was absolutely necessary can be seen by reading *Hansard*, and looking at the position of the colony in 1879. Sir John Hall, and other members of the Legislative Council, voted for it. Although they did not approve of it, it was so absolutely necessary that they could not even afford to delay it until the next Parliament met. The Hon. Mr. Waterhouse moved, as an amendment, That the raising of the loan should be postponed to the coming House; and yet the motion for the raising of the loan had to be carried. Had Sir Julius at first refused to act, unless the Government distinctly stipulated to pay him, his services would have been retained at any reasonable price. Sir Penrose Julyan received £6,250 for his services in connection with the loan; but, unfortunately, Sir Julius Vogel, who left the matter with the Government, never received anything.

*Mr. Joyce*: Who made the arrangement for that payment?

*Mr. Vogel*: Sir Julius Vogel, who was then Agent-General. I may say, as to the payment, that there was an arrangement made as to the amount to be paid. There were, first of all, two claims—one for negotiation, and the other for conversion. It was subsequently arranged that only one claim should be paid. Sir Julius has always put forward the two claims as alternatives. He does not want to be paid for negotiating the loan and also for conversion of the loan; he only wants to be paid for one or the other. I think the best thing I can do is to read to the Committee the particulars of the money portion of this claim:—

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.



The petitioner claims £2,000 for his commission on the conversion of £1,600,000, part of the loan, and every one who has looked into the case is of opinion that there is not a shadow of a doubt as to there being an absolute legal claim, but Sir Julius is prevented from prosecuting the Government owing to the time that has elapsed since the services were performed. There is no question but that he is undoubtedly and justly entitled to the amount he claims. He has been trying to settle the matter without going into Court; and now if he went into Court he would be met by the Crown Suits Act, and he would find that he was completely out of Court. He could not prefer a claim against the Government at all. In fact, although this money is absolutely legally due to him, he cannot, by reason of legal technicalities, obtain it. As to the other money for commission, he claims that if he is not absolutely legally entitled he is so both morally and equitably. As to this part of the case, I would ask the Committee to consider and recommend the payment of the money to Sir Julius. There is not the shadow of question that the £2,000 is due to him, but owing to the technical procedure under the Act he is prevented from prosecuting his claim. As a mere matter of justice, there cannot be any doubt about the claim he has preferred. It is for that reason I most earnestly ask the Committee if they will report in favour of the payment of a sum of money instead of the special legislation necessary to enable a suit to be prosecuted. I ask that they should consider his claim favourably, and report a recommendation that a certain sum of money be paid to him at once. There is an old adage which I humbly ask permission to repeat: "While the grass grows the steed starves." It is horribly true in this case, for by deferring legislation I am afraid that all I am asking may be rendered of no use at all. In continuation of his evidence the printed report says:—

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. Allwright.*] 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."

There are many passages in the evidence I might read, but I do not want to weary the Committee. On page 19 will be found a portion of Sir Julius's evidence in which he deals with the matter more clearly than I could refer to it. The Committee have a copy of that evidence before them. The last portion is the evidence of one who, in financial matters, has occupied one of the very highest positions in the colony—one who was held in the highest estimation by every one who knew him—I mean the late Sir William Fitzherbert. His evidence is a strange testimony on his part, because it is most favourable to Sir Julius. He was as opposed to Sir Julius Vogel in politics in every shape as two men could possibly be. They were personally not intimate, although they were never unfriendly, and yet Sir William Fitzherbert gave evidence before the Committee in 1885 in Sir Julius's favour. I will not read the whole of it, but I ask members of the Committee to glance at it when coming to a decision. His opinion, I am sure, must bear great weight with every man who has known him and heard of him, and to all of us in New Zealand. His opinion is far stronger, far more favourable than anything I could possibly say. I sincerely trust the Committee will carefully read that evidence. He speaks most positively on the subject and says: "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."

*The Chairman:* What he means is the salary for services rendered.

