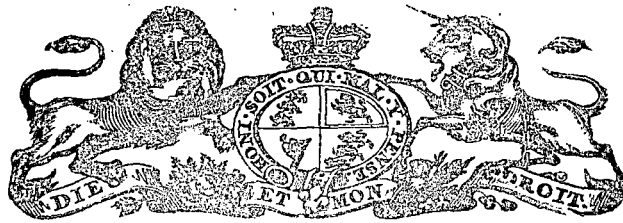


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1883.

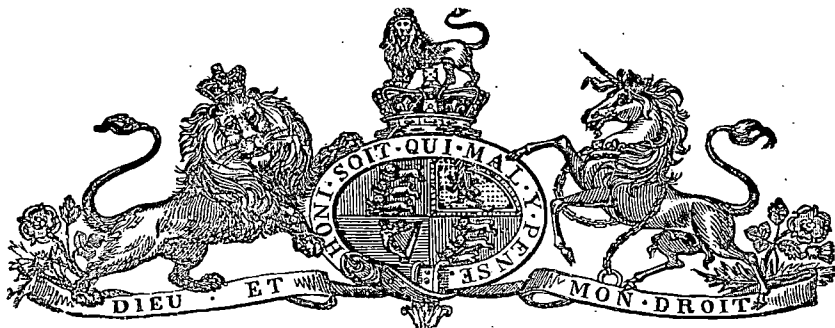
T A S M A N I A.

LEGISLATIVE COUNCIL.

CROWN AGENTS FOR THE COLONIES :

Correspondence relative to the discontinuance of the connection between the Crown Agents for the Colonies and Colonies possessing responsible Government.

Laid upon the Table by Mr. Moore, and ordered by the Council to be printed,
July 24, 1883.



No. 51.

Government House, Hobart, November 20, 1882.

THE Governor transmits herewith to Ministers Despatch, General, of the 6th October, relative to the discontinuance of the connection between the Crown Agents for the Colonies and Colonies possessing Responsible Government.

GEO. C. STRAHAN.

TASMANIA.
General.

Downing-street, October 6, 1882.

SIR,

I HAVE the honor to request your attention to the accompanying printed correspondence, relative to the discontinuance of the connection between the Crown Agents for the Colonies and Colonies possessing Responsible Government. In pursuance of the decision therein arrived at, the Crown Agents have undertaken no fresh financial business on behalf of New Zealand, and the Government of the Cape of Good Hope have appointed a separate Agent for the business of that Colony. I find, however, that the Crown Agents still continue to transact a certain amount of store business for Tasmania, and I request that you will invite your Ministers to consider whether they cannot make arrangements whereby the Crown Agents may be relieved of that business. I trust that this can be done without inconvenience, as your Government already employs agencies for the transaction of its financial and emigration business.

I have, &c.

KIMBERLEY.

Governor Sir G. C. STRAHAN, K.C.M.G.

MEMORANDUM for His Excellency the Governor.

MR. GIBLIN has the honor to return to His Excellency Earl Kimberley's Despatch of 6th October, 1882, relative to the discontinuance of the connection between the Crown Agents for the Colonies and Colonies possessing responsible Government (with enclosures thereto).

Ministers are sensible of the advantage (in point of economy) which the Colony has in past years derived by the system which has been sanctioned of allowing the Crown Agents to act for this Colony. The altered circumstances of Tasmania, and the prospect of the extension of our business in England, makes the time fitting to make other provision for the conduct of the Colony's general business in London, and so to relieve the Crown Agents from what Earl Kimberley has termed "an anomalous position."

Ministers would be glad if Your Excellency would assure the Right Honorable Secretary of State for the Colonies that they will deal with the subject with as little delay as is consistent with making proposals to Parliament for the efficient conduct of our Tasmanian business in England; and they trust that, in the meantime, the Crown Agents may be permitted to continue their services, so as to avoid the inconvenience that would otherwise be caused pending Parliamentary provision being made for the appointment of an Agent-General for the Colony and the assumption by him of his duties in England.

W. R. GIBLIN.

*Attorney-General's Office,
7th February, 1883.*

TASMANIA.
General.

Downing-street, 5th April, 1883.

SIR,

I HAVE the honor to acknowledge the receipt of your Despatch, No. 8, of the 8th of February, forwarding a Memorandum from Mr. Giblin respecting the proposed discontinuance of the connection between Tasmania and the Crown Agents for the Colonies.

I request that you will inform your Ministers that, in accordance with their desire, I have authorised the Crown Agents to continue their services pending the appointment of an Agent-General for the Colony.

I have the honor to be,

Sir,

Your most obedient humble Servant,

DERBY.

Governor Sir G. C. STRAHAN, K.C.M.G., &c.

The following Papers were enclosed in Earl Kimberley's Despatch of 6th October, 1882, and are explanatory of the functions of the Crown Agents for the Colonies, and of the objections of the Lords of the Treasury to those Agents continuing to act for Colonies possessing responsible Government.

TABLE OF CONTENTS.

Serial No.	From or to whom.	Date.	Subject.
1	Circular to all Colonies employing the Crown Agents.	December 31, 1863	Notifying intended changes in the position, remuneration, and duties of the Crown Agents Establishment, and as regards the apportionment of the costs among the Colonies concerned.
2	Ditto	January 23, 1868	Notifying that after 1st January, 1868, the charge on Colonies for payment by Crown Agents of interest on Colonial loans will be reduced from 10s. to 5s. per £100.
3	Ditto	September 6, 1870	Notifying that from 1st January, 1869, the accounts of the Crown Agents, with the exception of those for Colonies receiving grants in aid, will cease to be audited by the Imperial Government.
4	Circular to all Colonies (except the Straits Settlements) employing the Crown Agents.	August 8, 1874	Notifying that for the future the quarterly statements of balances furnished by Crown Agents will include the particulars of all unmatured bills or securities held by them.
5	Sir P. Julyan	September, 1878	Extract from memorandum on the origin and functions of the Department of the Crown Agents for the Colonies.
6	To Treasury	November 26, 1880	Stating that it is proposed to discontinue all business transactions by Crown Agents for Colonies possessing responsible Governments, and explaining the conditions under which Crown Agents occupy a part of the Colonial Office building.
7	Treasury	April 11, 1881	Concurring in proposed change of Trustees of Investments made by Crown Agents on behalf of Colonies, and also in the proposed termination of all business transactions between Crown Agents and Colonies having responsible Governments.
8	To Governor Sir Hercules Robinson.	May 19, 1881	Directing Governor to again represent to the Cape Government the desirability of establishing an agency of its own in England in lieu of the Crown Agents for the Colonies.
9	To Governor the Honorable Sir A. H. Gordon.	May 19, 1881	Directing Governor to request his Ministers to make arrangements for dispensing with the services of the Crown Agents for the Colonies.
10	Deputy-Governor Lieutenant-General L. Smyth.	June 28, 1881 (Received July 20, 1881.)	Forwarding a Ministerial minute urging that the matter of establishing an agency in England for the Cape Colony should be allowed to stand over until the next meeting of Parliament.
11	To Deputy-Governor Lieutenant-General L. Smyth.	August 4, 1881	Stating that the Crown Agents may continue to act for the Cape Colony until arrangements can be made for establishing a separate agency for Cape business.

*CIRCULAR to all Colonies employing the Crown Agents.**Downing-street, December 31, 1863.*

SIR,

THE great increase which has taken place in the business transacted by the Crown Agents for the Colonies has rendered it necessary for me to institute an inquiry into the composition and duties of their establishment, the cost of maintaining it, and the manner of apportioning that cost among the Colonies concerned.

2. I find that during the three years ending on the 31st of December, 1859, the average annual receipts and disbursements of the Office had amounted to £1,243,390, and the average annual contributions of the Colonies to £2203. In the three following years the average annual receipts and disbursements increased to £3,169,217, while the Colonial contributions have only risen to £3127.

3. I have satisfied myself that this sum is quite inadequate for its purpose, looking to the amount of business which is performed, the increased responsibility which is thrown upon the heads of the department, and the necessity for securing and retaining the services of competent and trustworthy persons; the Lords of the Treasury concur with me in thinking it just and necessary that certain of the salaries should be raised, that the numbers of the establishment should be increased, and that the position of its members should be rendered more attractive by giving them advantages analogous, as far as possible, to those enjoyed by officers of the Imperial Government in respect of retiring allowances; and I must here add that the satisfactory way in which the business has been hitherto transacted gives the members of the Office every claim for a liberal consideration on the part of those who benefit by their services.

