

FURTHER PAPERS

RELATIVE TO THE

PANAMA MAIL SERVICE.

(IN CONTINUATION OF PAPERS PRESENTED 29TH AUGUST, 1865.)

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PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY BY COMMAND OF  
HIS EXCELLENCY.

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WELLINGTON:  
1866.



## SCHEDULE OF PAPERS

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## FURTHER PAPERS RELATIVE TO THE PANAMA MAIL SERVICE.

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### No. 1.

Copy of a Letter from Mr. PARKER, to the Hon. Major RICHARDSON.

Office of the Superintendent of the Panama Railroad,  
Aspinwall,  
September 5, 1865.

SIR,—

I beg to acknowledge receipt of your favor of May 29th, ult., and to express my pleasure at the indication it affords of the progress of arrangements for carrying out the new steam line between Great Britain and her colonies of New Zealand and Australia.

I have directed a copy of your letter to the President of this Company in New York.

I have, &c.,

The Hon. Postmaster General,  
Wellington.

WM. PARKER,  
Supt. P. R. R.

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### No. 2.

Copy of a Letter from Mr. TILLEY to the Hon. Major RICHARDSON.

General Post Office, London,  
October 9, 1865.

SIR,—

I am directed by the Postmaster-General to acknowledge the receipt of your letter dated the 29th May last, stating that the Government of New Zealand had entered into a contract with the Panama, New Zealand, and Australian Royal Mail Company, for the conveyance of Her Majesty's Mails between Great Britain and New Zealand and Australia, by way of Panama.

With reference to the last paragraph of your letter, I am to inform you that, when the new service shall have commenced, his Lordship will be happy to allow any cost which may be incurred in the transit of the Mails across the Isthmus of Panama to be defrayed by this Department, the amount so paid being charged against the Colony in the Accounts prepared by this Office.

I have, &c.,

The Hon. Postmaster-General,  
Wellington.

P. TILLEY.

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### No. 3.

Copy of a Letter from the Hon. CHAS. E. COWPER to the Hon. J. C. RICHMOND.

No. 106.

Colonial Secretary's Office,  
Sydney, New South Wales,  
30th September, 1865.

SIR,—

Referring to your letter to me of 13th May last, in respect to the co-operation of this Government with that of New Zealand in carrying out a contract for Steam Postal Communication by way of Panama, I have the honor to inquire whether any further steps have been taken in the matter.

2. Parliament is called together for the despatch of business on the 24th proximo, when the subject will probably be brought under discussion; and during the Session a Bill will have to be submitted for giving effect to the Resolution passed by the Assembly on the 20th April.

3. Should you be desirous of offering any suggestion for the consideration of this Government, in connection with the proposed Legislative enactment I shall be glad to be favored with it at your earliest convenience.

I have, &c.,

The Hon. Colonial Secretary of New Zealand,  
Wellington.

CHAS. E. COWPER.

## No. 4.

Copy of a Letter from Hon. E. W. STAFFORD to the Hon. Chas. E. COOPER.

No. 216.

Colonial Secretary's Office,  
Wellington, 20th October, 1865.

SIR,—

No. 65-106.  
30th Sep. '65.

With reference to your despatch of the number and date quoted in the margin, requesting to be informed whether any further steps have been taken for carrying out a contract for Steam Postal Communication with Great Britain, via Panama, I have the honor to forward for your information the enclosed copies of "An Act to Amend the Panama Mail Service Act, 1864," which has been recently passed by the Parliament of New Zealand now in Session.

I will take an early opportunity of further expressing the views of the Government of New Zealand on this subject.

I have, &amp;c.,

The Hon. Colonial Secretary,  
New South Wales.

E. W. STAFFORD.

## No. 5.

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

Wellington, 24th October, 1865.

SIR,—

I have the honor to offer to the New Zealand Government, on account of the Governor of Tahiti, by whom I am duly accredited, the sum of one hundred thousand francs (100,000frs.) as a yearly subsidy towards the Panama Mail Steamers, provided the same call both ways and monthly at the Port of Papeete (Tahiti), carrying the Mails for the Colony.

In accepting this proposal it will be necessary to know its taking effect three months before at Tahiti, to make arrangements, and stop the present Mail contract with the Coast and Tahiti, which is now carried on by the way of Payta (Peru).

I have, &amp;c.,

The Hon. Postmaster General,  
Wellington.

C. WILKENS.

## No. 6.

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

No. S42.

Colonial Secretary's Office,  
Wellington, 26th October, 1865.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 24th inst., offering, on behalf of the Governor of Tahiti, who has empowered you to do so, to pay the sum of one hundred thousand francs (100,000frs.) as a yearly subsidy towards the Panama Steam Mail Service, provided the vessels call both ways monthly, at the Port of Papeete (Tahiti), carrying the Mails for that Colony.

I accept with satisfaction the offer made on behalf of his Excellency the Governor of Tahiti, in so far as the New Zealand Government is concerned, provided it is ascertained after a consideration of this proposal by the Panama Steam Company that the mail service between Sydney and Panama would not be injuriously affected by the vessels calling at Tahiti, but the Government of New South Wales must concur in the proposal before it can be ratified and acted on; it is also necessary that the Panama, New Zealand and Australian Royal Mail Company should be a consenting party to it.

I should also point out to you that the British Government has undertaken to have the mails for the Australian Colonies conveyed free of charge to Colon, by the West India Royal Mail Steamers, it would therefore be necessary to ascertain whether that Government would undertake the same service on the same terms for the Government of Tahiti.