*Mr. Vogel:* Yes; there were certain moneys which were charged against the Agency—it practically means the moneys paid as Agent-General's salary—and these payments Sir Julius wishes to be deducted. A certain amount should be named as payment to him as compensation for loss of the loan agency, or commission for floating the loan, or conversions, or as an honorarium—from any such sum the before-mentioned payments to be deducted. I would almost feel inclined to leave this evidence of Sir William Fitzherbert's with the Committee without culling therefrom another sentence, because, coming from such an authority, it is very strong and so much to the point. I can say very little more either in the way of influencing you, or of laying the matter more plainly before the Committee. I have been almost frightened at the responsibility I undertook in laying this case before you, because it is such a very important matter, and is such a vital matter to my father; but I wanted to explain the position, and I desire that the Committee should carefully consider it in all its bearings. There are two, or rather three, courses open to the Committee to adopt: They can recommend the payment of £7,000 or £8,000 to Sir Julius Vogel, made up as explained by the evidence I have read out, or they can recommend that legislative effect be given so as to

enable him to prosecute his claim in the Courts, or they can recommend that a lesser sum be granted to him. The £2,000 to which he is absolutely entitled I have little fear about, as he is only excluded through a mere technicality; but I put it to the Committee that he is entitled to more, whether under the head of conversion or negotiation on the whole loan, or as a honorarium. I know it is very often the case when a man has served the State very well, and when he is dead and gone, to make some allowance or honorarium for the services he has rendered. If I may put it in such a form, I would ask that, if there is any chance of such a thing being done for Sir Julius after he is dead and gone, that it may be done before he goes, for he is towards the end of his life. And, quite apart from any sentimental feeling on the subject, I would most earnestly ask the Committee to make a recommendation for the payment of a sum of money in settlement of his claim. The proceedings in a Court of law would be very expensive to him, and postponing any legislation means waiting, which is worse than nothing perhaps. I have put before you his claim, and have read evidence in support of it. Without making any *ad misericordiam* appeal on the subject, on the very merits of the case it, I submit, is a case that deserves grave and great consideration. As to the £2,000, I do not think there is any question about that. I am sure any lawyer will say that that money is fairly due. But, as I have said, it is impossible to proceed at law because the action must be brought within twelve months from the time the debt arises. Then the Committee will see that he has a moral right to the sum of £7,000 or £8,000. Sir William Fitzherbert says it is not enough. My own opinion is of no value at all, but it does not seem a large amount of compensation for the services rendered, and for the disappointment and damage he suffered by not getting the Loan Agency appointment. I ask the Committee to recommend the payment of a substantial amount beyond that which is absolutely and undoubtedly owing to him, and also recommend that the Government pay that amount to him. I cannot say anything more. I feel that I have left as much unsaid as I have said. The question is a very difficult one to put clearly and plainly. The printed evidence is deserving of consideration, and particularly that of the late Sir William Fitzherbert. I am sure the people of New Zealand would approve of any recommendation the Committee may make in favour of the petitioner.

The Chairman here directed Mr. Vogel's attention to the two strong points in the evidence given by the late Sir Harry Atkinson before the Committee in 1885.

Mr. Vogel: You have placed the whole position most fairly before the Committee. Almost the whole matter hangs on the cablegram Sir Julius received on the 11th November, which informed him that the Agency-General was incompatible with other business—and, therefore, he got his "marching orders." Sir William Fitzherbert used strong language on this point. He says:—

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 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 Julian 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 discouraging 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 the 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  $\frac{1}{2}$  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.

I freely admit that Sir Julius would be out of Court technically—Courts of law know nothing but technicalities, and that is why I am here before you; but Courts of law must bow before a Parliamentary Committee, which represents the highest Court in the land, and which knows no such things as technicalities.

WEDNESDAY, 21ST SEPTEMBER, 1892.

Sir JOHN HALL examined.

1. *The Chairman.*] You will notice, in the evidence given by Sir Julius Vogel before the Petitions Committee in 1885, and in Mr. H. B. Vogel's statement made before this Committee a few days ago, that your name is mentioned more than once—that reference is there made to a letter from yourself to Sir Julius Vogel, and also to a letter purporting to be written by Mr. E. Fox, who was acting as your Private Secretary, and which letter, in the printed correspondence, is termed "a semi-official letter." These are the two points on which the Committee would like some information from you, or on any other point in connection with the petition?—I was in England in 1885, and I there saw by the papers that this petition of Sir Julius Vogel had been presented, and that the Public Petitions Committee had inquired into it. I obtained a copy of the report of the Committee containing the evidence. When I had done so, I thought it desirable to write to the late Sir Harry Atkinson my impression of the facts, as my conduct appeared to be very seriously impugned by Sir Julius Vogel, and as his statement implied what amounted to a breach of faith on my part. I have here a very rough draft of the letter I wrote to Sir Harry Atkinson, and, if the Committee desire it, I shall read it. It is as follows:—

DEAR ATKINSON,—

Maidenhead, April, 1886.

