

1886.

NEW ZEALAND.

PETITION OF SIR JULIUS VOGEL

(PAPERS RELATING TO).

Laid on the Table by the Hon. Mr. Stout, by Leave of the House.

Sir P. G. JULYAN to the Hon. the PREMIER.

SIR,—

Cromwell House, Brompton Crescent, London, February, 1886.

The Agent-General has been good enough to send me a copy of a report made by the Public Petitions Committee on the petition of Sir Julius Vogel respecting a claim, *inter alia*, for services rendered by him in connection with the issue of the Five-million Loan of 1879.

Certain misconceptions, apparent in some parts of the evidence, may naturally lead to erroneous impressions as to the part I took in the negotiation of that loan, and impose upon me the necessity of requesting that you will be good enough to place the following explanations before the Committee when they next meet to reconsider the question.

First, it may be as well that I should state that the fact of the issue of the loan taking place ten days after my retirement from official life was a mere coincident. The loan had been awaiting a favourable turn in the market for some months, and my retirement had been officially applied for some months before the Loan Agents were appointed. That it should have taken effect so shortly before that turn in the market took place, which rendered a successful operation possible, was purely accidental; and, circumstanced as I was, with the loans of many colonies to manage, my retirement could hardly fail to be coincident with an operation for some one of them. In the case of New Zealand, however, no inconvenience could well have arisen, as provision had been made to meet such a contingency by legally vesting the power of filling the vacancy in the hands of the remaining Agents; and, as the then senior Crown Agent—who had been in the previous Loan Commissions—was present (and had only been omitted in this instance because he was supposed to be in South Africa), he could have been appointed in my stead at an hour's notice, without a penny of extra expense. I therefore felt that no interruption or delay need result from my ceasing to be Crown Agent when I did.

The moment my retirement became known to myself I telegraphed the fact to New Zealand, and it was from that telegram the Government first became aware of it, and they might, if so minded, as easily and as quickly have directed the appointment of anybody else as myself. They thought proper however to ask me to act in my private capacity, to which I willingly assented; but it is a mistake to suppose that I ever “insisted” upon the amount of my remuneration being fixed before negotiations were commenced. As is customary on such occasions, rates of commission are always determined in advance, and in this instance there was no departure from the rule.

The Agents met to settle these preliminaries, and it never was suggested by any one that my case should be treated exceptionally, nor was the slightest objection raised as to the proposed rate, which was the lowest then known to the market.

It is a mistake to suppose that the Crown Agents made their full and usual charge. They voluntarily and properly reduced it by 50 per cent. (from $\frac{1}{2}$ to $\frac{1}{4}$ per cent.) because the Bank of England were to relieve them of half the work and much of the responsibility. The other proposed allowances to bankers, brokers, and myself were simply such as are usually paid for such services, and were acceded to by all the Agents without any objection or remonstrance of any kind, so that anything like “insistence” on my part would have been gratuitous indelicacy.

It is unnecessary here to speculate on what might have been said, or required, by me, had delay been proposed by my colleagues, but it certainly never would have occurred to me to decline to act because the question of remuneration to myself had been left to the Colonial Government to determine. Sir Julius Vogel, as Agent-General, really had nothing to do with the matter. The Loan Act and the warrants of appointment had placed the power of settling all such points in the hands of the Loan Agents.

The aggregate percentage of commission paid, including my own, were less than that charged on the previous loan issued through the same channel.

My recollection of what took place is confirmed by Sir W. Sargeaunt and Captain Ommannay, who were both present at the time, and, although Sir Julius Vogel took an active part in all the arrangements, I can well understand that impaired health, and the more important occupations which have since engrossed his attention, may easily have obliterated from his memory such minute details with regard to a transaction which occurred six years ago.

On that part of the evidence which refers to the origin of inscribed stocks, though not affecting myself in any way, I may, perhaps, as one having had peculiar opportunities of knowing what took place, and without offering any opinion as to who originated the idea, be permitted to add, in common justice to Sir Julius Vogel, my belief that to him the colonies are indebted for the practical solution of the difficulties that surrounded the question. No one occupying a less influential position than he then did could have matured the measure, and have carried it into successful operation; and but for his indomitable and intelligent perseverance I much doubt if the admirable system of inscribing colonial stocks now generally adopted, and which has enabled New Zealand so largely, and with such great pecuniary advantage, to convert her old loans into new, would at this moment have had any existence.

I must apologize for this digression from what more especially concerns myself, but it appears to me but just to Sir Julius Vogel that I should do so, as he certainly did a great service, not only to New Zealand, but to many other colonies who have enjoyed the benefits of the stock-inscription system, to which he first gave a practical shape.

The Hon. the Premier, New Zealand.

I have, &c.,

PENROSE G. JULYAN.

MEMORANDUM to the PREMIER.

I UNDERSTAND the point raised by Sir Penrose Julian in his letter to you is that I stated that Sir Penrose Julian insisted on his remuneration being fixed before the issue of the loan. Sir Penrose says I am mistaken, and he gives an account of the proceedings. My recollection as to those proceedings does not differ much from that of Sir Penrose, only that I am thoroughly under the impression that I did ask if the matter should not be left to the Government. The two Crown Agents—Sir W. Sargeaunt and Captain Ommanney—had already considered what was the remuneration which ought to be given; and Sir Penrose says, rightly enough, that it is usual to fix the rate of commission before the operation. The impression left on my mind was that Sir Penrose insisted on its being fixed, but I will not maintain that I am correct in the face of the recollection of Sir Penrose Julian and that of the other gentlemen whom he mentions. The question is, to my mind, not of much importance, for every one must concur that, whether or not Sir Penrose insisted, it would have been highly impolitic for me to have pressed the matter in an opposite direction. The Crown Agents, including Sir Penrose, had rendered services in the way of sustaining the credit of the colony at a most critical period for which no recognition could be too extravagant. The negotiation of the loan being still in the balance, it would have been most inexpedient to say or do anything calculated to produce the slightest irritation. The usage, as Sir Penrose says, was to settle the commission. The Crown Agents, because of the Bank of England's services, generously foregoed half their commission. They considered the commission proposed to be given to Sir Penrose was the right one. Sir W. Sargeaunt and Captain Ommanney had evidently discussed it between them and for me to have obtruded opposition would have been both unhandsome and impolitic.

15th April, 1886.

JULIUS VOGEL.

[Approximate Cost of Paper.—Preparation, Nil; printing (1,350 copies), £1 3s.]

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1886.