Should you desire it this Government will bring the question under notice of the Imperial Government, and favorably recommend it.

The transit expenses of mails across the Isthmus of Panama will have to be provided for by the Government of Tahiti, in addition to the proposed subsidy to the Mail Steamers. These charges are 22 cents per lb. for conveyance by Panama Railway, a moderate charge for light-house and wharfage, and the cost of a lighterage of two miles at Panama.

I have, &amp;c.,

C. Wilkens, Esq.,  
Wellington.

E. W. STAFFORD.

No. 7.

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

Wellington, 27th October, 1865.

SIR,—

I had the honor to receive your letter of the 26th inst., acquainting me of the acceptance of the yearly subsidy of 100,000frs. tendered by his Excellency the Governor of Tahiti, provided that the Government of New South Wales, and the Royal Mail Company concur.

Captain Vine Hall, General Manager of this Company, has now kindly accepted to arrange with New South Wales this affair on the part of Tahiti.

You would also recommend to the British Government the carrying of mails over the Atlantic for Tahiti on the same terms as for the Colony of New Zealand.

In thanking you for the courteous assistance offered in this matter, which I shall lay before the Governor of Tahiti, on my return,

I have, &c.,

The Hon. Colonial Secretary,  
Wellington.

C. WILKENS.

No. 8.

Copy of a Letter from the Hon. E. W. STAFFORD to the Hon. CHAS. E. COWPER.

No. 218.

Colonial Secretary's Office,  
Wellington, 27th October, 1865.

SIR,—

With reference to the communications which have taken place between this Government and the Government of New South Wales on the subject of the proposed Steam Mail Service via Panama, I have the honor to forward to you the enclosed papers, specified in the accompanying Schedule relating to this subject.

I have to draw your attention to the correspondence with Mr. Wilkens, the delegate from the Government of Tahiti, respecting the Steamers calling at the Port of Papeete. Captain Vine Hall (General Manager of the Panama, New Zealand, and Australian Royal Mail Company) has adverted to this proposal in a Memorandum which you will find attached to the Report of the Select Committee of the House of Representatives on the Postal arrangements of the Colony. I shall be glad to receive the expression of your opinion as to the desirability or otherwise of extending the service to Tahiti.

Captain Vine Hall proceeds to Sydney by this opportunity, and will no doubt, should you desire it, place himself in communication with you upon this subject.

I have, &c.,

The Hon. Colonial Secretary,  
New South Wales.

E. W. STAFFORD.

SCHEDULE OF PAPERS ALLUDED TO.

Further papers relative to establishment of Panama Mail Service. (Sess. Papers, 1865, D., No. 1, A.)

Letter from Mr. Wilkens proposing that Steamers should call at Tahiti. 24th October, 1865.

Colonial Secretary to Mr. Wilkens in reply. 26th October, 1865.

Report of Select Committee on Postal Arrangements of the Colony. 1865.

No. 9.

Copy of a DESPATCH from Governor Sir GEORGE GREY, K.C.B., to the Right Hon. EDWARD CARDWELL, M.P.

Government House,  
Wellington, 14th November, 1865.

SIR,—

I have the honor to state that the Governor of Tahiti having proposed to this Government that the Steamers running between this and Panama should call at Tahiti, carrying Mails to and from that place, my Ministers have advised that with a view to that proposal being acted

on, I should ascertain whether the Imperial Government will permit the Tahitian mails to be conveyed by the West India Royal Mail Steamers, to and from Colon, on the same terms and conditions as the mails for New Zealand and Australia, and I should feel much obliged to you if you would inform me if Her Majesty's Government will permit of this being done.

The Right Hon. Edward Cardwell, M.P.,  
&c., &c., &c.

I have, &c.,

G. GREY.

### No. 10.

Copy of a Letter from the Hon. E. W. STAFFORD to Captain VINE HALL.

No. 13.

General Post Office,  
Wellington, 17th January, 1866.

SIR,—

I have for sometime expected to receive a communication from you on the subject of the Time Table of arrival and departure of the Steamers to run between Panama, New Zealand, and New South Wales, and on other matters connected therewith, in view of the commencement of the Service on the 1st June next, the date agreed on between you and the late Government of New Zealand.

As that period is fast approaching I have to request that I may be made acquainted with your views on the whole subject with as little delay as possible either by personal communication or otherwise.

Captain Vine Hall,  
Sydney.

I have, &c.,

E. W. STAFFORD.

### No. 11.

Copy of a Letter from the Hon. E. W. STAFFORD, to the Hon. CHAS. E. COOPER.

No. 23.

Colonial Secretary's Office,  
Wellington, 18th January, 1866.

SIR,—

With reference to my letters No. 216, of the 20th October last, and No. 218, of the 27th October last, on the subject of the Steam Postal Service between Great Britain, New Zealand and New South Wales, via Panama, to which letter I have not yet received any reply, I have the honor to request that I may be informed of the action taken or proposed to be taken by the Government of New South Wales. This information is requested in order that the necessary arrangements may be made, specially in reference to the time table of arrival and departure of the steamers which will require to be settled as soon as possible in view of the early commencement of the service.

The Hon. Colonial Secretary,  
New South Wales.

I have, &c.,

JAS. PATERSON,  
For the Colonial Secretary.

### No. 12.

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

Panama, New Zealand, & Australian Royal Mail Co. (Limited),  
Sydney, 14th February, 1866.