I have recently seen a copy of the report of the Public Petitions Committee on the petition of Sir Julius Vogel. As the case now stands, in the petition and the evidence, I am made to appear as having been guilty of somewhat sharp practice, if not of an actual breach of faith towards Sir Julius. In justice to myself I am bound to remove so misleading an impression.

Into the general merits of the petition I wish to enter as little as possible; they have been most satisfactorily dealt with in the evidence of Whitaker and yourself. I am writing at a disadvantage; I have none of my own papers or letters here to refer to, and only a few of the printed Parliamentary Papers. My memory may therefore be at fault in some instances.

You will bear me out in saying that in the correspondence with Sir Julius every step of importance was taken after consultation with those of my colleagues who were accessible, and especially with the Colonial Treasurer.

Sir J. Vogel claims—(1) Commission on the negotiation of the five-million loan, or commission on the conversion of the debentures issued under this loan into inscribed stock. (2) Compensation for being deprived of the agency for inscribed stock.

With regard to the first claim, I wish to state generally that any demand by Sir J. Vogel for special remuneration, over and above his salary as Agent-General, on account of services rendered to the colony, was never to the best of my recollection raised or dreamt of by the Cabinet when the five-million loan was being negotiated. No such claim was ever made by Dr. Featherston, Sir Julius Vogel's predecessor, nor even by Sir Julius himself upon the negotiation of the £3,500,000 loan in June, 1878. The salary paid to the Agent-General has always been considered to cover the whole of his services, and anything done by him towards floating colonial loans has always been treated as incidental to the duties of his office.

I may here add that it has also been the rule while Sir Francis Dillon Bell held the office of Agent-General—from the time he commenced until he left—that any services in regard to the floating of colonial loans were looked upon as incidental to his duties as Agent-General, and were covered by his salary.

During discussion in the Legislative Council and House of Representatives in the session of 1880 this rule was invariably laid down.

In answer to this statement, however, Sir Julius contends that he was in November, 1879, in a peculiar and exceptional position, and was in fact only holding office "for the convenience of the Government." In support of this contention, he cites his reply to an intimation from myself (3rd November, 1879) stating that the Government considered it inexpedient that he should remain a director of the New Zealand Agricultural Company, or engage in Home politics, but would allow him a reasonable time to retire from the directorship.

This reply (7th November, 1879), is to the following effect: "Cannot name time resign. Shareholders would think it unfair entertain such intention now."

If Sir Julius had at that time made up his mind not to give up the directorship, but to hold the Agent-Generalship temporarily for the convenience of the Government, and had conveyed any such decision to the Government, the case would have been clear, and our course simple. He would have been required to give up the Agent-Generalship, and other provision would have been made for it. The correspondence was calculated to convey and did convey, to the Government a directly contrary impression as to Sir Julius's wishes. It treated the relinquishment of the directorship as one of *time* only, saying it would be unfair to do so "now," and that the time when he could do so was uncertain.

It appeared to us that, in fact, Sir Julius wished to hold on to both offices as long as possible, and at any rate to gain time before giving a positive answer.

The Government therefore replied, by my telegram of 11th November, 1879: "Agency-General incompatible with other business;" but, wishing to deal as considerately as possible with a distinguished public servant, added that they were considering the expediency of appointing him, with two others, Agents for inscribing stock, to be remunerated by a percentage, and asked him to report what arrangements he would propose for this purpose.

Sir Julius Vogel assumes that I had promised, or Mr. H. B. Vogel, in his evidence, assumes that I had promised Sir Julius an appointment; but the Committee will perceive, from my telegram to him, that what I said was "the Government were considering the expediency of appointing him to the office in question," and asked him to report what arrangement he would suggest.

Sir Julius reported accordingly (18th November, 1879), and proposed that the percentage should be  $\frac{1}{2}$  per cent. to each Agent; and on the 16th December he further proposed that this should include the inscription of debentures of the Five-million Loan.