4. With these views I have obtained the sanction of the Lords of the Treasury to a scale and mode of contribution which will, I hope, provide satisfactorily for all these objects. It must, however, be understood, that if in course of time the rate of payment should be found insufficient for its purpose, Her Majesty's Government reserves to itself the power of requiring the necessary increase. If it should be found more than sufficient, it will similarly be reduced. It is, however, not likely that a reduction could be effected at any earlier date, as the present payments are intended not only to meet the current expenses of the Office, but to accumulate a certain reserved fund intended to meet any sudden falling off in the receipts of the office, and also to provide for the charges on account of retiring pensions and gratuities, to which claims are already accruing, although it is not probable that any such claim can be made for some time to come.

5. I now proceed to explain the manner in which I propose that these objects should be provided for, which does not materially differ from the arrangements that have been hitherto adopted.

In the first place, a commission of one half per cent. will be charged on all loans contracted and paid off through the instrumentality of the Crown Agents, and on all interest paid through the same channel. A brokerage of one quarter per cent. is already paid by the Colonies upon the negotiation of fresh loans, which will be covered by the proposed commission. The remainder will go to the support of the Office. I understand that a banker would probably charge about one per cent. for performing these functions.

Next, the Colonies have hitherto paid the usual commission of one eighth per cent. (or 2s. 6d. on £100) on investments, which was divided equally between the brokers and the Bank of England, from whom the brokers received their orders. Arrangements have been made by which the broker will hereafter receive their orders direct from the Agents (in itself a decided improvement on the present mode of conducting this part of the business), and the sum hitherto paid to the Bank (one sixteenth per cent. or 1s. 3d. per £100) will go to support the Agent's establishment. Thus a slight increase will be made to the income of the Office, without any fresh charge upon the Colonies.

Thirdly, any Colony overdrawing its account will be required to pay interest at the rate of 5 per cent. per annum on the amount of its overdrafts. Little will be gained to the Agency by this new charge, which is principally imposed for the purpose of discouraging such overdrafts, by which, in effect, certain Colonies have hitherto borrowed without interest from the rest.

Lastly (and from this source the bulk of the Office income will be derived), those Colonies which regularly employ the Crown Agents will, as heretofore, contribute an annual sum bearing some proportion to the trouble which the general business of each (irrespective of loans and investments) is found to impose on the Agents and their Department.

In the cases of Colonies whose accounts are too small to require a fixed annual payment for the general business, the contribution towards the expenses of the Agency will be in the form of a commission of 5 per cent. on all orders executed by the Agents, irrespective of loans and investments.

This commission will continue to be demanded from all Colonies employing the Agents except those hereafter specified, and I could have wished that some analogous principle could have been fairly applied to Colonies whose transactions are on a large scale. But the variety of the business which is represented by these larger accounts is such as to render it impossible to treat them on any uniform rule; and I have been unwillingly obliged to adhere to the present mode of assessment by which the Colonies named in the annexed list are required to pay a fixed annual sum, determined from time to time by Her Majesty's Government, with the advice of the Crown Agents, who alone are cognizant of the character of the different accounts, and based partly on the relative amounts of those accounts, and partly on the more or less laborious character of the business which they involve. The amounts of these fixed payments will continue in the cases of those Colonies where fixed payments are now made at the existing rates, except in the cases of Victoria, Hong Kong, and Natal, to which separate Despatches will be addressed.

Colonies
paying fixed
contribu-
tions :—
Victoria,
Ceylon,
Cape of Good
Hope,
Mauritius,
Trinidad,
British
Guiana,
Tasmania,
Malta,
Sierra Leone,
Gibraltar,
Gambia,
Natal,
Hong Kong.

6. Any service of a totally exceptional character (like the railway business of Ceylon and Mauritius) will form the subject of a separate arrangement.

7. If your Government should have any observations to make upon these arrangements, so far as they affect it individually, I have to instruct you to bring them under my notice. The arrangements described in this Despatch will take effect from the 1st January of the present year.

I have, &c.

(Signed) NEWCASTLE.

The Officer Administering the Government of

No. 2.

CIRCULAR to all Colonies employing the Crown Agents.

Downing-street, January 23, 1868.

SIR,

THE circular Despatch from this Department of the 31st December, 1863,* authorised the Crown Agents for the Colonies to make a charge of one half per cent. on interest paid by them on Colonial Government loans.

From that time to the present this charge has been regularly made on all such payments, but I am informed that the sums now periodically received on this account have increased to an extent disproportionate to the increased labour involved in making the payments, and beyond what is required for the support of the Agents' establishment. I have therefore authorised the Crown Agents, on and after the 1st January, 1868, to reduce the charge for the payment of interest on loans from 10s. to 5s. per £100 paid.

The charges on Colonial Government loans, therefore, will be :—

1st. For negotiating new loans, one quarter per cent. commission, and one quarter per cent. brokerage.

2nd. For payment of interest one quarter per cent.

3rd. For paying off the principal at maturity one half per cent.

No charge will be made for services rendered by the Crown Agents as trustees of sinking funds for the redemption of loans.

I have, &c.

(Signed) BUCKINGHAM AND CHANDOS.

The Officer Administering the Government of

No. 3.

CIRCULAR to all Colonies employing the Crown Agents.

Downing-street, September 6, 1870.

SIR,

IN connection with the modifications which have been made by the Act 29 & 30 Vict. c. 39, in the audit of public accounts in this country, I have to acquaint you that Her Majesty's Government has decided that the accounts of the Crown Agents for the Colonies should cease to be audited by the Comptroller and Auditor-General, excepting in the case of Colonies which receive or have recently received grants in aid of their local revenues. In the case of every other Colony, the audit of the Crown Agents' accounts will henceforth be conducted by the local Governments, to whom the

* No. 1.

Agents have been instructed to send their accounts monthly, supported by vouchers of the same description as those which they have hitherto furnished to the Comptroller and Auditor-General. This change will take effect in respect to their accounts commencing with the 1st January, 1869.

The discontinuance of the Imperial audit will of course render it impossible to furnish the Colonies with proof that the Agents' balances of cash, &c. are correct. But, in order that the Colonial Governments may be assured at short intervals that the cash and securities appearing by the Agents' accounts to be in their hands, or in the hands of trustees comprising one or both of the Agents, are really so held on behalf of the several Colonies, I propose that the agents should transmit to me quarterly, in duplicate, a certified statement of their account, and the trustees' account with each Colony, and that I should also receive from the banks which they employ quarterly certificates of the aggregate amounts of cash and securities deposited in the names of the Agents or of trustees comprising one or both of them. After comparing the statements thus furnished by the Agents, and by the banks, I will cause to be forwarded quarterly to each Colony a copy of the Agents' statement relating to that Colony.

I have, &c.

(Signed) KIMBERLEY.

The Officer Administering the Government of

No. 4.

CIRCULAR to all Colonies (except the Straits Settlements) employing the Crown Agents.*

Downing-street, August 8, 1874.

SIR,

WITH reference to that part of my predecessor's circular despatch of 6th September, 1870,† which related to the verification by this Department, on behalf of the Colonies, of the Crown Agents' quarterly statements of balances held by them in cash or securities, I have to state that it has been found that it has not hitherto been the practice of the Agents to include in those statements of balances bills which had reached their hands, but had not matured, at the date when the balances were struck.

I think it necessary that the particulars of all bills, or other convertible securities, which may thus remain, before realization, in the Agents' hands, should be exhibited in the periodical statements of their balances, and I have accordingly issued instructions to that effect for the Agents' future guidance.

I have, &c.

(Signed) CARNARVON.

The Officer Administering the Government of

(Extract.)

No. 5.

MEMORANDUM on the Origin and Functions of the Department of the Crown Agents for the Colonies, by Sir PENROSE G. JULYAN, K.C.M.G., C.B.

THE Office now known as that of the Crown Agents for the Colonies has acquired its present position under peculiar circumstances incident to the great development of our Colonial possessions in recent times.

The origin
of Colonial
Agencies.

In the earlier stages of Colonial history, when the Governors appointed by the Crown had almost absolute authority over the territories entrusted to them, and, except in matters of the greatest moment in which questions of Imperial policy were involved, were comparatively independent of the home authorities, each Governor had his own agent or representative in London, who generally acted as an intermediary between himself and the Crown, besides performing the miscellaneous services required of him in the interests both of the Colony and of the Governor himself, whose immediate servant he was.

When the extension of our Colonial Empire rendered it expedient that its general management should be separated from the Board of Trade, whose duties were in this respect ill-defined and often only nominal, and placed under the more systematic control of a Minister of the Crown, by the organization of the Department of the Secretary of State for the Colonies in Downing-street, it was still found necessary by the several Colonial Governments that they should be represented, in comparatively private and semi-official capacities, by Agents empowered to transact for them all such financial, commercial, and other business as was not undertaken by the Colonial Office itself. This was the case both with the Crown Colonies, acquired by Great Britain from other states by conquest

* Communicated with separately.