SIR,—

I have the honor to acknowledge the receipt of your letter, dated January 17th, intimating that you have been for some time expecting to receive a communication from Capt. Vine Hall on the subject of the time table of arrival and departure of the steamers to run between Panama, New Zealand and New South Wales, and other matters connected therewith in view of the commencement of the service, and in reply, on behalf of Capt. Hall during his absence in a neighbouring Colony, beg to say, that immediately upon his return to this Colony from New Zealand, he put himself into communication with the late Government of New South Wales for the purpose of arranging suitable time tables, submitting two, based upon the West India Royal Mail Company's dates, for the approval of this Government and consideration by the New Zealand Government, of one selected on the part of this Government.



Capt. Hall had several interviews with the late Postmaster-General, but no decision was arrived at; other matters of public business having, as Capt. Hall was given to understand, fully occupied the attention of Ministers.

During Capt. Hall's absence a change of Ministry has taken place, the whole question has been discussed and several interviews have taken place, and as the time for commencing the service draws so near, permission is asked to run pro. tem., at dates submitted by Capt. Hall, and similar to those laid before the late Government of New Zealand.

I beg respectfully to call your attention to the difficulty the non-receipt of the official time table places the Company in in making their arrangements, which of necessity emanate from London, such as placing the ships, arranging for calling at Tahiti, &c.

By advices received per last mail, we learn that the West India Royal Mail Company have applied for permission from the Imperial authorities to be allowed to run their steamers on trunk line direct from St. Thomas to Colon, and vice versa, and not as hitherto calling at Haiti and Jamaica, thus saving two stoppages, three hundred miles of steaming, and gaining two days, this would compensate time occupied in calling at Tahiti if arranged, for the Secretary of the Company states that the necessary permission will doubtless be given, of which, intimation will most likely be received by present month's mail.

We are also advised by last month's mail that there was no reason whatever to doubt that we shall have two ships on the station by May and the other two not later than June or July.

I exceedingly regret that the Government of this Colony have not up to the present hour, put me in possession of the time table fixed upon for the service.

The Hon. Colonial Secretary,  
New Zealand.

I have, &c.,  
H. LAWSON,  
Sub-manager.

No. 13.

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

No. 16.

New South Wales,  
Colonial Secretary's Office,  
Sydney, 15th February, 1866.

SIR,—

I have the honor to acknowledge receipt of your letter of 18th January, calling attention to former letters of 20th and 27th of October, to which you had not yet received any reply, and desiring to be informed of the action taken, or proposed to be taken, by this Government on the subject of the Steam Communication Service between Great Britain, New Zealand, and New South Wales, via Panama.

The enclosures in your former letters place this Government in possession of a copy of an Act to amend the Panama Mail Service Act of 1864, passed by the Parliament of New Zealand, and also copies of other papers on the subject, including a letter from the accredited Agent of the Government of Tahiti offering a subsidy of 100,000 (one hundred thousand) Francs for the steamers to call at the Port of Papeete on both passages.

I have to inform you that steps will be taken without delay to carry out the arrangement already sanctioned by the Legislative Assembly of this Colony.

With reference to the proposal that the mail steamers should call at Tahiti, it does not appear to this Government that any advantage could be derived from such an arrangement commensurate with the loss of time that would be sustained. I do not, however, express a final decision on the proposal made by the Tahitian Government.

In the course of a few days I will address you more fully on the subject, communicating to you the views of the Government of New South Wales on the adjustment of the Time Table, and other points necessary to be determined before the arrangement can be completed.

The Hon. Colonial Secretary of New Zealand,  
Wellington.

I have, &c.,  
HENRY PARKES.

No. 14.

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

No. 122.

Colonial Secretary's Office,  
Wellington, 14th April, 1866.

SIR,—

I have the honor to acknowledge the receipt of your letter No. 16, of the 15th February last, on the subject of the proposed Steam Postal Service between Great Britain, New Zealand, and New South Wales, via Panama, and to thank you for the information that steps would be

taken without delay by your Government to carry out the arrangements already sanctioned by the Legislative Assembly of New South Wales.

The New Zealand Government anxiously awaits the further communication promised in your letter, as the time for the commencement of the service is rapidly approaching.

Vide No. 15.

I enclose a copy of a proposed Time Table furnished by the Panama, New Zealand, and Australian Steam Navigation Company, and have to point out in reference thereto that the proposed dates, although involving a more rapid transit (by twenty-four hours on the outward, and thirty-six hours on the homeward passage,) than would be the case if the mails were despatched by the steamer leaving Southampton on the 20th of the month, are not favorable to this Colony; as instead of the mails by the Panama and Suez lines arriving in New Zealand at alternate fortnightly intervals they would, if the proposed Time Table for the Panama line were maintained, be received in New Zealand almost within the same twenty-four hours. If, however, the New South Wales Government should be of opinion that the line should be opened in accordance with the proposed Time Table this Government will make no objection for the present, pending further experience of the working of the line, and has informed the Panama, New Zealand, and Australian Royal Mail Company to that effect.

I shall feel obliged if you would favor me with an early reply to this letter, and with any further communication with respect to the whole subject, which your Government may desire to make.

I have, &c.,

E. W. STAFFORD.

The Hon. the Colonial Secretary,  
New South Wales.

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### No. 15.

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

Panama, New Zealand, and Australian Royal Mail Co. (Limited),  
Sydney, February 28th, 1866.

SIR,—

Since my last communication dated February 14th, the arrival of the English Mail has put us in possession of further information with reference to the Company's preparations for the commencement of the Panama Mail Service, which intelligence I do myself the honor to lay before you.