For reasons, however, which are given in my letters and telegrams, this appeared to us quite unreasonable, was never contemplated, and was at once refused (letter, 20th February, 1880). This refusal was repeated several times.

The claim appeared to us entirely unreasonable. What was the position in regard to the Five-million Loan? It was issued with certain conditions attached, one of which was that the debentures could be converted into inscribed stock on specified terms, after the expiration of a specified time. I think it was in May 1882. That was all arranged before Sir Julius Vogel ceased to be Agent-General. Therefore, the consideration and determination of the terms and conditions on which the inscription of this loan might take place was done while Sir Julius Vogel was Agent-General. He was remunerated for the work as Agent-General, and, although some part of the actual inscription did not take place until after he ceased to be Agent-General, that involved merely clerical work, if any. That is important.

After considering Sir Julius's report, it was decided to ask Parliament for its sanction to the proposed inscription and to the appointment of Agents, to be remunerated by a commission, such commission being  $\frac{1}{2}$  per cent., instead of  $\frac{1}{4}$  per cent. as suggested by Sir Julius. He was informed accordingly, 27th February, 1880, it being distinctly stated that this was subject to the approval of Parliament.

Sir Julius did not, in support of his application, at this time say anything about "holding office for the convenience of the Government." At a later date, to which date special attention should be directed, Sir Julius claimed that I admitted in Parliament he was "holding office for the convenience of the Government." This is a very unfair and misleading statement.

The facts are as follows: As already stated, the Government wished to deal considerately with Sir Julius, and, pending the decision of Parliament on proposals which, if approved of, would have given him a remunerative appointment, they did not press him for a decision as to which of two incompatible offices he would resign. Before, however, the General Assembly met, the British House of Commons was (I believe, in March, 1880) somewhat suddenly and unexpectedly dissolved. Sir Julius was brought face to face with a general election, and the question of his candidature for Falmouth had to be dealt with. If the Government had then objected to his proceeding with his candidature, he would have relinquished the Agent-Generalship, and the Government would suddenly have been left without an Agent-General, an event for which they were not then prepared, and which would have produced considerable inconvenience. We, therefore, decided not to interfere, but to await the result of the elections. Subsequently, on being questioned on the subject in the House of Representatives, I said—as reported in *Hansard*, August, 1880—that, "at the time of the late English elections, he (Sir Julius) was rather holding office for the convenience of the Government, and, as the election came on suddenly, it would not have been fair to prohibit him from pursuing his candidature."

The report of this speech was forwarded to Sir Julius, and would reach him early in November. Thereupon, in his letter of the 30th November, 1880 (A-5, 1881, page 3), he for the first time claims that he had, at a much earlier period, been holding office for the convenience of the Government. The suggestion never appears in his correspondence previously. In reply to this letter, I wrote to him (23rd April, 1881; A-5, 1881, page 6), pointing out that my statement, quoted above, did not and could not apply to the month of December, 1879, when the loan was negotiated, but to a later period and a different set of circumstances; and I positively repudiated the idea that it was for the convenience of the Government that he held office when the Five-million Loan was floated.

I think the Committee should take notice of this, because Sir Julius Vogel claims that he was, in December, 1879, holding office for the convenience of the Government. In my opinion, he was holding office entirely for his own convenience.

I am sorry to find that Sir Julius, in his evidence, still endeavours to make out that I made some admission of his contention in respect to this matter. My words will show that, while endeavouring to defend his position at the time of the election, I carefully guarded myself from going further.

If any doubt could remain in the matter, it appears to be completely removed by the subsequent correspondence.

The House of Representatives negatived the Government resolutions for appointing Stock Agents to be paid by commission; these resolutions were not withdrawn, as Sir Julius erroneously states.

After this the Government could no longer delay insisting upon his relinquishment of either the Agent-Generalship or the directorship of the Agricultural Company, but they decided on giving him another opportunity of choosing between the two.

I, therefore, telegraphed as follows (7th September, 1880; A-5, 1881, page 1): "Government request you now decide whether you will relinquish directorship Agricultural Company, which they consider incompatible with Agent-Generalship."

Sir Julius did not reply, as he would have done if his present contention were correct, "I decided this matter months ago, and am only holding office for the convenience of the Government," but he said, "Reply few days; must consult directors; some away."

