

1877.

NEW ZEALAND.

LOAN NEGOTIATIONS

(FURTHER CORRESPONDENCE RELATING TO).

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

Sir P. G. JULYAN and Mr. SARGEANT to the COLONIAL SECRETARY.

SIR,—

London, 21st September, 1876.

In the further correspondence printed by your Government, relative to the negotiation of the Four Million Loan—a copy of which has casually come to our notice—we observe that the words “as Crown Agents for the Colonies” were inadvertently used in the third line of our letter to you of B.—3, 1876, the 21st September, 1875. This line should have been written as follows:—“and we now beg to No. 10. address you in our individual capacity with regard to,” &c.; and we beg that you will be good enough to make the correction accordingly.

2. As we have acted for New Zealand in the various, and distinct, capacities of

Agents for Loans,
Agents for the Public Account,
Agents for Sinking Fund Commissioners, and
Crown Agents for the Colonies,

it can scarcely be matter of surprise that we should occasionally have misdescribed ourselves. In this instance, it was probably due to the fact that we had just ceased (from the completion of the work) to be special Loan Agents. We have, not indeed unfrequently, been similarly addressed under a wrong designation in official documents emanating from your side.

3. The context of the letter will, however, abundantly show that we were not writing as Crown Agents. The subject with which it dealt was not one with which, as Crown Agents, we had had anything to do. We simply availed ourselves, as individuals, of the opportunity offered by the expiration of one special appointment—which had originally been conferred upon us without solicitation and without any previous consultation with us—to request that we might not, under certain possible contingencies, be again expected to accept a similar appointment.

4. At that time, our further employment on behalf of New Zealand as “Crown Agents” had been practically terminated by engaging other agents to perform those specific services which the Crown Agents had been solicited by the Government of New Zealand to undertake, at a time when your Financial Minister found it impossible to float a loan in this market without the aid of the Crown Agents’ department.

5. There remained, therefore, to us as Crown Agents, no engagement towards New Zealand but that of completing undertakings previously entered into, viz., paying the interest and capital (when due) on loans previously placed in the market by the Crown Agents, under arrangements which appear to us to possess all the force of written contracts, which we believe cannot in good faith be abrogated without the consent of all parties concerned, i.e., the Government of New Zealand, the Crown Agents, and the bondholders, who are all parties to the agreement.

6. From this it will be clear that there was no intention on our part, as Crown Agents, to treat questions arising out of prospective employment of an individual nature “as questions affecting the Crown Agents’ office.”

7. As already stated, your Government had practically terminated the relations which had subsisted between themselves and the Crown Agents, for the sole purpose of dealing with New Zealand loans, and, with regard to future operations, we had nothing to say against such a course.

It is perfectly free to the Government to contract their loans through any channel they may see fit; and we conceive it is as free to us—without being open to the charge of “assuming to control the discretion of the Government in the appointment of agents”—to decline, by anticipation, any new appointment of a personal nature that your Government might again contemplate offering for our acceptance.

8. We abstain from making any observations on the contents of the Executive minute of the 13th June last, until the matter comes officially before us. B.—3, 1876, No. 11.

We have, &c.,

P. G. JULYAN.

W. C. SARGEANT.

The Hon. the Colonial Secretary, Wellington.