The Secretary advises the General Manager, that "in consequence of the establishment across the Pacific, (*i.e.*, this Company's new line,) and certain difficulties which the West India Royal Mail Company experienced in the working of their inter-colonial lines, some important modifications have recently been made, in virtue of which, the steamers performing that portion of the service between St. Thomas and Colon, (Aspinwall,) will *once* a month run *direct* each way between those two places, instead of via Haita and Jamaica, thus saving twenty-four hours on the outward, and thirty-six hours on the homeward voyage. The second service performed during the month will be continued as before. The direct services connect with the main line steamers leaving Southampton on the 2nd and arriving on the 14th, and therefore the through service to New Zealand and Sydney would be as follows—

#### "OUTWARD.

" Leave Southampton .....	2nd at 6 p.m.
" Arrive St. Thomas .....	17th
" Leave do. ....	18th
" Arrive Colon .....	22nd
" Leave Panama .....	24th
" Arrive Wellington .....	21st
" Leave do. ....	23rd
" Arrive Sydney .....	30th

#### "HOMEWARD.

" Leave Sydney .....	16th
" Arrive Wellington .....	23rd
" Leave do. ....	24th evening.
" Arrive Panama .....	21st
" Leave Colon .....	23rd
" Arrive St. Thomas .....	28th 9 p.m.
" Leave do. ....	29th
" Arrive Southampton .....	14th

“Enquiries have been made of the Board of the West India Royal Mail Company as to whether their arrangements could not be reversed, so as to make the direct vessel for St. Thomas leave Colon on the 8th instead of the 23rd, but they stated most emphatically that this could not possibly be done.

“The Board conclude that whatever alterations may be made as regards the dates of sailing from Sydney and New Zealand, the date of the departures from Panama may be considered as finally settled, but making it the 24th instead of the 25th, as the West India Royal Mail Company's steamers will arrive at Colon a day earlier. We shall therefore book passengers and cargo per the Royal Mail Company's vessel leaving Southampton on the 2nd of June, and thus the first departure from Panama will be the 24th idem, by one of our new ships, which will be ready to leave London about the end of March for Panama.

“You will at once see that this is the best arrangement that could be made, and the dates correspond with those proposed by you to the Government.

“It is to be regretted that the Government did not agree to the dates submitted, but the Directors have little doubt that when you have explained all the circumstances, they will at once see the desirability of altering the dates of departure from Sydney from the 1st or 2nd to the 16th. The date fixed for the outward passage from Panama will do very well but it will probably be one day earlier.

“As the matter is one of considerable importance no time should be lost in again communicating with the Government on the subject, and the Directors will be obliged if you will send a telegram by the earliest opportunity in order that they may know as soon as possible the final decision of the Postmaster-General on this point.”

Immediately upon the receipt of the foregoing advices (which on account of the mail being late we did not receive till after the departure of the steamers with the mails for Auckland and Nelson or I would have communicated with you further by that opportunity), I waited upon the Postmaster-General and Colonial Secretary of this Colony and put before them the information contained therein, requesting approval of dates if possible in time for outgoing mail; I enclose copies of replies.

The General Manager desires me to say that the non-receipt of Time Table for this very important line, our portion of which has to work in conjunction with that of another Company, places the Directors in a perplexing position; while they have been on their part making every effort to prepare for its prompt commencement, they are at a loss to comprehend why the details are not agreed upon by the New Zealand Government, who must be aware that the time is going on, as already referred to in Capt. Hall's letters. As mentioned in my letter of February 14th, we had communications and interviews with the members of the late ministry of this Colony, but nothing definite was arranged. We supposed that they would communicate with the Government of New Zealand, as of course we had nothing to do with them as principals. We felt very much embarrassed at not being able to send to the Directors either Time Table, Contract, nor directions consequent on same for placing the ships. Capt. Hall more than once, when in New Zealand, applied for these, and by every mail from England the Secretary expresses much surprise at not receiving instructions; the only information we have been able to send, being that the Panama Service was generally agreed to, and speed decided upon; and this most important point one of the first essentials for the satisfactory working of the service only settled in time for intelligence to reach London in October or November last. The unsettled state of the Government of this Colony prevented our taking any further action, and of course we had no power to urge them or claim to their notice, as our contract was with the New Zealand Government only.

I exceedingly regret that Captain Hall is detained in Hobarton by indisposition, and therefore unable to communicate with you direct, or come across to New Zealand; however, I will be down soon.

Capt. Hall further desires me to say that his suggested dates as in former letter, are the only ones that the Company have any cognizance of or guide as to commencement, and therefore have as stated adopted them pro. tem.

The Hon. the Colonial Secretary,  
New Zealand.

I have, &c.,

H. LAWSON,  
Sub-Manager.

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### Enclosure 1 in No. 15.

Copy of a Letter from Mr. HALLORAN to Mr. LAWSON.

Colonial Secretary's Office, Sydney,  
22nd February, 1866.

SIR,—

I am directed by the Colonial Secretary to acknowledge your letter of the 20th instant, with enclosure, supplying information as requested by this Government, relating to the class, character, and passenger capacity, of the steam ships to be employed in the mail service between Syd-

ney and Panama, and the various lines of steam ships connecting the route via Panama with other countries. Mr Parkes desires me to express his thanks for your prompt attention to his request, and the pains taken to make the information full and complete,

I have, &c.,

H. Lawson, Esq.,  
Sub-Manager P., N.Z., and A.R.M. Co.,  
Sydney.

HENRY HALLORAN.