Obviously Sir Julius had not even then decided whether he would give up the Agent-Generalship at all. Not receiving an answer after the expiration of ten days, I telegraphed again, as follows (17th September, 1880; A-5, 1881, page 1): "Please reply soon as possible."

After the lapse of a further week, I received the following reply (24th September, 1880, same page): "As before stated members Government aware organising company, and shareholders would complain my retirement. Will resign Agent-Generalship if you wish."

This, then, was the time at which Sir Julius made up his mind to resign the Agent-Generalship. He was informed (6th October, 1880, same page) that the Government had no alternative but to request him to send in his resignation, which he accordingly did.

The above facts appear, in my opinion, to make it idle to contend that in November and December, 1879, when the Five-million Loan was floated Sir Julius had already made up his mind to resign the Agent-Generalship, that he continued to hold office only for the convenience of the Government, and ought on that account to be entitled to make a special charge for services rendered at that time.

I can see nothing which takes his case out of the well-understood rule already mentioned, that the salary of the Agent-General covers the whole of the services rendered by him during his tenure of office.

As an alternative to payment for negotiating the Five-million Loan, Sir Julius claims commission on the conversion of the debentures of this loan into Inscribed Stock, on the terms and conditions laid down in the prospectus.

The other Stock Agents made a similar demand.

After full consideration the Government declined to entertain either claim, giving its reasons in my letter of 20th April, 1880 (B.-4, 1880, page 11).

On the assumption by Sir F. Bell of the office of Agent-General, this question was fully discussed between him and the Stock Agents, and in consequence of this discussion the Agents withdrew their claim. Sir Julius, however, reserved to himself the right to bring his case before the New Zealand Parliament (*vide* Sir F. Bell's letter, 27th May, 1881).

It will, I believe, be found that of these debentures of the Five-million Loan about £1,000,000 was converted into Inscribed Stock after the date on which Sir Julius ceased to draw salary as Agent-General.

If it can be shown that after this date Sir Julius rendered any appreciable service in connection with such conversion, he would, I consider, have a claim to adequate remuneration. It will, however, doubtless be found that if anything at all was done by Sir Julius and the other Stock Agents, it was of the most formal and mechanical nature.

The consideration and determination of the terms and conditions on which the conversion should be allowed were completed before the prospectus of the loan was issued, and formed part of it. The actual inscription which followed was a matter of clerical routine, not involving consideration by the Stock Agents, and, as a matter of fact, was done by the Bank of England.

The second claim of Sir Julius Vogel is for compensation for "being deprived of the agency for Inscribed Stock."

The facts, as far as I recollect them, are as follow: He had been appointed by Sir George Grey's Government (in April, 1879) one of the Agents for Inscribed Stock. Mr. Larnach and Mr. Ommanney were included in the same Commission.

In January, 1880, it became necessary to give effect to the conversion of the debentures of the Five-million Loan, and as Mr. Larnach had returned to the colony, and could therefore not act, a new Commission was issued, omitting the name of that gentleman; Mr. Ommanney's name was, for other reasons, also omitted. Sir Julius Vogel being at this time Agent-General, his reappointment did not involve any separate payment to him, any more than the former appointment had done.

The question of special remuneration was raised subsequently.

As already stated, when the Hall Government, in November, 1879, told Sir Julius that they considered the offices of Agent-General and the directorship of the Agency Company incompatible, they informed him that they were considering the expediency of appointing him Agent under the Inscribed Stock Acts, with remuneration at a percentage, and requested him to report the arrangements he would propose for this purpose. (Telegram, 10th November, 1879; B.-4, 1880, page 6.)

This report when received (B.-4, 1880, page 6; 18th November, 1879) proposed a remuneration to each Stock Agent of  $\frac{1}{2}$  per cent. on the amount inscribed.

This was replied to by me in an official telegram of 26th February, 1880 (B.-4, 1880, page 10) and an official letter of the following day. The former was to the following effect: "Government unable to sanction payment to you for last loan. Subject to approval of Parliament, pay each Agent 1-12th for commission."

The official letter went more fully into the question and stated: "You will not, however, consider this as an undertaking to pay a rate of commission without the sanction of Parliament, before which the whole question of the conversion of stock will be brought with as little delay as possible after the opening of next session."

