

1877.

NEW ZEALAND.

## INSCRIPTION OF STOCK BY THE BANK OF ENGLAND

(FURTHER PAPERS RELATIVE TO THE PROPOSED).

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

## No. 1.

The AGENT-GENERAL for NEW SOUTH WALES to the AGENT-GENERAL for NEW ZEALAND.

London, 3, Westminster Chambers, Victoria Street, S.W.,

9th May, 1877.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 2nd instant, transmitting a copy of a letter, dated 1st May, 1877, which you had addressed to the Colonial Secretary at Wellington, New Zealand, having reference to my minute, dated the 4th of April, 1877, upon the printed papers in the matter of the Inscribed Stocks Bill, for which I have to thank you; and at the same time to express my regret that you should see matter of offence, where certainly none was intended, in the minute which I felt myself compelled to write in my own defence, after what appeared to me the somewhat extraordinary course taken by you.

I trust to be able sufficiently to explain my conduct in the matter to my own Government, and, therefore, content myself with stating that you are, in my opinion, mistaken in your views and statements, and with disclaiming any wish or intention to interrupt the harmony between the two Governments or ourselves—an effect which I cannot help thinking is more likely to be caused by the course taken by you, than by the minute I thought it my duty to write.

I have, &amp;c.,

The Agent-General for New Zealand.

WILLIAM FORSTER.

## No. 2.

The AGENT-GENERAL for NEW ZEALAND to the AGENT-GENERAL for NEW SOUTH WALES.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

11th May, 1877.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 9th instant, in reply to mine enclosing to you a copy of a communication I was making to the Hon. the Colonial Secretary at Wellington.

I have, &amp;c.,

The Agent-General for New South Wales,  
3, Westminster Chambers.

JULIUS VOGEL,  
Agent-General for New Zealand.

## No. 3.

The AGENT-GENERAL to the Hon. the PREMIER.

7, Westminster Chambers, Victoria Street, Westminster, S.W.\*

SIR,—

In continuation of my letter of 16th February, No. 163, I have the honor to enclose you copy of a letter addressed, on the subject of the Inscribed Stock Bill, to the Secretary of State, by the Agents-General for Victoria and South Australia and myself.

The Agent-General for New South Wales has addressed a separate communication to the Colonial Office on the subject.

I have, &amp;c.,

The Hon. the Premier, Wellington.

JULIUS VOGEL,  
Agent-General.

\* No date: received 1st August.

## Enclosure.

The AGENTS-GENERAL for NEW ZEALAND, VICTORIA, and SOUTH AUSTRALIA, to Lord CARNARVON.  
7, Westminster Chambers, Victoria Street, Westminster, S.W.,

MY LORD,—

23rd May, 1877.

We do ourselves the honor to earnestly ask your Lordship's attention to the position of the promised Bill for authorizing the inscription of Colonial Stocks. We think, if you will consider all the circumstances of the case, you will recognize that the colonies have reason to complain of the protracted delay to which the measure has been subjected. We venture to briefly recapitulate its history.

In 1875, the New Zealand Government entered into a provisional agreement with the Bank of England, by which that institution agreed to perform for New Zealand securities the same offices that it performed for the stocks of the Metropolitan Board of Works. To give effect to the agreement, it was found that legislation was necessary. It did not seem a remarkable concession for New Zealand to ask, that it should be placed in the position of having such an agreement carried out—that the colony should be allowed, without entailing any liability whatever on the Imperial revenues, the benefits of Imperial legislation to overcome merely technical difficulties. Sir Julius Vogel, who had negotiated the agreement with the Bank, and who was subsequently in communication with the Colonial Office and Treasury, left England with the full conviction that during the session of 1876 the measure would be passed. Upon the matter being known in the Australasian Colonies, nearly all of these expressed a desire in favour of the measure being general, and through us respectively conveyed to your Lordship an intimation to that effect. The Government of New South Wales, by a minute of the Colonial Treasurer, a copy of which was forwarded to you by Mr. Forster, expressed a desire that the Bill should enable other institutions to act besides the Bank of England.

The Bill, when prepared by the Treasury, was found to contain a provision so repugnant to the Bank of England, that that institution signified it would not act under the measure if it became law. Prolonged negotiations ensued. The Agents-General were constantly in communication with the Colonial Office and with the Treasury, and, on behalf of their Governments, exerted themselves to the utmost to remove the difficulties which stood in the way of the measure. At length, the Treasury intimated that the Bill could not be introduced last year, but that it should be introduced on the first day of the next session. Mr. Smith gave a distinct assurance to Mr. Michie and to Mr. Mackrell to that effect. The Bill, he said, should be introduced on the first day of next session, when he hoped it might be passed through within the first six weeks of the meeting of Parliament. In November last, the Agents-General wrote to ask the position of the Bill, and to urge that copies of it, as it was intended to introduce it, might be sent to them. In December, Sir Julius Vogel arrived in England to assume the position of Agent-General of New Zealand, and, in reply to personal inquiries which he made, he found that some new objection had arisen in respect to the Bill. That objection related to a perfectly distinct question—namely, of the power of the colonies to sue and to be sued in this country. With the concurrence of the Colonial Office, Sir Julius Vogel saw the Secretary of the Treasury, and pointed out, first, that as far as New Zealand was concerned, the Bill would be nugatory if it did not enable the Bank of England to carry out its agreement, and urged it should be put into a form acceptable to that establishment. He also pointed out how irrelevant the question of suing and being sued was to this matter, and how such a question trenching on the power of the Crown in the colonies, which now possesses controlling power over the authorization of expenditure and the issue of money. He understood that in both these contentions he had the support of the Colonial Office. The next that was heard of the matter was an intimation, received by Mr. Mackrell, that the Treasury were disposed to think that legislation could be dispensed with. At the suggestion of the Colonial Office, the opinion of Counsel was obtained. A joint opinion was prepared by the Counsel who first advised the Government of New Zealand, and by the Counsel of the Bank of England, to the effect that legislation was absolutely requisite. A copy of this opinion was forwarded to the Colonial Office. More than three months have elapsed since then, and we cannot discover that anything has been done, except that it is recognized there must be a consultation between the Colonial Office and the Treasury. The difficulty seems to be to carry this out, and meanwhile the session is nearly drawing to a close.

We are aware that this question is unimportant beside the large international questions that agitate Parliament, but it is of great moment to the colonies; and we submit they have the right to receive from Imperial legislation any assistance that peculiar circumstances may make necessary. In this case, besides the reasonable nature of the request the colonies make, they have, in support of that request, the distinct promise made at the end of last session.

If there are any fresh difficulties, we hope your Lordship will grant us an interview to go into the question.

In conclusion, let us most earnestly express the hope that you will bring about satisfactory legislation on this matter during the present session.

We have, &c.,

JULIUS VOGEL,  
Agent-General for New Zealand.

ARCHD. MICHIE,  
Agent-General for Victoria.

ARTHUR BLYTH,  
Agent-General for South Australia.

The Right Hon. the Earl of Carnarvon,  
Colonial Office.