† No. 3.

or cession, and with those other Colonies which, having institutions modelled more or less upon those of the parent country, held from the first a more independent position than the Colonies directly subject to the Crown.

Prior to the year 1833 the salaries of all these Agents, and the pensions of those who had earned them, all of whom were appointed either by the Governors or by the Legislatures of the Colonies concerned, appear to have been paid from Colonial funds. These Colonial Agents were not, however, precluded from following other occupations. Some were merchants, one or two were members of Parliament or officers in the army, and others were members of the Civil Service of this country. Such of the appointments as were at the disposal of the Governors who owed their own positions to the Colonial Minister were, for obvious reasons, generally assigned to senior clerks in the Colonial Office, just as consular agencies were in most cases disposed of in the Foreign Office, until eventually out of nine such agencies, of which eight were paid and one was unpaid, six were held by gentlemen in the Colonial Office, in which, indeed, they were regarded as permanent appointments. "These Agencies," said Lord Goderich, then Secretary of State for the Colonies, "have afforded means of rewarding long and able services in this department. The succession to them has always been looked forward to by the senior clerks as an advantage which they might reasonably expect." When these privileged appointments were abolished their holders were compensated either by pensions from the Colonies for which they had acted or by additions to their salaries as Colonial Office clerks paid out of the Imperial Exchequer.

The services performed by those Colonial Agents in London were very limited in extent, and rarely called for any special knowledge. With the growth of our Colonies and the more varied requirements of their increasing populations, however, arose a demand for more technical qualifications in the Agents, for which no training was provided in the Colonial Office. Frequent and grave complaints as to the management of their affairs were consequently made by the Colonial Governments, until in the year 1833 an inquiry into the nature and working of the Colonial Agencies having been instituted, Her Majesty's Treasury resolved on the consolidation of the business formerly distributed among the nine Agencies referred to, into one establishment presided over by two gentlemen, who had retired from the Colonial Office, where they had acted as representatives of two of the Colonies concerned. There were still, however, six agents recognised by the Home Government, but not responsible to it, who continued independently and separately to represent the following West Indian Islands:—Jamaica, Barbadoes, Antigua, Tobago, Grenada, and the group of St. Vincent, Dominica, St. Christopher, Nevis, Anguilla, and the Virgin Islands.

The appointment of Agents-General for the Crown Colonies, afterwards styled Crown Agents for the Colonies.

The consolidated Agency under the direction of the several Governors transacted the affairs of the following possessions:—New Brunswick, Newfoundland, St. Lucia, Trinidad, British Guiana, Gibraltar, Malta, Heligoland, Sierra Leone, the Gold Coast, Gambia, St. Helena, Mauritius, the Cape of Good Hope, Ceylon, the Falkland Islands, Hong Kong, New South Wales, West Australia, South Australia, Tasmania, and New Zealand, to which Victoria was subsequently added. In 1843 the aggregate disbursements of the Agency on account of all these possessions amounted to little more than £380,000, though for that comparatively small extent of work its arrangements were soon found to be inadequate. As might have been expected, the concentration of the whole business in the hands of two superannuated officials, while all the younger men were removed, did not render the new Agency more competent than those it had superseded to perform the requisite duties to the satisfaction of the Colonies concerned.

The Crown Colonies—under which term was now included not only the conquered possessions, but all those dependencies under the immediate control of the Secretary of State for the Colonies and the Governors appointed on his recommendation, without the co-operation of representative bodies chosen by the Colonists themselves—had no alternative but to avail themselves under protest of the inefficient services of the Agency. Several other Colonies, however, including especially the Australian group, as soon as they ceased to be Crown Colonies, established agencies of their own in this country. New South Wales, South Australia, Victoria, New Zealand, and, as regards matters of finance, Tasmania, had either thus already seceded or notified their intention of doing so before the end of 1857, when it became evident that the Agency must be either completely re-organised or altogether abolished. It was more especially due to the Crown Colonies, whose finances were controlled by the Colonial Office, and which, unlike the Colonies possessing representative forms of government, were not at liberty to appoint London agents of their own, that some radical change should be brought about; but it was also manifestly to the interest of all the Colonies concerned that a thoroughly efficient establishment should be provided to meet their common wants. Accordingly in 1858 Lord Stanley, then Secretary of State for the Colonies, determined that the Agency should be reconstructed, believing as he did that such an office, if properly administered, was capable of rendering most important services to the Colonies. With that view, a vacancy caused by the death of the senior Agent was filled up by the appointment of an experienced outsider, and a new system of conducting the business was introduced. The success of the reforms thus effected has been proved by the revival of confidence on the part of Colonial Governments in the official Agency, and in the consequent rapid growth of its business. During 1858, 1859, and 1860, the first three years of the new arrangement, that business was represented by an annual average disbursement of £817,000;

Reform of the Office in 1858.

while during the last three years, 1875, 1876, and 1877, the average has amounted to £9,481,000 per annum; in the proportion of £1,948,000 for the Crown Colonies, and £7,533,000 for Representative Colonies.

The extent of
its duties at the
present time.

To the services performed by the old Agencies have now been added others, which cause the duties of the new establishment to be of the most varied and responsible character.

Colonial Government loans are here negotiated on a more extensive scale than by any other agency in London. Indeed, one of the largest borrowers among the seceding Colonies, New Zealand, has so far returned that it invariably resorts to the Crown Agency for the negotiation of its loans. Altogether, since the re-organization of the establishment, 88 loans, representing an aggregate sum of £33,750,000, have been issued by it. The interest on these loans is paid periodically, the sinking funds are managed, and the capital is finally refunded to the lenders by the same Agency.

Railway undertakings of considerable magnitude are also carried out by the Crown Agents. From time to time they are called upon to find responsible contractors for the construction of railways in distant Colonies; on other occasions they have to negotiate for the purchase of railways already in existence which the Colonial Government may find it desirable to acquire. In both cases all the requisites for keeping these lines of railway in good order are supplied by them. At the present moment about 1000 miles of railway are being provided by the Crown Agents with engines, rolling stock, permanent-way materials, workshop machinery, coal, and everything else necessary for their equipment and maintenance.

In addition to these commodities, iron structures of all kinds, such as bridges and market houses, gasometers, waterworks, lighthouses, steam tugs, dredgers, tools of every description, arms and ammunition, as well as paints, oils, glass, and stationery, are largely obtained by Colonial Governments through the Crown Agents, who also supply medicines for hospital use, together with clothing, bedsteads, and bedding for local corps, police and convict establishments, and charitable institutions. In a separate branch of the department, debenture bonds, bank notes, and revenue and postage stamps in great variety are prepared under the strictest supervision, and the dies and plates used in producing these articles are here made and held in safe custody.

The Colonies have the advantage of obtaining these supplies under a well-organized and competitive system, coupled with such professional supervision and inspection as are calculated to ensure that the articles shall be of good quality, and thus all the benefits which usually accrue from large dealings, high standing, and long experience are enjoyed by the least as well as the greatest of the Colonies at a very trifling cost compared with that which they would have to pay to a private agency working for a profit. The average cost for Agency amounts to less than one quarter per cent. on the sum disbursed by the Crown Agents.

Among the miscellaneous duties of the office may be specified the payment of half pay and pensions to Colonial officers, and the provision of funds to discharge the debts due by the Colonies to the Home Government in respect of post office orders.

Although the larger representative Colonies employ Agents of their own in London, it is found that the greater experience of the Crown Agents in the delicate task of negotiating public loans and the administration of railway affairs, occasionally leads to their being associated with the special Agents in the conduct of important transactions. Of the representative Colonies for which they acted at the time of re-organisation none have since withdrawn, while the West Indian Islands have ceased to have separate agencies, and are now represented by the Crown Agents. The strongest expressions of satisfaction as to the way in which their business is transacted are constantly reaching the Office from the principal Colonial Governments concerned.

Downing-street, September, 1878.

No. 6.

COLONIAL Office to Treasury.

Downing-street, November 26, 1880.

SIR,

I AM directed by the Earl of Kimberley to request that you will acquaint the Lords Commissioners of the Treasury that he has under his consideration that part of your letter of the 8th July* in which you conveyed to him their Lordships' wish that the relations of the Crown Agents for the Colonies with Her Majesty's Government should be reviewed, and that for this purpose a Departmental Committee, on which the Colonial Office and the Treasury should both be represented, should be appointed to inquire and report upon the subject.

2. Since the date of your letter the Permanent Secretary of the Treasury has been in personal communication with the Permanent Under Secretary and Senior Assistant Under Secretary of this Office, and the questions respecting which their Lordships had expressed a desire for further information have been generally examined and discussed.