His position was therefore clearly defined in official communications in the ordinary way.

By the same mail I wrote, as I generally did, a private letter, marked "Private," to Sir Julius, a short extract from which he has felt himself justified, without any communication with me, in laying before the Committee. I regret exceedingly that Sir Julius should have thought such a proceeding consistent with what is due both to himself and to me. Such conduct appears to me destructive of the confidence based upon an honourable understanding which should exist between public men in matters of this kind.

My objection, however, is not based on any wish to avoid responsibility for anything I have written, and, had I been asked, I should probably have consented to the publication of the extract in question, if I had ascertained that its separation from the rest of the letter did not convey an incorrect impression.

Now, what does this private letter, on which so much stress has been laid, amount to? It refers Sir Julius to certain official letters addressed to him by the same post, and gives my views respecting their contents. It contains itself no promise or undertaking whatever on the part either of the Government or myself. Anything of this kind would, of course, be given in official communications, and actually was so. The official telegram, already quoted, contained a promise of remuneration to Sir Julius as Stock Agent, subject to the approval of Parliament.

The official letter is still more emphatic on this point.

That letter was written on 27th February, 1880. From it I will make the following quotations:—

"You will not, however, consider this an undertaking to pay such a rate of commission without the sanction of Parliament, before which the whole question of the conversion of stock will be brought with as little delay as possible after the opening of next session."

Therefore, the whole matter was to be subject to the sanction of Parliament.

I think the Petitions Committee was not fairly dealt with when my private letter was produced as proof that certain engagements had been made by me, and my official communications, in which alone such engagements should be and were contained, were withheld from the Committee.

The Committee will note that I refer Sir Julius Vogel, in the extract from my private letter, to the official letter addressed to him by the same post, and give my views respecting its contents. It contained no promise or undertaking. The following is the extract from the private letter in question.

"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."

My letter to Sir Harry Atkinson proceeds,—

The Government by me undertook to make certain propositions to Parliament, and that undertaking was fully carried out. Resolutions embodying our proposals were moved by me in a speech of considerable length (*Hansard*, August, 1880), and I did my best to carry them. To my disappointment, however, the debate went entirely against us, and the Government resolutions were negatived, not withdrawn. We were compelled by the general opinion of the House to suspend any conversions (with some unimportant exceptions) until Parliament should re-assemble.

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

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,

it was not a question of retiring from the Agent-Generalship, but was merely a question of time in his own mind of retiring from the directorship?—If Sir Julius Vogel had fixed any time, any reasonable time, at which he would retire from the directorship, probably we should have agreed to that; but he did not. It was left quite indefinite, and that was our objection.

18. When the telegram of 11th November was sent by the Government, the particular question of Sir Julius Vogel retiring from the Agent-Generalship was then under consideration?—It was under consideration all along.

19. As an alternative to his resigning the directorship?—Yes.

20. When the telegram of the 11th November was sent, the Government had realised that he would not retire from the directorship, and had refused to leave the Agent-Generalship?—No, not altogether; his last telegram did not absolutely refuse. He said this: "Cannot name time resign. Shareholders would think it unfair entertain such intention now."

21. The Government, in their answer to this, said, "Agency-General incompatible other business. Government considering expediency relieving therefrom, appointing you Agent Inscribed Stock. Report fully by post arrangements you would propose; sketch scheme, estimate annual conversion. We should associate two Agents with you. Anxiously waiting news loan"?—We were considering the propriety of his leaving the office of Agent-General. You do not mean our depriving him of office, do you?

22. No, to a successor to him being appointed?—If he retired.

23. If he retired would be the same as "leaving;" it would be a request to him to retire; would it not mean that; he would not be dismissed, I suppose?—No; his coming to some arrangement which would enable him to retire from the Agent-Generalship on terms satisfactory to himself.

24. In his previous telegram he said he would not entertain the idea of resigning the directorship?—No, he did not say that.

25. That he would not then name the time to resign, because the "shareholders would think it unfair entertain such intention now." He says "now"?—It is the first time I have heard that interpretation put upon the word "now," and it seems to me an interpretation which is quite inconsistent with the tenour of the rest of the correspondence.

