

REPORT OF THE SELECT

No. 8.—The Hon. J. C. Crawford to the Hon. E. W. Stafford.

MY DEAR STAFFORD,—

Hobson Street, 6th October, 1867.

I think it right to give you some explanation of the reasons for my vote on the Consolidation of Loans Bill, because, for many reasons, I regret having had to consider it advisable to vote against a Government Bill.

When I attended the second reading of the Bill, I had previously paid but little attention to its principle or details, and it at once appeared to me that the absolute declaration of Colonial liability for Provincial loans was a mistake. I therefore voted in Committee for the amendments, with a hope that in a conference more satisfactory terms might be arrived at. I did not then perceive that there was hardly any compromise possible between the original Bill and the amendments.

The more I think of it the less I like the declaration of absolute liability. I don't think the Colony is liable any more than the Central Government of the United States is liable for Pennsylvania or Mississippi bonds; and I think that, instead of an absolute liability, we should have guarded ourselves by stating that we agreed to accept the liability on equitable terms.

In the one case we might claim a character for generosity; in the other, we give up our vantage ground, and entitle the bondholders to demand their pound of flesh. I don't think that we ought to follow the tactics of the Directors of the Caledonian Railway in 1850 (which I dare say you may remember). The Railway was ruined by high rentals to branch lines. The Directors managed to get matters as low as possible, got the branch lines to take a lower rate of payment, got the price of shares down to £8, went to Parliament to get this agreement ratified, and soon afterwards the shares rose from £8 to £80 or £90.

I don't think we ought to follow these tactics, but I think we might have reserved our declaration of absolute liability.

Believe me, &c.,

JAMES C. CRAWFORD.

P.S.—McLean has just been talking to me. I will see Major R. at latest when the Council meets.

No. 9.—The Hon. E. W. Stafford to the Hon. J. C. Crawford.

MY DEAR SIR,—

Wellington, 12th October, 1867.

I have received your note of the 6th instant, relative to your voting against the financial policy of the Government. I did not reply to it while the question to which it referred was undecided, and there is now no object to be attained in discussing the subject. As, however, an opinion has been very generally expressed, that on Constitutional grounds there are too many officers of Government in the Legislative Council, it is desirable that you should let me know whether you would prefer to retain your offices or your seat in the Legislative Council.

The Hon. J. C. Crawford.

I have, &c.,

E. W. STAFFORD.

No. 10.—The Hon. J. C. CRAWFORD to the Hon. E. W. STAFFORD.

SIR,—

Wellington, 18th October, 1867.

In reply to your letter of the 12th instant, in which you inform me that an opinion has been very generally expressed, that on Constitutional grounds there are too many officers of Government in the Legislative Council, and that it is desirable that the Government should be informed whether I should prefer to retain my offices or my seat in the Legislative Council, I have the honor to inform you that, whenever the two seats are held to be incompatible, I shall elect to retain my offices.

If, therefore, you will do me the honor of intimating to me what action the Government desires me to take, I shall be prepared to give to such intimation my respectful and immediate consideration.

I have, &c.,

J. C. CRAWFORD.

The Hon. the Colonial Secretary.

Mr. Curtis then proceeded to read from *Hansard*, No. 8, p. 23, 4th line from the top of the 1st column, from the words "in the first place," down to the words "active service," 35th line, as follows:—"In the first place, I did not initiate the correspondence at all, nor had I any communication, verbally or in writing, with Mr. Crawford, or with any other person, with reference to the subject of his vote, nor did I or any of my colleagues have any communication with him, or interfere in the least, so long as the question in respect to which his vote could be given was pending. I waited until the whole Session was over before I answered his note. Mr. Crawford originated the correspondence in a private letter, and I did not make any communication to him, or allow any person to do so on the part of the Government, but waited until the Session was over, when I announced to him, at the same time that I announced to two other Members in the same week, and exactly in the same terms, that there was an opinion growing up and had been expressed by Members of the Legislative Council, that they were beginning to have too many paid officers of the Government in that branch of the Assembly. Now, at the same time that I wrote those letters, there was in the Legislative Council Captain Baillie, commanding the Marlborough Militia, drawing pay, and another Militia officer also drawing pay, but I did not write to them, because I considered that they were in an altogether different position from the permanent officers of the Government, as they were merely temporarily paid because the troops in their district were for the time being on active service."

The Hon. Mr. Fox proceeded to read from *Hansard*, No. 8, p. 19, 1st column, 28th line, from the words "Another transaction," down to the word "office," 5th line, 2nd column, as follows:—"Another transaction occurred last year, with regard to a vote given in another place, a proceeding somewhat of the character of that to which I have just alluded. It was a transaction which meant much more than really appears on the records. There was a Bill in another place in the agony of uncertainty as to whether it would pass or not, and the fate of the Ministry depended upon it. Every means were taken to bring honorable Members from remote places to give their votes at that time. An honorable Member on that occasion, who voted against the Bill, found himself in such a position after having done so that it became necessary for him to write a private note to the honorable Member for Timaru in explanation,