3. It appeared that the views of the Lords Commissioners with regard to the proper constitution and functions of the Crown Agents' Department are substantially in accord with the opinion which Lord Kimberley and his predecessor had been led to form, and it is therefore anticipated that their Lordships will concur in thinking that there will not be any necessity for any more lengthened inquiry at present, and that the arrangements which I am about to describe, being the result of the consultation which has been held, will practically remove those objections to which it is admitted that the recent developments of the Agency are in some respects open.

4. The particular question which has of late brought itself most prominently under notice, and which was the principal subject of discussion with Sir R. Lingen is, whether the Crown Agents can properly, and shall hereafter act for the Colonies under responsible Government, more especially in regard to the negotiation and management of their loans. There are obvious objections, which were discussed at length and with entire agreement, to a system under which officers appointed and supervised by Her Majesty's Government undertake large transactions, and assume large obligations on behalf of those Colonial Governments which manage their internal affairs independently of Her Majesty's Government, and it seems beyond question that the time has arrived for taking measures for the termination of this practice.

5. It has arisen, as was explained to Sir R. Lingen, out of, and concurrently with those constitutional changes which have relieved the Secretary of State from the detailed supervision of the finance and internal government of many of the Colonies. The "Agents-General for Crown Colonies," as they were formerly styled, were appointed in order to secure the honest and economical management of the financial affairs in this country of those Colonies for the good government of which, in financial as in other matters, the Secretary of State is, by the necessities of their constitution, ultimately responsible. In process of time, one Colony after another took upon itself that responsibility, but it was naturally found convenient to some Colonies that they should continue to use the same Agency after the constitutional necessity for it had ceased to exist. In order to meet this state of things, the designation of the Agents was changed to that of "Crown Agents for the Colonies," and they were permitted to transact business of all kinds for any Colony which might desire to employ them. They have done so with the greatest ability and fidelity, and the result has been that some of the Colonies under responsible Government have entrusted to them a much larger amount of miscellaneous business than had been contemplated, and have availed themselves very extensively of the high reputation of the Crown Agents in the negotiation of their loans. Under these circumstances, Lord Kimberley's predecessor, Sir M. E. Hicks Beach, came to the conclusion that the transaction by the Crown Agents of the business of responsible Government Colonies is an arrangement which cannot be permitted to continue, inasmuch as it is liable to be misconstrued as involving Her Majesty's Government, both indirectly and directly, in responsibility for acts and obligations over which it has no control. Sir M. E. Hicks Beach accordingly addressed to the Government of the Cape of Good Hope (one of the few Colonies under responsible Government which have not a separate Agency in this country) a despatch in which he expressed the opinion that it is desirable that the Cape Colony should make other provision for the transaction of its business in this country. The Cape Parliament is not now in Session, and other matters of more pressing importance have of late engaged the attention of the Colonial Government, but as Lord Kimberley agrees with the opinion expressed by his predecessor, and has ascertained that the Lords Commissioners also concur, he proposes now to take further steps without delay for the termination, as speedily as existing contracts and undertakings permit, of all connexion between the Crown Agents and the Cape, or any Colony under responsible Government for which they now act. His Lordship understands that this course will remove the objections which the Lords Commissioners have had principally in view with regard to the functions now discharged by the Crown Agents, and if there should be any other questions of principle or points of detail in respect of which their Lordships are not yet satisfied, his Lordship apprehends that there will be no difficulty in dealing with such matters from time to time as they present themselves.

6. I am to request to be favoured with an expression of their Lordships' concurrence in the course he now proposes to adopt.

7. It appears desirable, in conclusion, to notice some points connected with the somewhat anomalous position of the Crown Agents to which Sir R. Lingen called attention. Although their offices are under the same roof with this Department, the Agency is, nevertheless, not an integral part of it, and though the Agents are supervised and directed by the Secretary of State in all matters of importance, or when any question of principle has to be decided, yet they execute considerable transactions without an express instruction in every case.

8. The admission of the Crown Agents' Office into a part of this block of buildings (for which they pay rent to the Crown) was decided upon in order to save (as it has done to a very valuable

extent) the labour and delay involved in the correspondence and references which passed throughout every day between the Colonial Office and the Crown Agents' Office in Spring Gardens.

No closer connexion with, or more direct responsibility for, the transaction of the Agency than previously existed has been involved in this removal of the Crown Agents' Office; and, as previously, they act in the discharge of their business not in any sense as Agents of Her Majesty's Government, but as the Agents of each Colony that employs them. The connexion of the Secretary of State with the Agency consists principally in superintending and directing the Crown Agents on behalf of the Colonial Governments, and this is obviously of much value as obviating the serious delay and loss which a reference to the Colony for further instructions would often entail.

I am, &c.

(Signed) ROBERT G. W. HERBERT.

The Secretary to the Treasury.

P.S.—I am to enclose copies of some circulars which have been at different times addressed to the Colonial Governments, and which illustrate the progressive development of the Agency.*

No. 7.

TREASURY to Colonial Office.

Treasury Chambers, April 11, 1881.

SIR,

WITH reference to the correspondence beginning with Mr. Herbert's letter of the 19th July last,† in pursuance of which the Under Secretary of State for the Colonies has been substituted for the Permanent Secretary of the Treasury as Trustee, along with the Crown Agents for the Colonies, of the investments made by the latter body on behalf of the Colonies employing them, with the exception only of securities held on account of Colonial loans guaranteed by the Imperial Government, whereof the Permanent Secretary of the Treasury remains a joint trustee as before, I am desired by my Lords to request you to inform the Secretary of State that these arrangements appear to my Lords to be in accordance with the general views submitted to them on the part of the Secretary of State in Mr. Herbert's letter of the 26th November last,‡ and to embody the principle that the only connexion of these Agents with Her Majesty's Government is through the Secretary of State as responsible generally for the good government of the Colonies.

Their Lordships concur in the course thus far adopted, and they concur even more emphatically in the Secretary of State's assurance that he proposes to take further steps without delay for the termination, as speedily as existing contracts and undertakings will permit, of all connexion between the Crown Agents and any Colony under responsible Government.

My Lords fully concur also in the approval which the Secretary of State bestows upon the manner, so far as my Lords are cognizant of it, in which the Crown Agents have transacted their business.

The reasons for a change imply no blame whatever to them, but proceed upon the evident fact that the Secretary of State is expected to answer for what they do, even in matters wherein their principals are independent of his control.

I have, &c.

(Signed) R. R. W. LINGEN.

The Under Secretary of State, Colonial Office.

No. 8.

THE Right Hon. THE EARL OF KIMBERLEY to Governor SIR HERCULES ROBINSON, G.C.M.G.

Downing-street, May 19, 1881.

SIR,

IN his Despatch of the 12th of April, 1880,† Governor Sir Bartle Frere transmitted a copy of a Ministerial minute of the same date, in which, after referring to the opinion of the Ministers that it would be more advantageous for the Colony to be represented by an Agent whose services would

* Nos. 1, 2, 3, and 4.

† Not printed.

‡ No. 6.

be exclusively devoted to it, and to the desire of the Secretary of State that the Colonial Government should make provision for terminating their connexion with the Crown Agents when they could do so without injury to the public service, it was stated that the Ministers would at a convenient time take the opportunity of again submitting to and urging upon the Cape Parliament a proposal for the establishment of a separate Colonial Agency in England.

Twelve months having elapsed since the date of that minute, I request that you will bring the subject under the consideration of the present Cape Ministers. I am most desirous that the change should not cause any inconvenience to the Cape Government or injury to the interests of the Colony, and with this view I should be willing to consider how far it may be necessary that the Crown Agents should complete any business which they may have already undertaken.

I should also be willing that the Cape Government should have the advantage of their services in placing on the market the loan recently sanctioned by the Colonial Parliament. I understand, indeed, that this is unavoidable, as the loan will have to be raised at once, and the Crown Agents are mentioned in the Loan Act. But, subject to these exceptions, it is desirable that the intention of the late Ministers of the Cape Colony and of my predecessors in office should be carried out, and another Agency substituted for that of the Crown Agents, with the least practical delay.

I have, &c.

(Signed) KIMBERLEY.

SIR HERCULES ROBINSON.

No. 9.

*THE Right Honorable THE EARL OF KIMBERLEY to Governor the Honorable SIR A. H. GORDON,
G.C.M.G.*

Downing-street, May 19, 1881.

SIR,

HER Majesty's Government have for some time past had under their consideration the question whether the Crown Agents for the Colonies should continue to transact business for Colonies under responsible Government, and I am now in communication with the Governor of the Cape of Good Hope with a view to carrying into effect arrangements agreed to by my predecessor and the late Cape Government, whereby the Agency in this country for the financial and general business of that Colony may be transferred from the Crown Agents for the Colonies to a separate Agent appointed by the Colonial Government.