26. It shows how easily these short telegrams can mislead?—It is a very ingenious suggestion.

27. Your telegram to him was: "Wire names late Government knew assisting organise company, because statement respecting this knowledge reasonable time be allowed you arrange retire. Present Government agree inexpedient you remain director, or engage Home politics"?—What it means is this: that he would be allowed time to arrange for retiring. That was the first telegram sent by the Hall Government on their taking office.

28. The next telegram you sent was, "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." Of course, Sir Julius Vogel's statement is that when he received the telegram that the Government were considering the expediency of relieving him from the Agent-Generalship, that that meant that the Government had understood that Sir Julius's reply that he could not name time to resign, had been accepted as a statement that he would not resign the directorship, and that the Government had decided that he could not resign the Agent-Generalship?—I cannot see how that can be the meaning of it. The words are, "Cannot name time resign."

29. Why should the Government be considering the expediency of relieving him from the office?—They thought it would be a satisfactory way out of the difficulty for Sir Julius Vogel.

30. *Hon. Mr. Reeves.*] Will you kindly read the telegrams that passed between yourself and Sir Julius Vogel?—On the 9th October Sir Julius Vogel telegraphed as follows: "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." Then I came into office as Premier, and on the 8th November I telegraphed as follows: "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." His answer, on the 7th November, is as follows: "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."

31. *Mr. Vogel.*] In your explanation to the House afterwards, you mentioned that you considered Sir Julius Vogel was holding the office of Agent-General for the convenience of the Government; and that had reference to his candidature for Falmouth?—Yes. If I remember aright, the Government were in this position: a general election in England having come up very suddenly, it would have been very difficult to appoint a fresh Agent-General at once. The election, as the Committee doubtless are aware, came upon us like a thunder-clap, quite unexpectedly. The Government were not previously aware that Sir Julius Vogel was persevering in his intention to stand for Falmouth, because he had been told distinctly that he could not engage in Home politics; but when the dissolution of the Imperial Parliament suddenly took place, we heard that he was standing for Falmouth. We were in a difficulty. If we at once cancelled his appointment, we should have been left without an Agent-General, and under these circumstances we allowed the matter to stand over; and in the course of a fortnight it was settled by his rejection for Falmouth. It is mentioned somewhere in Sir Julius Vogel's evidence that the Government were aware that he was not drawing salary at the time he was a candidate for Falmouth. The fact of his drawing a salary might have disqualified him, as being a paid Government servant; but the New Zealand Government was never aware of his not drawing his salary until afterwards.



32. Did you not use the words that he was holding the office temporarily?—I think I quoted the very words of my speech in the debate; it will be seen by a reference to *Hansard*.

33. Why did the Government, when referring to his candidature, use the term that he was "holding office for the convenience of the Government"?—For this reason: that it would have been very inconvenient for the Government to be suddenly deprived of an Agent-General. When he was contesting the seat for Falmouth it was convenient for the Government that, at that particular time, he should not suddenly cease to hold the office, and I said so distinctly in the House; my remarks did not and could not refer to the time long before at which the Five-million Loan was floated. It was six months previously, or several months previously at any rate.

34. You made some comments in your letter as to the use by Sir Julius Vogel of the letter of the 26th February, the one marked "private." I would like to point out—it may perhaps appear to the Committee that letter was not used in the light that I think you took it, as helping to prove a case against yourself, if I may so put it, as of the one purport of showing what in some other person's opinions the value of that appointment—for the purpose of proving what a valuable appointment it was, your opinion being a very valuable one on that point—that it was used only for that purpose?—It appeared to me that it was used for the purpose of settling the question that we undertook to give Sir Julius Vogel an appointment, and that I had practically broken faith with him. My complaint is that he produced a private letter, and did not produce the official letter written at the same time, which was of more importance to the question.

35. There are several other extracts in the evidence of Sir Julius Vogel, which would go to support my idea. Just below your letter he says: "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." That letter was put in for the purpose of showing what the value of the appointment was; and, in several other places, a reference is again made to that letter for the purpose of showing what a valuable appointment he had lost?—That does not touch the question of Sir Julius Vogel having produced a private letter without my authority, and having withheld an official letter upon the same subject and written at the same time. That is my complaint against Sir Julius.

36. I am only trying to defend his action; he did it after consulting many friends, and not on his own responsibility?—He does not say "many friends." It might have had more weight if he had mentioned who those friends were.