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Enclosure 2 in No. 15.

Copy of a Letter from Mr. LAMBTON to Mr. LAWSON.

Sydney,  
February 20, 1866.

SIR,—

I am directed by the Postmaster-General to inform you, in reply to your letter dated the 19th instant, that in the short period of time allowed for consideration it is impossible to offer any opinion upon the utility of the Time Table proposed for the English Mail Service via Panama, before the departure of the mail steamer to-day.

I have, &c.,

H. Lawson, Esq.,  
P., N.Z., and A.R.M. Co.,  
Sydney.

L. H. LAMBTON,  
Acting Secretary.

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No. 16.

Copy of a Letter from Mr. ELLIOTT to Mr. LAWSON.

General Post Office,  
Wellington, 14th April, 1866.

SIR,—

I have the honor, by direction of the Hon. the Postmaster General, to acknowledge the receipt of your letter, addressed from Sydney to the Colonial Secretary of New Zealand on the 28th of February last, but which only arrived here on the 3rd inst., respecting the commencement of the Panama Mail Service.

This Government has considered the Time Tables enclosed in your letter, and perceives in reference thereto, that the proposed dates although involving a more rapid transit (by twenty-four hours on the outward, and thirty-six hours on the homeward passage) than would be the case if the mails were despatched by the Steamers leaving Southampton on the 20th of the Month, are not favorable to this Colony, as instead of alternating with the arrival in New Zealand of mails by the present Suez line, the mails by the Panama Line would be received almost within the same twenty-four hours as the mails by the other line.

If however the New South Wales Government should be of opinion that it is essential that the proposed Time Table should be adopted, *pro tem.*, in opening the line, this Government will consent to that adoption for the present, pending further experience of the working of the line.

A communication to this effect has been made to the New South Wales Government, and an early reply has been requested.

I observe a quotation in your letter from the Directors of your Company, to Captain Vine Hall, complaining of the delay which has taken place with reference to the Time Tables, and stating that they are at a loss to comprehend why details have not been agreed upon, as Captain Vine Hall, when in New Zealand, made frequent application on the subject.

So far as this Government is concerned no imputation as to any delay in this matter can be made, as almost immediately after the accession of the present Ministry to office (16th October last), when it was proposed and desired to enter into definite arrangements in concert with him and the New South Wales Government, Captain Vine Hall proceeded to New South Wales, and as no communication was received from him on the subject, Mr. Stafford wrote to him on 17th of January last, stating that he had been for some time expecting a communication from him on the subject of the Time Tables, and in reply your letter of the 14th of February last was received on the 23rd of that month, in which you explained that Captain Vine Hall had been unable to obtain any definite decision on the subject from the New South Wales Government. The next letter (to which I am now replying) from you on this subject was only received on the 3rd inst.

This Government also addressed to the New South Wales Government, letters on the subject of the Panama Mail Service, dated respectively the 20th and 27th of October last, and the 18th

of January, to which letters the only reply as yet received was dated the 15th of February, stating that steps will be taken to carry out the arrangements already sanctioned by the Legislative Assembly of New South Wales, and promising a further communication (which has not yet arrived) of the views of that Government on the adjustment of the Time Table and other points necessary to be determined.

A letter has now been written to the Colonial Secretary of New South Wales, consenting to the temporary adoption of the proposed Time Tables, as stated above.

I have, &c.,

H. Lawson, Esq.,  
Sub-Manager P., N.Z. & A. R.M. Co.,  
Wellington.

G. ELLIOTT ELLIOTT,  
Secretary.

### No. 17.

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

Panama, New Zealand, and Australian Royal Mail Company's Office,  
Wellington, April 7th, 1866.

SIR,—

I am instructed by the General Manager to submit the enclosed rough draft of Contract for Panama Service, and respectfully to beg your attention to it as early as possible, as the Board of Directors are very anxious to receive the completed Contract.

I am further instructed respectfully to request your acquiescence in the dates for Panama Service as set forth in extract from advices from the Secretary to this Company, and embodied in letter from Sydney of February 28th, addressed to the Hon. Colonial Secretary.

I have, &c.,

The Hon. Postmaster General,  
New Zealand.

HENRY LAWSON,  
Sub-Manager.

### No. 18

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

Panama, New Zealand, and Australian Royal Mail Company,  
Wellington, April 28th, 1866.

SIR,—

I am desired by the General Manager, to inform you that on February 24th, the Secretary writes him with reference to the Panama Service, to the following effect:

“ PANAMA CONTRACT.

“The Directors fully expected to have received the detailed amended Contract for the Panama Service, and much regret they should again have been disappointed. Although the course adopted by the New Zealand Government in not forwarding the document in question, is very irregular, the Directors have not on that account in any way relaxed their efforts to complete with the least possible delay, all the necessary arrangements for opening the line next June, as they feel quite satisfied no further dispute can arise as to the validity of the engagements entered into with the Government; and that the Government will now faithfully perform them.”

2. “Speed of Service.—Adverting to this question, as the Company originally undertook to perform the service at the rate of only 8½ or 9 knots per hour, it is but fair, that if it should be found in actual working from any cause, that the vessels are not able to maintain an average speed of 10 knots per hour, the Company should have the option of falling back upon the 9 knot speed, without being mulcted in any way beyond losing the difference of £14,000 per annum agreed to be paid for the extra knot.”