2. The office of the Crown Agents was, as you are aware, established primarily for the transaction of the business of Crown Colonies, although they have been permitted to transact business on behalf of other colonies upon the terms as to remuneration laid down in the circular despatches of the 31st of December, 1863, and the 23rd of January, 1868.*

3. The employment, however, of the Crown Agents by the Governments of Colonies which are under responsible Government, and which in their relations with the Crown Agents are not under the control of the Secretary of State, places those officers in an anomalous position, and is liable to cause misconceptions as to their powers and responsibilities.

Her Majesty's Government are therefore desirous that the connexion between the Crown Agents and the Governments of those Colonies should be terminated as soon as other arrangements can conveniently be made.

4. Upon the withdrawal of the Cape business, New Zealand, which does not employ the Crown Agents for the transaction of general business, but only in connexion with its loans, will be the only remaining Colony under responsible Government which has recourse to their services for that purpose; and while I have no desire to interfere with the arrangements under which the Crown Agents are charged with the payment of interest on loans already issued by them, or with the redemption of those loans or their conversion into inscribed stock, I shall be glad to learn that your Ministers are able without difficulty to make other provisions for the transactions of all the business connected with any future New Zealand loans.

I have to request that you will communicate this despatch to your Ministers.

I have, &c.

(Signed) KIMBERLEY.

The Honorable Sir A. H. GORDON.

* Nos. 1 and 2.

No. 10.

Deputy-Governor Lieutenant-General L. SMYTH, C.B., to the Right Honorable THE EARL OF KIMBERLEY.

(Received July 20, 1881.)

Government House, Cape Town, June 28, 1881.

MY LORD,

WITH reference to your Lordship's despatch of the 19th ultimo*, I have the honor to enclose a copy of a Minute which I have received from my Ministers, stating that it was impossible to bring the subject of an Agency for this Colony before Parliament during the recent session, and requesting that the matter may be allowed to stand over until its next meeting, as they are unwilling to act without the authority of Parliament in this matter.

I have, &c.

(Signed) L. SMYTH, *Lieut.-General, Deputy-Governor.*

The Right Honorable the EARL OF KIMBERLEY.

Enclosure in No. 10.

*Colonial Secretary's Office, Cape Town,
Cape of Good Hope, June 28, 1881.*

MINUTE.

MINISTERS have the honour to acknowledge the receipt of His Excellency the Governor's minute, giving cover to a despatch from the Right Honorable the Secretary of State for the Colonies, dated 19th ultimo, relative to the establishment of a separate Colonial Agency in England, and, in reply, they beg to state that they have not been able to mature the necessary arrangements for submission to Parliament, without whose sanction so important a change could not be effected.

They venture, therefore, to express a hope that Her Majesty's Government will be pleased to permit the Crown Agents for the Colony to continue as heretofore to act as Agents of this Colony, both in regard to matters connected with the negotiation of loans as well as in other routine work, until such time as adequate Parliamentary provision can be made to transfer the business of the Colony from the Crown Agents in England.

(Signed) THOMAS C. SCANLEN.

No. 11.

The Right Honorable THE EARL OF KIMBERLEY to Deputy-Governor Lieutenant-General L. SMYTH, C.B.

Downing-street, August 4, 1881.

SIR,

I HAVE the honour to acknowledge the receipt of your despatch of the 28th of June,† enclosing a copy of a minute from your Ministers, expressing a hope that the Crown Agents for the Colonies may be allowed to continue to act for the Cape of Good Hope until such time as provision can be made by your Government for the transfer of the business of the Colony from their hands.

2. Her Majesty's Government will offer no objection to complying with the request of your Ministers, on the understanding that this will not prejudice the earliest possible appointment of a separate Agent, and the Crown Agents will be instructed accordingly.

3. I have to add that in urging the transfer of the Agency for the Colony from the hands of the Crown Agents to those of a separate Agent, I had no desire to interfere with the arrangements under which the Crown Agents may be charged with the payment of interest on loans previously issued by them, or with the redemption of such loans, or their conversion into inscribed stock.

I have, &c.

(Signed) KIMBERLEY.

Deputy-Governor SMYTH.

* No. 8.

† No. 10.

COST OF OFFICES OF COLONIAL GOVERNMENTS IN LONDON.

COPY of a Despatch addressed by SIR FRANCIS DILLON BELL, Agent-General for New Zealand, to his Government, giving particulars of the Cost of the Offices of the Colonial Governments in London in 1882.

The AGENT-GENERAL to the PREMIER.

7, Westminster Chambers, June 1st, 1882.

SIR,

It will be in your recollection that in July last year I communicated to you confidentially a number of particulars, with which I had been favoured by the High Commissioner of Canada and the Agents-General for Australia, showing the cost of the several Colonial Government Offices in England. I have now been permitted to send you these officially, and to say that you are at liberty to lay them before the New Zealand Parliament. For convenience of reference, I also give here the cost of the New Zealand Office.

I.—DOMINION OF CANADA.

The salary of the High Commissioner, Sir Alexander Gault, G.C.M.G., is £2000 per annum, with a personal allowance of £800 for contingent expenses.

The annual rent of the Dominion Offices is £475.

The regular staff consists of a secretary (Mr. J. G. Colmer), an accountant, a shorthand writer, a librarian, and a messenger. The total expenses of the staff, including housekeeper's expenses, amount to about £1300 per annum. The expenditure for extra clerks and contingencies, including printing, advertising, postage, &c. cannot be put down at any fixed sum, the amount varying constantly and considerably: for the present year, however, the cost of these services is estimated at about £2000. It may be added that a large amount of pamphlets and other printed matter is prepared in this country, the cost of which is debited to contingency account.

In addition to the London Offices, the Dominion has country agencies in Great Britain,—two in England, one in Scotland, and two in Ireland, under the High Commissioner's control. The expenses of these offices amount to about £3000 per annum.

The High Commissioner's salary and allowances are voted by the Dominion House of Commons in Supply; the appropriation for the London staff and country agencies are included in the annual vote for the Department of Agriculture.

The Dominion does not pay the English income tax on its London Office salaries.

As regards the management of the public debt, the Dominion has hitherto paid $\frac{1}{2}$ per cent. to its financial agents in England, which includes the management of the inscribed stock, and all other matters connected with the public debt, investment and management of sinking funds, &c. The arrangements of the Canadian Government in this respect appear to differ from those of most of the other Colonial Governments, as they do not in any way pass through the London Office at the present time, but are carried on directly by the Finance Department in Ottawa.

The audit of the London payments of the Dominion Office is done in Canada.

The Dominion does not at present employ any consulting engineers for the inspection of railway material in this country.

II.—NEW SOUTH WALES.

The salary of the Agent-General, Sir Saul Samuel, K.C.M.G., is £2250, including a personal allowance of £250 for contingent expenses.

The rent of the offices is £470. The regular staff consists of a secretary (Mr. Yardley) at £600 a year; an accountant at £250; three clerks (together), £294; and a housekeeper at £36. The ordinary office contingencies, including firing, stationery, printing, postage, &c. come to about £350; but this amount is subject to variation according to the requirements of the service.

The sum ordinarily voted for office expenses being inadequate to meet the outlay necessarily incurred, the Agent-General charges against the various departments such sums as are respectively paid by him on their account, as nearly as these can be divided.

In addition to the regular staff, there is also an Emigration staff, consisting of a dispatching officer, four clerks, and a messenger, the cost of this staff and of incidental expenses being charged against the vote for emigration purposes.

New South Wales pays the English income tax on its London Office salaries.

The interest on the public debt is paid by the Bank of New South Wales, at a charge of $\frac{1}{4}$ per cent.

A very good system is followed by the New South Wales Office in its payments. Upon a voucher being sent in for payment and duly authorised by the Agent-General, it is sent (in original) to the Bank, accompanied by a cheque for the amount. When the Bank pays the cheque, the payee receives the voucher, which is then sent out by the Bank itself to the Colony for audit; so that the Auditor-General in Sydney has before him, at the same moment, both the order to pay and the evidence of the payment. The New South Wales Office then sends out a duplicate of the voucher to accompany its own office accounts.

The audit of the New South Wales Office London payments is all done at Sydney.

With regard to the services of consulting engineers, and the inspection of railway material, the Agent-General has lately effected a material saving in expense. The New South Wales Government last year sent orders home for not less than 80,000 tons of rails alone: for the inspection of rails, the Agent-General allows his consulting engineer a fee of 10*d.* per ton, which comes to much less than the commissions formerly paid, and for other business the commission varies, but does not exceed 2½ per cent.

III.—VICTORIA.

The salary of the Agent-General, Mr. Murray Smith, is £2000. There is a Board of Advice to assist the Agent-General, the Board being remunerated by fees amounting to about £180 a year.

