

this will yield annually, but it is the lowest rate charged for operations of the kind. If tested by possible results, too, it is a fair one. Supposing over the course of ten years twelve millions are converted, which would be a very favourable result, the payment each Agent would receive for the ten years would be £15,000, which would be a moderate one, considering the enormous nature of the transactions. I should propose, therefore, a percentage of one-eighth of 1 per cent. as the payment to be made to me.

It is, in my opinion, essential that new loans should also be effected through the agency of the Inscribed Stock Agents. If such loans were issued as inscribed stock, the percentage already alluded to would be payable. But if new loans are issued as debentures, as at present, I would suggest that the payments to be made to me be one-half, say one-sixteenth of 1 per cent., the other half to be paid on the conversion of the same into inscribed stock. If you wish to appoint a maximum payment for each year, a minimum would also have to be fixed. Sir Penrose Julyan thinks that £2,000 and £500 might be fixed as the respective maximum and minimum payments to each Agent. But as in each year a period or periods for conversion would have to be appointed, delicate questions might arise if payments other than those by results are adopted, and I think the latter will be most satisfactory to all concerned.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Premier, New Zealand.

No. 17.

The PREMIER to the AGENT-GENERAL.

SIR,—

Government Offices, N.Z., Wellington, 30th January, 1880.

I have the honor to acknowledge the receipt of your letter of the 18th November, in which, in compliance with the request of the Government, you state the terms and conditions upon which the conversion of New Zealand loans under "The Consolidated Stock Act, 1877," may, in your opinion, advantageously be effected.

The time which has elapsed since the receipt of your letter has not been sufficient to enable the Government to fully consider and decide upon the propositions which it contains; but those propositions shall receive attention with as little delay as possible, and I shall no doubt be able by the next mail to convey to you the views of the Government on the subject.

I have, &c.,

JOHN HALL.

Sir Julius Vogel, K.C.M.G., London.

No. 18.

The AGENT-GENERAL to the PREMIER.

SIR,—

7, Westminster Chambers, London, S.W., 16th December, 1879.

In continuation of my letter of the 18th November, concerning the proposal to appoint me one of the Loan Agents, in lieu of my continuing Agent-General, I have the honor to represent to you that the arrangement proposed should commence with the loan lately launched, or, if there is no such arrangement made, that I should be paid the same commission as Sir Penrose Julyan and the Crown Agents for the services of Captain Ommauney, say, one-eighth per cent.

In justice to myself, I consider I am bound to make this application. My position is somewhat analogous to that of Sir Penrose Julyan. The Government have informed me that they wish to dispen-
 se with my services as Agent-General, and I might have requested to be relieved of the appointment prior to the actual negotiation of the loan. I did not, however, think such a course necessary, as I felt sure the Government would not use a technical objection to avoid a payment that, I may be permitted to say, is well earned. It would be especially humiliating to me not to be paid on this occasion, since there is no question that the success of the loan depended upon the arrangements for inscribing stock, of my share in which you are well aware.

The Bank of England, but for the arrangement I made with it in 1875, would not have undertaken the negotiation of the loan, and I need not point out how important its co-operation was. But the great attraction of the loan was the inscribed stock, the option to take which was given. On every hand the value of this inscribed stock is admitted. I have spoken to dozens of people, and there is no dissentient to the opinion that stock inscribed at the Bank of England, with a power to exchange into bonds to bearer, adds a considerable percentage to the value of colonial loans. One of the leading brokers on the Stock Exchange told me that he considered our inscribed stock would soon go up to 90, and that it was this opinion generally entertained which led to such numerous and large applications. He informed me, moreover, that it was proposed to deal with the inscribed stock in the Consol Market of the Stock Exchange, a course which will give it a character and tone that will much enhance its value.

Supposing, as there is every reason to conclude, that the New Zealand inscribed stock attains much higher relative value than the debentures, the conversion of the latter will prove very profitable.

Feeling as I do the value of the services which, as the author of the inscribed stock machinery, I have rendered the colony, and seeing that in using that machinery I have been as much concerned as the other two Agents, I feel that, in justice to myself, I am bound to bring the matter before you.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. John Hall, Premier of New Zealand.

No. 19.

The PREMIER to the AGENT-GENERAL.

SIR,—

Government Offices, N.Z., Wellington, 20th February, 1880.

I have the honor to acknowledge the receipt of your letter of the 16th December, wherein you propose that the arrangement under which you may, as one of the Agents for the Inscription of