3. “It was stated in communication sent to you some time since, that if the decision had been left entirely with the Directors, they would have preferred the slower service, at any rate at the commencement, and therefore they hope it will have recurred to you in arranging the details of the amended Contract, to obtain the insertion of a clause to the above effect. At the same time the Directors have every confidence that the vessels constructed for the line, will be able to perform the accelerated service without difficulty.

4. “Commencement of Service.—In the absence of any further information from you concerning the actual dates, the Directors will of course adhere to the arrangements already made for starting the first steamer from Panama on 24th June, on arrival at Panama of the Mail Packet leaving Southampt on 2nd, and they will look for the arrival at Panama of the first vessel from Wellington on 5th July.

5. “Vessels.—It has been decided to send the ‘Rakaia’ round the Horn, and she will be despatched hence not later than 20th April. That vessel was launched on 31st ult.

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.

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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.

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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

mail, that the Directors, in the absence of advice as to any dates being agreed upon by the Governments of New Zealand and New South Wales, have deemed it advisable to arrange for the present that the steamer for Panama should leave Wellington on the 8th of each month, as per Hand Book received by last mail, copy of which was furnished you on receipt. I am therefore instructed to request that you will be good enough to acquiesce in the adoption for the present of the dates given in the Circular, as the arrangements at Panama are based upon those dates.

I would respectfully beg for a reply in sufficient time to enable me to advise the General Manager at Sydney and the Secretary at London, per Airedale, on the 14th inst.

I have, &c.,

HENRY LAWSON,  
Sub-Manager.

The Hon. the Postmaster General,  
Wellington.

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Enclosure 2 in No. 19.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to Mr. H. LAWSON.

No. 119.

General Post Office,

Wellington, 11th May, 1866.

Sir,—I have to acknowledge the receipt of your letter of this date requesting that an alteration may be sanctioned in the dates of departure of the vessels from Sydney and Wellington for Panama as given in your letter of 28th February last, to the dates specified in the margin (Sydney leave 1st, Wellington leave 8th), as per Hand Book lately published by the P.,N.Z. and A.R.M. Company, and referred to in your letter.

A communication on the subject will be addressed to the New South Wales Government, whose consent is also necessary, by the first mail, recommending these dates to be adopted pending further experience in the matter, and the Postmaster-General has approved of their adoption in the meantime, until a reply is received from Sydney.

The Postmaster-General will expect the first steamer to leave Wellington for Panama on the 8th of June next.

I have, &c.,

G. ELLIOTT ELLIOTT,  
Secretary.

Henry Lawson, Esq.,  
Sub-Manager P.,N.Z. and A.R.M. Company,  
Wellington.

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Enclosure 3 in No. 19.

Articles of Agreement made and entered into the \_\_\_\_\_ day of \_\_\_\_\_ in the year of our Lord 1866 between His Excellency Sir George Grey Knight Commander of the Most Honorable Order of the Bath Governor and Commander-in-Chief in and over Her Majesty's Colony of New Zealand and its Dependencies and Vice-Admiral of the same of the one part and His Excellency the Right Honorable Sir John Young Baronet Knight Commander of the Most Honorable Order of the Bath Knight Grand Cross of the most distinguished Order of St. Michael and Saint George Captain General and Governor-in-Chief of the Colony of New South Wales and Vice-Admiral of the same of the other part.

WHEREAS by a certain letter or memorandum in writing dated the tenth day of March one thousand eight hundred and sixty-five and signed by Isaac Earl Featherston the agent for that purpose duly authorised by the Government of New Zealand and by a certain other letter or memorandum in writing dated the twenty-second day of April one thousand eight hundred and sixty-five and signed by the Honorable Charles Cowper the Colonial Secretary of the Colony of New South Wales it was agreed between the said Isaac Earl Featherston as such agent as aforesaid and the said Charles Cowper on behalf of the Government of New South Wales that a certain postal service theretofore contracted for between the Postmaster-General of the Colony of New Zealand and the Agent of the Panama New Zealand and Australian Royal Mail Company (Limited) for the carriage of Her Majesty's mails between England and New Zealand by way of Panama and *vice versa* should be extended for the benefit of the said Colony of New South Wales upon the terms in the said letters or memoranda respectively mentioned or referred to And whereas by certain article of agreement intended to bear even date with these presents and be made between the said Sir George Grey Governor.

## FURTHER PAPERS RELATIVE TO

Provision has been made for extending the said postal service for the benefit of the said Colony of New South Wales upon terms and conditions approved of by the Government of the said Colony. And it has been arranged that the terms and conditions upon which as between the Colony of New Zealand and the Colony of New South Wales the said Postal Service is so extended should be set forth in and ratified. Now these presents witness that the said Sir George Grey Governor as aforesaid by and with the advice and consent of the Executive Council of the Colony of New Zealand for himself and his successors Governors of the said Colony last mentioned doth hereby agree with the said Sir John Young Governor as aforesaid and his successors Governors of the Colony of New South Wales. And the said Sir John Young Governor as aforesaid by and with the advice and consent of the Executive Council of the said Colony of New South Wales for himself and his successors Governors of the last mentioned Colony doth hereby agree with the said Sir George Grey Governor of the Colony of New Zealand and his successors Governors of the last mentioned Colony as follows:—

1. That the services provided for by the said Articles of even date herewith shall be continued until the expiration of the period by the said Articles provided unless in the meantime it shall be agreed between the Governments of New South Wales and the Government of New Zealand that notice should be given for an earlier termination thereof.