The rent of the offices is £400. The regular staff consists at present of a secretary, Mr. Cashel Hoey, C.M.G., at £700; an (acting) accountant at £193; a clerk at £275; and three other clerks and messengers (together) £477. The two senior clerks have lately been placed on the scale of salaries allowed in the Civil Service of the Colony, and receive an annual increment, one of £25, and the other of £16 13*s.* 4*d.* The ordinary contingencies of fire and light, stationery, income tax, postage, and petty expenses come to about £550.

Victoria pays the English income tax on its London Office salaries.

As regards the management of the public debt, ½ per cent. is allowed to the Associated Banks for paying the coupons in London. The interest is paid by the Banks on all the debt except that for the Melbourne and Hobson's Bay Railway, which is paid at the Agent-General's Office. It is estimated that since this arrangement has taken effect there has been a saving to the Government of £150 a year in the difference between the commission paid to the Banks on the other loans of Victoria, and the additional salary of one clerk appointed since the transfer; whose services have, moreover, been largely otherwise utilised in connection with the business of the Melbourne Exhibition.

At present there is no Government emigration going on to Victoria.

There is no regular official inspection in this country of railway material sent out by the Agent-General, the services of consulting engineers having been dispensed with since 1877, unless in cases where the Railway Department in Victoria specially directs inspection.

The audit of the Victoria Office London payments is done in Melbourne; but there is a good system of pre-audit here by the Board of Advice, which passes the accounts for payments on Board days periodically, and countersigns the Auditor-General's cheques on the public account of the Government at the London and Westminster Bank. Another account, of an amount limited to £2000, and called the "Agent-General's Advance Account," is kept at the Imperial Bank, and is used to meet claims of emergency arising in the interval between the fortnightly meetings of the Board. At the same Bank is kept the "Coupon Account," on which cheques in payment of the Melbourne and Hobson's Bay coupons are drawn, after the coupons have been submitted during the usual three days for inspection. Cheques on these accounts are signed by the Agent-General, and countersigned by the secretary.

IV.—SOUTH AUSTRALIA.

The salary of the Agent-General, Sir Arthur Blyth, K.C.M.G., is £1500 a year.

The rent of the offices (including the Emigration Office) is £398. The regular staff consists of an Assistant Agent-General (Mr. Deering) at £750; a chief clerk and accountant at £380; a clerk at £170, and a public debt clerk at £160; and two emigration clerks (together) £440.

The contingencies, including printing and stationery, travelling expenses, postage, &c. (inclusive of the Emigration Department), come to about £400.

South Australia pays the English income tax on its London Office salaries.

It should be noted that the South Australian Office manages the interest on the public debt; and the complete system on which this is done (by orders on the National Bank of Australasia, after the coupons have been examined), combining as it does efficient checks here with facilities for the final audit at Adelaide, shows how economically all the public debts might be managed if the same plan had been followed by the other Colonies. The South Australian Office must be credited with the value of this work as against its office cost,—thus, at the rate paid by the other Australian Colonies and New Zealand, the office cost should be credited with a large sum; while of course an even larger amount would have to be credited to it if the rate (£600 per million) were taken which we pay the Bank of England for managing our inscribed stock.

The audit of all the South Australian Office London payments is done at Adelaide.

As regards consulting engineers and inspection of railway and other material, the engineers are paid by commission, according to a sliding scale of from 1½ to 4 per cent., according to work done, with travelling expenses.

V.—QUEENSLAND.

The salary of the Agent-General, Mr. Archer, is £1500 a year.

The rent of the offices is £500, including the Emigration Offices. The regular staff consists of a secretary (Mr. Dicken) at £800, a cashier and accountant at £300, and two other clerks (together) £480; a dispatching officer for ships at £400; a foreign correspondent (who manages the large German correspondence of the office) at £175; and two emigration clerks and a messenger (together) £378. Extra clerks, in consequence of increased emigration, have had to be appointed, at salaries amounting to £497.

The ordinary office contingencies, including firing and light, printing and stationery, postage, &c. come to about £300 a year.

As regards inspection of railway material, &c., Queensland has its own officers in England; an executive engineer at £800, with travelling allowance of one guinea a day and first class railway fares when travelling on service; an assistant engineer at £156; and two inspectors (together) £364, with third-class railway fares.

Queensland does not pay the English income tax on its London Office salaries.

The interest on the public debt is paid by the Queensland National Bank at a charge of ¼ per cent., including commission and exchange; for payments involving the receipting of documents, bills of lading, &c. the Bank receives ½ per cent.

The Queensland Office has a very good plan by which its emigration expenditure is audited in London by Messrs. Quilter, Ball, and Co., at a trifling cost compared with our system. All the emigration expenditure, including rent of offices, &c. is at present charged against loan. The other London payments of the Queensland Office are audited at Brisbane.

VI.—NEW ZEALAND.

The salary of the Agent-General is £1250.

The rent of the offices is £400, and £50 for the Audit Office. The regular staff consists of a secretary (Mr. Kennaway) at £600, an accountant at £300, and three clerks (together) £565. Contingencies, including fire and light, stationery, postage, &c., and messenger and housekeeper, come to about £280.

The interest on so much of the public debt as is domiciled with the Crown Agents is paid by them at a charge (settled by the Secretary of State) of $\frac{1}{4}$ per cent. The inscribed stock is managed, and the interest thereon paid, by the Bank of England, at a charge of £600 per million, to be reduced, if the stock exceeds ten millions, to £550 per million.

The services of the consulting engineers are paid for by a commission of $1\frac{1}{2}$ per cent.

New Zealand does not pay the English income tax on its London Office salaries.

The audit of the office accounts and of the Crown Agents' payments is made in London by an audit officer, under the Public Revenues Act, at a salary of £400. This expense, however, does not form part of the cost of the Agent-General's Department.

VII.—SUMMARY.

Tabulating the particulars I have given above, the following statement enables the cost of the regular staff for the various Colonies to be compared, exclusive of extra charges and special expenditure in connection with emigration in the case of Canada, Queensland, and New South Wales:—

Service.	Dominion of Canada.	New South Wales.	Victoria.	South Australia.	Queensland.	New Zealand.
	£	£	£	£	£	£
High Commissioner of Canada and Agents-General of other Colonies.....	2800	2250	2000	1500	1500	1250
Assistant Agent-General	—	—	—	750	—	—
Board of Advice.....	—	—	180	—	—	—
Secretaries	350	600	700	—	800	600
Regular Staff.....	968	580	945	1150	1733	865
Rent of offices	475	470	400	398	500	400
Contingencies.....	2000	350	550	400	300	280
Totals	6593	4250	4775	4198	4833	3395
Consulting Engineers and inspection...	None	Commissions	None	Commissions	1320	Commissions $\frac{1}{4}$ per cent. to Crown Agents;
Rate per cent. for managing public debt	$\frac{1}{2}$ per cent.	$\frac{1}{4}$ per cent.	$\frac{1}{2}$ per cent.	nil.	$\frac{1}{4}$ per cent.	£600 per million to Bank of England.

I have given to the High Commissioner and the Agents-General a copy of this letter, telling them they are at liberty to communicate its contents to their respective Governments. I gladly take this opportunity of expressing my acknowledgments to them, and to their secretaries, for the courtesy with which the information I have given you was placed at my disposal.

I have, &c.

F. D. BELL.

The Hon. the Premier.

MEMORANDUM respecting the Office of Agent-General for Victoria in England.

The office was first devised in connection with the matter of immigration, a provision being made in the Immigration Statute No. 195 (copy herewith) for the appointment of an Agent-General and a Secretary.

This provision, however, lay dormant until the year 1869. Not long before that date it had proved necessary to send a delegate from the Colony, in order to personally lay before the Secretary of State certain matters—principally those of defences.

This course proved highly successful, and the advantage at once became apparent of having a representative of the Colony in London to act as such, not merely towards the Imperial Government, but also towards the public of England.

Mr. Verdon's distinguished services having clearly marked him out for the post, he was appointed Agent-General in 1869. This Colony was thus the first to establish such an office, and the example has since been followed by New South Wales, Queensland, South Australia, and New Zealand.

In the year 1872 an alteration was made in the tenure of the office of Agent-General. It was considered desirable that the office should not be permanently held by one person, but that it should be filled, from time to time, by persons whose actual experience of the Colony, its condition, prospects, sentiments,

&c. was fresh and recent, and that it could not be better filled than by some public man of proved capacity. The Act No. 441 (copy herewith) was therefore passed, by which the term of the office was limited to three years (with, however, power to re-appoint); the office was also made conferrable on any member of the Legislative Council or Legislative Assembly, the provisions of the officials in Parliament Act to the contrary notwithstanding; and the salary was raised to £2000 per annum, and made a special appropriation from the Revenue (*i.e.*, not requiring to be annually voted by Parliament).

Immigration is not at present the policy of this Colony, and consequently the Board is called the "Board of Advice," not "Emigration Commissioners," as they are designated in the Immigration Statute; the Secretary of the Agency is not an Emigration Agent, as originally intended, and the salary of his office is now £700 per annum.