37. *The Chairman*.] That is a strong point, which can be cleared up by the records of Parliament: Sir Julius says, "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 finding that the House was not inclined to support them"?—If you will refer to *Hansard*, you will find that they were negatived.

38. That would, of course, make a great difference?—You will see by the debate that our own supporters were against it.

39. As you have expressed an opinion, I would like to put this before you. Mr. Vogel states that "it is not an uncommon thing for the family of a man who has done great service to his country to be granted an honorarium or grant in recognition of those services; and he asks that, if the Committee consider that such a thing might then be thought of, it might instead be done during Sir Julius's lifetime." You see the suggestion is made that if it should happen after his death, his family would not call upon Parliament to make some consideration for his services; he asks the Committee to deal with it now. That is what I understood you to say, Mr. Vogel.

*Mr. Vogel*: Yes.

*Sir J. Hall*: Is Mr. Vogel authorised to say so?

*Mr. Vogel*: Parliament is not even a Court of law, and it would not be bound by anything agreed upon.

40. *Mr. Joyce* (to witness).] There are three suggestions made by Sir Julius Vogel, what do you think of them: what is your opinion?—I am of opinion, as to compensation for alleged wrong done to him, in the matter of the conversion or negotiation of the Five-million Loan, or any claim arising out of that, Sir Julius has no claim upon the colony whatever.

41. *The Chairman*.] Then, as to the alleged promise of office—the alleged promise of office, I can hardly call it a recommendation?—It was distinctly subject to the approval of Parliament. The Government brought the matter before Parliament, and Parliament, both by debate and its resolution, put it out of the power of the Government to do anything of the kind.

[*Mr. Mitchell*, shorthand-writer, at the request of the Chairman, read the transcript of his notes bearing upon this particular point.]

42. *Mr. Joyce*.] What I understood Mr. Vogel to say was, that, so far as the £2,000 is concerned, it is only a mere technicality—that Sir Julius should have made his claim within the twelve months, and that, had he done so, he could have succeeded in Parliament?—If he had made his claim within twelve months, the probability is that he could have brought the matter into a Court of law; but, whether the Court would have given him £2,000 is another question.

43. Did not Sir Julius Vogel cease to be Agent for inscribed stock on the same day as he ceased to be Agent-General?—No.

44. How long after?—I think it was from the 15th February, 1881, till the 7th June, 1881.

45. If the conversion had taken place, is he not entitled to some remuneration?—My letter gives my opinion upon that question. I think it states that he would be entitled to adequate remuneration for whatever services were rendered between these two dates; but, in point of fact, if there was anything done at all, it would be of the most mechanical character—all the important service required from the Stock Agents had been rendered long before he left the Agent-Generalship—all the important parts of the Stock Agency work, such as considering and determining the time, the

conditions, and the terms upon which the debenture-holders of the Five-million Loan should be entitled to convert their stock. These were matters which required great knowledge, great experience, and great judgment, and would entitle a man to very considerable remuneration; but that was all done. The terms were fixed absolutely for the conversion of the Five-million Loan at the time it was floated, and therefore long before Sir Julius Vogel left the Agent-Generalship.

46. *Mr. Wright.*] About how long before?—It was before the loan was floated. In fact, it was part of the conditions on which the loan was issued, that it could be converted into inscribed stock on certain terms. Therefore the really essential services of the Stock Agents were rendered while Sir Julius Vogel was Agent-General.

47. The subsequent work was merely mechanical work, and was performed by the Bank of England?—Yes; living in England at the time, with all the facts before me, I said that I believed the clerical work had been done at the Bank of England. The Stock Agents may have had to sign their names, but that, I believe, was all.

48. *Mr. Vogel.*] Was it not subsequent to the telegram of 10th November, which Sir Julius Vogel considered was tantamount to his ending the Agent-Generalship, that the important services were done? Did not Sir Harry Atkinson say in his evidence (page 10) that “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”?—Yes, no doubt.

49. That is, after the time when Sir Julius Vogel, rightly or wrongly, understood himself to be no longer permanent Agent-General?—I do not consider that there had been any notice given him to resign the Agent-Generalship.

*Approximate Cost of Paper.*—Preparation, not given; printing (1,160 copies), £11 15s.

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By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1892.

*Price, 9d.*]