2. That so long as the Government of the Colony of New South Wales continue to be interested in and participate in the said contract no future or other contract shall be entered into with the said Company for such services as are in and by the said articles of even date with these presents mentioned and provided for without the consent of the Government of New South Wales testified by writing under the hand of

first had and obtained and no contract agreement or arrangement with the Imperial Government or with any Foreign or other Colonial Government in any wise affecting the services so provided for shall be made or entered into by either the Government of New Zealand or the Government of New South Wales without the consent of other of them.

That during the continuance of the service provided for by the said articles of even date herewith the Colony of New South Wales shall pay or contribute towards the expense of such service the sum of £                      by equal monthly instalments of £                      per month.

That the payment of the premiums by the said articles of even date herewith provided to be paid to the said Company in certain cases shall be borne by the Colony of New Zealand and the Colony of New Zealand shall be entitled to the penalties or forfeitures by the Company so provided if any shall arise.

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**No. 20.**

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

Wellington, April 7th, 1866.

SIR,—I am instructed by the General Manager to submit the enclosed rough draft of Contract for Panama Service, and respectfully to beg your attention to it as early as possible as the Board of Directors are very anxious to receive the completed contract.

I am further instructed respectfully to request your acquiescence in the dates for Panama Service, as set forth in extract from advices from the Secretary to this Company, and embodied in letter from Sydney of February 28th, addressed to the Honorable the Colonial Secretary.

I have, &c.,

HENRY LAWSON,  
Sub-Manager.

The Hon. the Postmaster-General,  
New Zealand.

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**No. 21.**

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to Mr. LAWSON.

No. 120.

General Post Office,

Wellington, May 14, 1866.

SIR,—I am directed by the Postmaster-General to acknowledge receipt of your letter of the 7th ult., enclosing a Draft Contract to be entered into with your Company for the Panama Service.

This Draft, with a few alterations, as now printed (copy of which is enclosed), has been submitted for the consideration and acquiescence of the New South Wales Government.

I have, &c.,

G. ELLIOTT ELLIOTT,  
Secretary.

Henry Lawson, Esq.,  
Sub-Manager P., N.Z. and A.R.M. Company,  
Wellington.



## No. 22.

Copy of a Letter from the Hon. J. DOCKER to the Hon. JAMES PATERSON.

SIR,—

General Post Office, Sydney, 14th May, 1866.

With reference to the organization of the new Postal route to the United Kingdom *via* Panama, I have the honor to request that you will be good enough to furnish me with all the information in your power regarding every arrangement which may have been entered into with the Imperial Government on the subject of the charges for the transmission of mails by the above-named route, including the rates of sea postage by the same.

I should further feel obliged by being informed what effect this new contract will have upon the transmission of mails by the Intercolonial service, as, at present, two-thirds of the postal receipts of this service are accounted for by this Colony to the Imperial Government.

I have, &amp;c.,

The Hon. the Postmaster-General,  
Wellington, New Zealand.

J. DOCKER,  
Postmaster-General.

## No. 23.

Copy of a Letter from the Hon. JAMES PATERSON to the Hon. J. DOCKER.

SIR,—

General Post Office, Wellington, 25th May, 1866.

I have the honor to acknowledge the receipt of your letter noted in the margin requesting May 14, 1866. information as to any arrangement which may have been entered into with the Imperial Government on the subject of the charges for the transmission of mails by the Panama Steam Postal Service about to be established, including the rates of sea postage by the same; and also what effect this new contract will have upon the transmission of mails by the Intercolonial service, as at present two-thirds of the postal receipts of this service are accounted for by New South Wales to the Imperial Government.

As regards your first question, I have to inform you that the Imperial Government have consented, for the present, to allow New Zealand to receive the postages collected on correspondence sent *via* Panama, to and from this Colony; to carry mails to and from Colon, free of cost, by the West Indian mail steamer, and to defray the cost of transit across the Isthmus of Panama, charging the Colony with the amount.

With respect to the last paragraph of your letter this Colony proposes to continue to pay to the Imperial Government the commuted allowance in lieu of the two-thirds receipts, so long as that Government continues its contribution towards the Intercolonial mail service between Australia and New Zealand.

I enclose a copy of a proclamation recently promulgated by this Government fixing the rates of postage to be charged on correspondence sent *via* Panama.

I have, &amp;c.,

The Hon. the Postmaster-General, Sydney.

JAMES PATERSON,  
Postmaster-General.

## No. 24.

Copy of a Letter from the Hon. J. DOCKER to the Hon. JAMES PATERSON.

SIR,—

General Post Office, Sydney, 15th June, 1866.

I have the honor to acknowledge the receipt of your letter dated the 25th ultimo, and in reply beg to enclose a copy of our rates *via* Panama, and to inform you that the present Postal Laws of the Colony (which however will shortly be revised) will admit of no others being levied.

2. I shall feel obliged by your informing me on what principle the rates of postage to British America and other places are fixed at one shilling the half-ounce; and also whether you are in possession of any information tending to show that such rates will prepay the letters to destination.

3. An account of postages on New Zealand correspondence per "Kaikoura" will be kept as usual, but credit for two-thirds of the receipts will not be given until it is ascertained whether, in lieu of this, the Colony will be credited with a certain portion of the Imperial Government's contribution to the Intercolonial Mail Service between Australia and New Zealand.

I have, &amp;c.,

The Hon. the Postmaster-General,  
Wellington, N.Z.