The cost of the Agency may be set down as follows; viz.—

	£	s.	d.	£	s.	d.
Agent-General's salary (special appropriation).....	2000	0	0			
Fees to members of Board of Advice, at £2 2s. each per sitting.....	250	0	0			
Salary of Secretary	700	0	0			
				2950	0	0
Salaries of clerks; viz.—						
One at.....	300	0	0			
Ditto.....	165	0	0			
Ditto.....	146	13	4			
Ditto.....	130	0	0			
Ditto.....	53	0	0			
Visiting Accountant	200	0	0			
				994	13	4
Rent of offices				400	0	0
Coal and gas	45	0	0			
Office cleaning.....	40	0	0			
Stationery	65	0	0			
Travelling expenses, postage, inland telegrams, &c.....	300	0	0			
Income tax.....	50	0	0			
				500	0	0
Expenses, Melbourne:—Newspapers, premium on remittance, and premium on Agent-General's guarantee policy				49	6	8
Total				£4894	0	0

With regard to the duties of the Agent-General, a printed copy of his instructions is attached hereto, which pretty accurately defines them.

It may be added that, in financial matters, the Agent-General acts in every way as the confidential adviser of the Government.

The agents for floating the Colony's Loans are the London representatives of the colonial banks, but with them the Agent-General confers; reporting fully to the Premier the state of the market, his opinion as to price, &c.

The banks, too, are the agents for paying the interest and principal of Victorian loans, though, in the last contract with the banks (see paper herewith*), a condition has been inserted, under which the Government may, if deemed advisable, take over this duty from the banks, in which case it would no doubt be devolved upon the Agent-General's office.

Gentlemen who have held the office of Agent-General (excepting those who have held it merely as *locum tenens*) have generally received, before or on retiring from the post, the honour of knighthood of the Order of St. Michael and St. George.

E. J. THOMAS,
Secretary to the Premier.
27. 6. 83.

[Copy.]

Instructions to the Honorable George Frederick Verdon, C.B., Agent-General for Victoria.

As the Agent-General and representative of Victoria in the United Kingdom, it will be your duty to make and keep yourself acquainted with all matters and questions that may arise affecting, or calculated to affect, directly or indirectly, the interests of the colony, and to promptly advise the Government of the same.

To afford to all persons who may apply to you, and to diffuse, as widely as possible, full and authentic information concerning the progress and resources of Victoria; and, while carefully abstaining from party controversies, you will be quick to correct misrepresentations or errors affecting the reputation of the colony politically, financially, commercially, or otherwise, and will by every means in your power maintain its position and credit unimpaired.

* I regret to find that this paper cannot be given, not yet being out of the hands of the Printer.

In pursuance of the provisions of the Immigration Statute, 1864, three gentlemen, whose names will be notified to you in a separate communication, have been appointed Emigration Commissioners for Victoria, and they have been requested to place themselves in communication with you; and you will take all necessary steps to establish the commission, and will conduct its proceedings in conformity with the provisions of the Act referred to. In addition to the duties the Commissioners will be required to discharge in respect of emigration, it has been determined, after careful consideration, to require them to act as a Board or Council of Advice to consult with and advise you upon *all matters* affecting the interests of the colony which come within the scope of your functions, and they have accordingly been appointed for that purpose. Such a Board, while not divesting you of your personal responsibility as agent of the colony, will, it is believed, be of great practical advantage, and will materially aid you in the performance of your duties.

It will be your duty to convene meetings of the Board at such times as may be necessary for the transaction of business, and to preside thereat.

Having in view the possibility of your incapacity, by reason of sickness or otherwise, for the performance of your duties, the Board of Advice is authorised and empowered in such event to make such temporary provision as may be necessary for the conduct of the office.

You are authorised to employ, subject to confirmation by this Government, such clerical and other assistance as you may find requisite, and at such rates of remuneration as may be fair and reasonable. You will be careful to take from them such proper security as they would, if employed in the colony, be called upon to find. You will also let it be distinctly understood that the services of the gentlemen you engage will be retained only so long as required, and that no claim for compensation for loss of office will accrue.

The security required to be given by you is fixed by the Immigration Statute at Ten thousand Pounds (£10,000). The guarantee of an assurance company, to be approved by this Government, will be accepted. You will take special care not to suffer the policy to lapse by reason of non-payment of the premium.

You will transmit to the Chief Secretary of Victoria the policy of insurance, and forthwith, after every payment of the premium, you will exhibit to the Commissioners the society's official receipt for the same, and forward it, bearing their signature, to this Government.

The superintendence of emigration to Victoria will constitute an important part of your duties.

It is the intention of the Government to submit to Parliament, as early as may be found practicable, new regulations under the Immigration Statute, which will be transmitted to you in due course. In the meantime you will carry out the existing regulations, and such instructions on the subject as may be transmitted to you.

You are not to lend the weight of your position to any colonial venture or speculation by identifying yourself in any way with its promoters.

Although the Government does not desire to preclude you from accepting a seat at the board of directors of any banking or other public institution, if such should be placed at your disposal, it will be your duty to report to this Government the acceptance of such office, and you will understand that the Government reserves to itself the right of requiring you to resign it if deemed expedient.

You will be careful not to incur any liability or enter into any contract on behalf of the Government of Victoria without authority in writing previously obtained, nor to exceed such authority.

In view of the construction of additional State railways in the colony, for which the greater portion of the plant must be imported, you will inform yourself as fully as possible as to the best market and the most esteemed makers, as well as in regard to improvements in construction or management likely to reduce the cost or increase the permanency of such important works, and will keep this Government duly advised thereof.

You will collect and communicate to this Government information which in your judgment will be valuable to the colony or suggestive of improved legislation, especially in regard to criminal law, prison labour and discipline, industrial and reformatory institutions, public education, instruction in the arts and sciences, &c. And you will endeavour to secure from the learned societies of Europe, and from private individuals who may be favourably disposed, copies of reports, transactions, and other contributions to our local, literary, and scientific institutions.

All official correspondence from the colony will pass through the office of the Honorable the Chief Secretary, to whom alone you will address all your communications.

You are to keep a complete set of accounts, consisting of cashbook, journal, and ledger, the latter by double entry, and such subsidiary books as may be found necessary for the more perfect arrangement and classification of the accounts.

The cashbook should contain a record of all moneys received or paid in the exact order of their dates, and should be posted daily.

All moneys received on any account whatsoever for the Government of the colony to be deposited daily in the London and Westminster Bank, or such other bank as may be named by the Government, to the credit of the Public Account of the Colony of Victoria, and payments from that account are to be made by means of cheques signed by you as Agent-General, and countersigned by two of the members of the Board.

The journal is to be posted in the usual form, with proper references.

As soon as practicable after the end of each quarter, a copy of the cashbook for that quarter is to be prepared for transmission to the Government of Victoria. The said copy should be accompanied with complete vouchers and acquittances, arranged in the order of the entries in the cashbook, together with a list of the ledger balances at the end of the quarter. Also a statement of all transfers by journal entry from one account in the ledger to another, and with a statement showing the particulars of the reconciliation

between cashbook balance and the bank account, supported by the bank certificate of the balance in the bank. The copy of the cashbook, verified by two members of the Board, should also be forwarded.

A service account, showing the transactions on account of particular remittances, to be also forwarded. It must also be countersigned by two members of the Board, and will, of course, agree in the aggregate with the cashbook.

The vouchers to be sent to the colony in support of the cashbook should consist—First, of bills of particulars with acquittances duly witnessed and verified by your signature on each account. Secondly, of all contracts and bills of sale, or copies thereof. Thirdly, such other vouchers, certificates, &c. as you may deem it necessary to obtain in support of your account.

Separate statements of interest paid during each quarter to be forwarded with the cash account; also a statement of balances.

You will be advised from time to time by the bank of the dates at which bills of exchange which have been remitted to the credit of the Victorian account mature, and it will be your duty to ascertain that the proceeds are duly brought to account.

All accounts, statements, &c. shall be thoroughly examined and securely packed before transmitting them to the colony; the case containing the accounts, &c. should be addressed to the Treasurer of Victoria, advising the Chief Secretary by letter of their transmission.

You will be careful to keep full minutes of the proceedings of the Board, and will transmit certified copies thereof to the Chief Secretary monthly.

You will furnish each member of the Board with a copy of these instructions.

Approved by the Governor in Council, 16th day of July, 1869.

J. H. KAY,
Clerk of the Executive Council.

Melbourne, Victoria, 16th July, 1869.

AGENT-GENERAL FOR NEW ZEALAND.

Estimated Cost of Office for Years 1883-4.

