

6. "The 'Kaikoura' was tried on the 1st and 2nd inst., with satisfactory results. The speed attained with 1125 tons coal and dead weight on board, was 13 knots, and consumption of fuel moderate. The above ship will sail from Plymouth on 6th prox., in lieu of 'Ruahine.'

7. "The departure of latter ship is postponed until the end of March, in consequence of certain alterations which are being made in stern shaft bearings.

8. "The 'Mataura' was safely launched on the 17th inst., and promises to be a very serviceable ship."

I beg respectfully to enclose a copy of Circular for the Panama Service, just received from the Secretary.

The Hon. Postmaster General,
Wellington.

I have, &c.,

HENRY LAWSON.

No. 19.

Copy of a Letter from the Hon. E. W. STAFFORD to the Hon. H. PARKES.

Colonial Secretary's Office,

Wellington, 15th May, 1866.

Mr. Lawson,
11th May, 1866.

SIR,—Referring to my letter No. 122, of the 14th ultimo, transmitting a proposed Time Table for the Panama Mail Service, I have the honor to enclose a copy of a letter dated the 11th instant, from the Sub-Manager of the Panama, New Zealand, and Australian Royal Mail Company, stating that the Director of that Company in London had, in the absence of advice as to any dates being agreed upon by the Governments of New Zealand and New South Wales, arranged for the present that the steamers for Panama should leave Sydney on the 1st and Wellington on the 8th of each month as specified in the Hand Book lately published by them, in which they engage to book passengers and freight by vessels to leave on those dates.

The New Zealand Government prefers the dates of departure now proposed as they are in some respects more favorable for New Zealand, and will also in the case of New South Wales extend by at least two days the period between the departure from Sydney of the mails sent by Panama and Suez respectively. I have accordingly to request the New South Wales Government to concur in them for the present.

Mr. Elliott,
11th May.

The Sub-Manager of the Company has been informed that the consent of the New South Wales Government to this alteration is necessary, and that it is approved in the meantime by this Government until a reply to this letter is received from you.

Separate.

I also transmit a draft of a contract to be made with the Panama, New Zealand, and Australian Royal Mail Company, and will be obliged if you would favor me by an early opportunity with any suggestions or alterations which it may appear to the New South Wales Government to require. You will observe that the contract as at present drafted purports to be between the Company and the Government of New Zealand only, but as an agreement to establish the Panama Service was come to between the Government of New South Wales and New Zealand, before the New Zealand Legislature in its last session passed the Panama Act, which, on the understanding that the New South Wales Government would bear a proportion of the cost of the service, limited the amount to be paid by New Zealand to sixty-three thousand pounds, it would appear to be the most proper course that the New South Wales Government should be made directly a party to the Contract. By being so they would also be able to exercise a more direct control as to the working of the service than might otherwise be the case.

Draft contract.

Should, however, the Government of New South Wales think otherwise, it will be necessary that some such instrument as that of which I have the honor now to enclose a draft, should be executed by the Government of New South Wales, pursuant to the provisions of the eighth section of the "New Zealand, Panama Mail Service Act Amendment Act, 1865," copy of which I have the honor to transmit. I have also to call your attention to the fact that as yet no provision has been made for penalties for irregularities in the service between Wellington and Sydney.

I have, &c.,

The Hon. the Colonial Secretary,
New South Wales.

E. W. STAFFORD.

Enclosure 1 to No. 19.

Copy of a Letter from Mr. LAWSON to the Hon. E. W. STAFFORD.

Panama, New Zealand and Australian Royal Mail Company, (Limited),

Wellington, May 11, 1866.

SIR,—Begging reference to my letter of April 28th, respecting Panama Service, I am further desired by the General Manager respectfully to state that the Secretary advises him by the last