

of pocket and for the time I have lost. If you would say £500 I should let the whole thing drop, and I think Sir Julius Vogel himself would agree with that.

66. *Mr. Swanson.*] Have you lost £300 in cash and £200 in time?—I am £700 out in cash. I give up a great portion of the cash out of pocket.

67. Then do I understand that if you had £500 you would say no more about it?—Yes.

68. *Mr. Richmond.*] Did you recoup yourself by trading?—No; my first trip cost me only £250. I undertook certain commissions which paid me back about £190, and the second trip somewhat similar. You cannot travel in the Pacific under £2 a day. I was seven months in the Pacific.

69. *Mr. Dignan.*] You stated that when Sir Julius Vogel went to Auckland, he declined entering into any arrangement with you, but simply made arrangements with Mr. Whitaker. What were those arrangements?—Arrangements to form a company—a definite arrangement for a company, the capital of which should be a million, and which, in consideration of being formed in New Zealand, should apply to the New Zealand Legislature for a guarantee of 5 per cent. on that capital.

70. *Hon. Mr. Reynolds.*] In fact, it was the scheme which Sir Julius Vogel brought before the Assembly?—Yes. There is one important thing I have left out, and that is this: That after reading this injudicious letter, Sir Julius Vogel said, "Certainly I shall not at all regret to see him get compensation, although I am bound, from my official position, to express my opinion on his claim. I will say this to the Committee, that whatever I did was done through purely public motives."

71. *Mr. Murray.*] Then I understand that you claim some consideration from the country on two grounds—first, because of Sir Julius Vogel's action as Premier, and secondly, because of the benefit which the country has sustained in your endeavours to open up trade?—Yes.

72. These are your only two grounds on which you rest your claim?—Yes.

73. *Mr. Swanson.*] And another too—the chance he had lost of forming the company himself?—Yes; if a company had been formed in England, the charter would have been worth £20,000 to me.

74. *Mr. Hislop.*] You said in your evidence on the first day that Sir James Fergusson advised you to go Home, for the purpose of forming a company, and promised to introduce you to some of his friends. He dissuaded you from going Home in the letter you have to-day put in?—He told me not to interfere with a Minister firmly seated.

75. When did he first alter his views?—When I first received his letter. Between August and February I also saw him.

76. Did Sir Julius Vogel or Sir James Fergusson ever tell you that this was an idea revived?—No.

77. When did you first hear of that?—In July last year, when in London. I was down at Mr. Thomas Russell's house. He said, "Oh, Mr. Phillips, this idea is an old one." I said, "When did you hear that?" He said Sir Julius Vogel had said to him, "Don't you remember my speaking of this in connection with some Fijian matters?" and Mr. Russell said, "He was bound to tell him he could not remember that."

78. When did he first tell you that the £2,000 was to be paid by the company?—After I had sent in the petition.

TUESDAY, 22nd AUGUST, 1876.

HON. SIR JULIUS VOGEL examined.

79. *Mr. Dignan.*] You to a certain extent admitted that Mr. Phillips was entitled to compensation in the event of a company being formed?—That was my opinion.

80. You would render him that assistance in obtaining compensation, in the event of a company being formed?—Yes.

81. Were not his services made use of with the intention of benefiting the Government and the colony?—I do not think his services were of any use, as far as I know. The position was this: I had, as I think, out of rather an undue amount of consideration for Mr. Phillips, paid him more attention than he was entitled to, and looked upon him as having aroused the matter in my own mind. In the first place, as far as my recollection of the history of the thing is concerned—I have refreshed my mind by reference to a great many documents—the position was as it is described in my memorandum dated February 5, 1874:—"Mr. Coleman Phillips, who had aided in arranging for the establishment of a bank in Fiji, addressed to me a communication, in which he suggested the establishment of a company, which, like the East India Company, should endeavour, politically and commercially, to gain ascendancy in the Pacific Islands. I was much struck with the idea; but when Mr. Phillips asked me if I would advise him to go Home to endeavour to float the company, I felt that he would have great difficulty in raising the capital. It then occurred to me, from the New Zealand point of view, from which I felt bound to look at it, that Mr. Phillips's project, supposing it matured, might or might not be worked in a manner calculated to be of much benefit to New Zealand. I then asked myself, was it worth the while of New Zealand to secure the charge of the great work, by enabling the capital to be raised. What I have already written will suggest the answer the query met with in my mind. I recognized that New Zealand should make the effort; and the following is the course I advise." This is all published. I added the words, "I may add, I consider that Mr. Phillips's share in the project entitles him to substantial compensation." On an earlier date, November 22, 1873, I wrote this:—"Your Excellency is aware that I have felt much interest in a proposal made by Mr. Phillips, that a trading company should be formed in England, with the view of absorbing, by its commercial power, a large share of political control in the Islands. The object proposed by Mr. Phillips, excepting that of a chartered labour traffic, I approved; and your Excellency, I believe, communicated the substance of Mr. Phillips's ideas to the Secretary of State. I have since thought very carefully over the matter, and there are two points in respect to Mr. Phillips's proposal which seem to me to require serious consideration, and without providing for which I am not certain the proposed company might not lend itself to retard, instead of to advance, the civilization of the Islands. Those points are—(1.) That in order to obtain the necessary capital, every consideration besides that of the mere acquirement of