	£	s.	d.
Agent-General, per annum	1250	0	0
Secretary	600	0	0
Accountant	300	0	0
Clerk	225	0	0
Ditto	200	0	0
Ditto	140	0	0
Ditto	52	0	0
Messenger	26	0	0
Rent	400	0	0
Postage and Miscellaneous Expenditure	350	0	0
	<u>£3543</u>	<u>0</u>	<u>0</u>
In addition to the above there is an Audit Officer, at per annum	400	0	0
Rent for his Office	50	0	0
Charged on a separate vote	<u>£450</u>	<u>0</u>	<u>0</u>

AGENT-GENERAL FOR QUEENSLAND.

STATEMENT showing the Annual Cost of Agent-General's Office in Salaries and Contingencies.

	SALARIES.	£	s.	d.	£	s.	d.	£	s.	d.
Agent-General		1500	0	0						
Secretary		800	0	0						
Indent Clerk		350	0	0						
					2650	0	0			
	GENERAL OFFICE.									
Accountant		300	0	0						
Corresponding Clerk		200	0	0						
					500	0	0			
	EMIGRATION OFFICE.									
Despatching Officer		400	0	0						
Clerks, (3), £220, £175, £156		551	0	0						
Clerical Assistance		300	0	0						
Emigration Lecturers, (3), including Allowances		2400	0	0						
					3651	0	0			
	EXECUTIVE ENGINEER'S OFFICE.									
Executive Engineer		800	0	0						
Assistants, 2 at 70s., 2 at 60s., 1 at 30s. a week		754	0	0						
					1554	0	0			
	CONTINGENCIES.							8355	0	0
Rent of Office					510	0	0			
Travelling Expenses of Engineer and Assistants					500	0	0			
Travelling Expenses of Agent-General and Staff					400	0	0			
Messenger and Porter					84	0	0			
Stationery, Postage, Petty Cash, &c.					500	0	0			
								1994	0	0
								£10,349	0	0

E. C. HARTMANN, *for Auditor-General.**Audit Office, Brisbane, 11th June, 1883.*

(*In continuation of Paper No. 46, L.C.*)

*Colonial Secretary's Office, Sydney, New South Wales,
24th July, 1883.*

SIR,

I HAVE the honour to inform you that upon the receipt of your letter of the 30th May, asking to be furnished with particulars regarding the office of the Agent-General for this Colony in London, I had recourse to my colleagues, the Colonial Treasurer and the Secretary for Public Works, for information concerning the course of business as transacted by the Agent-General on behalf of their respective Departments. The information thus obtained, together with that procured in like manner from the Agent for Immigration, is embodied in the Statement herewith enclosed and its Annexes. Information concerning the cost of the Agency will be found in those Annexes.

2. In addition to the duties connected with the Departments of Finance, Public Works, and Immigration, the Agent-General has been instructed that every legitimate effort should be made to keep the Colony of New South Wales as a field for capital and labour before the public mind of Europe, which is to be effected chiefly by continuously, and, as a matter of course, supplying information of the progress of the Colony to the Press, and by intercourse with those classes of persons by whom public opinion is influenced.

3. The Agent-General is also the confidential correspondent with the Colonial Secretary on all matters between the Imperial Government and the Colony.

I have the honour to be,

Sir,

Your most obedient Servant,

ALEX. STUART.

The Honorable the Chief Secretary of Tasmania, Hobart.

STATEMENT regarding the duties and functions of the Agent-General for New South Wales in London, in connection with the Departments of Finance, Public Works, and Immigration, with three Annexes.

The Treasury.—The Agent-General is adviser to the Government in all matters of a financial character, such, for example, as the negotiation of loans, advising with respect to the prices which our securities command there, and the prices which a new loan is likely to realise. In important matters of this kind he, however, consults with our financial agents in London, an office at the present time discharged by the Bank of New South Wales. He is in constant communication with the Government by cable when the question of launching a loan is under consideration, and when tenders are opened he immediately communicates the result.

At the present time he is Chairman of the Agents recently appointed in London to carry out the provisions of "The Inscribed Stock Act," in which capacity he is of course specially bound to communicate the views of the Agents in relation to the conversion of Debentures into Inscribed Stock and the negotiation of future loans in that form.

Indents for railway locomotives, and carriages and railway materials of every description, as well as indents for iron bridges, harbours' and rivers' improvement machinery, and stores and stationery generally, are forwarded to the Agent-General, who calls for tenders when such a course is considered desirable, or purchases privately when such proceeding is not necessary. These indents are sent through the Colonial Secretary to the Agent-General by the various ministerial departments, with full instructions how he is to act, or where he is to purchase the articles required; but the Treasury is invariably advised of the orders sent home, and at the same time requested to have the necessary funds placed at his disposal in London. On receipt of these advices the Treasury obtains letters of credit in triplicate from the Bank of New South Wales (which is at present the Government Bank) on its London branch in favour of the Agent-General. The original is despatched by the first outgoing mail, the duplicate by the next, and the triplicate is retained in the Treasury. The bank of course advises its London manager of all such letters of credit issued in Sydney. In drawing against these the Agent-General has not only to give the number of the credit, but he has to lodge with the bank the receipted invoice for every cheque thus drawn, and the bank forwards these invoices to the Treasury here in support of the sums charged against the Public Account.

In addition to the accounts furnished by the bank, which necessarily contain transactions of which the Agent-General has an immediate knowledge, the Agent-General furnishes monthly to the Treasury detailed accounts of his expenditure, in which reference is made to the various indents sent to him and the letters of credit against which he has drawn.

The Agent-General has also to arrange for freight, part of which is usually paid in London and the balance in Sydney. He obtains bills of lading in duplicate and sends one with such accounts, the other he hands to the bank with the receipted invoices.

He also effects the necessary insurances on the goods shipped, but the amount is not paid in London, the Government having an arrangement with four of the principal insurance companies in Sydney on the open policy principle.

The Agent-General is also charged with disbursements on account of immigration, for which purpose this department finds the necessary funds both in London and Sydney as required.

The Agent-General has suitable offices in London and an efficient clerical staff, the expenses of the department being provided for annually by the local Legislature. Attached will be found statements showing

the amounts paid for salaries and contingencies during the year 1882, and the amounts voted for the service of the year 1883. See Annexes A and B. In addition about £200 per annum of salaries is paid from the vote for Immigration.

ANNEXES.

- A. Statement showing the amount paid in England for the services of the Agent-General's Department for the year 1882.
- B. Statement showing the total amount appropriated for the Agent-General's Department for the year 1883.
- C. Debates on Inscribed Stock Bill.

Department of Public Works.—Railways.—Indents for railway supplies are forwarded to the Agent-General, who, in consultation with the Inspecting Engineer in England, asks for competitive tenders from certain firms. The tenders when received are reported upon by the Inspecting Engineer and the Agent-General, who holds a power of attorney from the Commissioner for Railways for the purpose, accepts the most eligible upon conditions which are drawn up by the Agent-General. The supplies are made free on board at some suitable port, and the Agent-General arranges for freight to the Colonies. The insurance is effected by a floating policy with the colonial insurance offices. Funds are placed to the credit of the Agent-General to pay for the supplies as they are shipped.

Other Works.—The same custom is adopted in the other branches, with the exception that a power of attorney is not given or required. The Agent-General acts on the authority of the Secretary for Public Works. See above under the head of Treasury.

Immigration.—The sole management of emigration to this Colony rests with the Agent-General in London under instructions from the Colonial Secretary. The Agent-General charters ships for conveyance of emigrants. The intending emigrants are selected and approved of by the Agent-General, who also receives and accounts for the amount of deposit money required to be paid towards their cost of passage, in accordance with the Immigration Regulations issued in the Colony.

ANNEX A.

STATEMENT showing the Amount paid in England for the service of the Agent-General's Department for the Year 1882.

<i>Particulars.</i>	<i>Amount.</i>	<i>Total.</i>
	£	£
SALARIES.		
Agent-General	2000	
Secretary	500	
Accountant and Chief Clerk	200	
Second Clerk	120	
Third Clerk	80	
Emigration Officer	350	
		3250
CONTINGENCIES.		
Agent-General—Extra official expenses	250	
Office Rent, January to June	125	
Ditto, July to December	125	
		500
TOTAL	£3750

ANNEX B.

STATEMENT showing the Total Amount appropriated for the Agent-General's Department for the Year 1883.

<i>Particulars.</i>	<i>Amount.</i>	<i>Total.</i>
	£	£
SALARIES.		
Agent-General, resident in London	2000	
Secretary	600	
First Clerk	300	
Accountant	300	
Clerk	150	
Ditto	50	
Emigration Officer	350	
		3750
CONTINGENCIES.		
Agent-General—Extra official expenses incidental to the office	250	
Office Rent and incidental expenses	330	
		580
TOTAL	£4330