J. DOCKER,  
Postmaster-General.

*English Mails via Panama.*

The Royal Mail steamship "Kaikoura" will be despatched to Panama *via* Wellington, with mails for England, the Continent of Europe, and intermediate places, at 3 p.m., on Friday, the 15th of June. Mails will close at noon on the same day.

Direct mails will be made up for the following places:—Panama, Lima, Valparaiso, San Francisco, Honolulu, British Columbia, Jamaica, Barbadoes, Demerara, St. Thomas', New Orleans, New York, Quebec, Halifax, and the United Kingdom.

The rates of postage will be as follows:—

PLACES.	LETTERS.				BOOKS.			Newspapers.
	Not exceeding $\frac{3}{4}$ oz.	Exceeding $\frac{3}{4}$ and not exceeding 1 oz.	Every additional $\frac{3}{4}$ oz.	Every additional oz.	Not exceeding $\frac{1}{4}$ oz.	4 to 8 ozs.	Every additional 8 ozs.	
New Zealand ... ..	Sixpence	One Shilling	Sixpence	.....	Sixpence	Sixpence	Sixpence	} 1d. each.
British Columbia, America, West Indies, and Canada ... ..	Sixpence	One Shilling	Sixpence	.....		Letter Rate		
United Kingdom ... ..	Sixpence	One Shilling	.....	One Shilling	Fourpence	Eightpence	Eightpence	

Letters, books, and newspapers may be transmitted *via* the United Kingdom to the Continent of Europe, the West Coast of Africa, and the Cape of Good Hope, at the same rates as are chargeable by the route of Southampton *via* Suez.

Trade patterns for the United Kingdom, and all places to which these are transmissible *via* the United Kingdom may also be forwarded at the same rates as are charged by the route of Southampton *via* Suez.

Full information as to postage rates for Foreign Countries *via* the United Kingdom, can be obtained on reference to the Tables of Rates.

No. 25.

SIR,— Copy of a Letter from the Hon. JAMES PATERSON to the Hon. J. DOCKER. General Post Office, Wellington, 2nd July, 1866.

I have the honor to acknowledge the receipt of your letter, dated the 15th ultimo, and in reply beg to acquaint you with the principle which guided this Government in fixing the rates of postage on correspondence *via* Panama.

The Imperial Government having agreed to convey the New Zealand Mails *via* Panama between Southampton and Colon, free of expense, was regarded in the light of a contributor to the through line—the rates of postage, therefore, to the United Kingdom, and to the Continent of Europe, passing through the Knited Kingdom, were fixed at the same rates as are now charged on correspondence by the Suez and Southampton route.

The British West Indies was similarly regarded in respect of any interest they may have in the line of mail steamers between Southampton and Colon, and the rates of postage assimilated to those to the United Kingdom.

The other countries named in the schedule not having any interest in that portion of the service referred to could not be regarded in the same light as the United Kingdom and the British West Indies, and, in the absence of any postal convention, this Government resolved to fix the rates simply for conveyance between New Zealand and Panama or Colon, as the case may be, leaving to these countries to charge such rates on delivery as their postal laws may direct. What these charges may be, this Government has no means of ascertaining, but an Agent has been sent by the s. s. "Kaikoura" to obtain every possible information on this and other points, and on his return I shall not fail to acquaint you with the result.

The third clause of your letter, I apprehend, rather refers to the continuation of the Suez route to New Zealand than to the Panama.

I have, &c.,  
JAMES PATERSON,  
Postmaster-General.

The Hon. the Postmaster-General, Sydney.

SCHEDULE.

COUNTRIES.	LETTERS.			BOOKS.			REGISTRATION FEE TO PORT OF ARRIVAL.	NEWSPAPERS AND PRICES—CURRENT.
	Not exceeding $\frac{3}{4}$ Ounce.	Not exceeding 1 Ounce.	For every additional Ounce or fraction of an Ounce.	Not exceeding 4 Ounces.	Not exceeding 8 Ounces.	For every additional 8 Ounces or fraction of 8 Ounces.		
British West Indies	Sixpence ...	One Shilling	One Shilling	Sixpence ...	One Shilling	One Shilling	One Shilling	Twopence each
Foreign West Indies	One Shilling	Two Shillings	Two Shillings	No Book Post	... ..	... ..	Ditto	Ditto
British America ...	One Shilling	Two Shillings	Two Shillings	Sixpence ...	One Shilling	One Shilling	Ditto	Ditto
United States ...	One Shilling	Two Shillings	Two Shillings	No Book Post	... ..	... ..	Ditto	Ditto
Central America ...	One Shilling	Two Shillings	Two Shillings	No Book Post	... ..	... ..	Ditto	Ditto
South America ...	One Shilling	Two Shillings	Two Shillings	No Book Post	... ..	... ..	Ditto	Ditto
Madeira ... ..	One Shilling	Two Shillings	Two Shillings	Sixpence ...	One Shilling	One Shilling	Ditto	Ditto
Cape de Verde Islands	One Shilling	Two Shillings	Two Shillings	Sixpence ...	One Shilling	One Shilling	Ditto	Ditto
Canary Islands ...	One Shilling	Two Shillings	Two Shillings	Sixpence ...	One Shilling	One Shilling	Ditto	Ditto
The United Kingdom	... ..	... ..	... ..	... ..	... ..	... ..	... ..	One Penny each
The Continent of Europe, <i>via</i> the United Kingdom	LETTERS, BOOK PACKETS, and REGISTRATION FEES to be charged the same rates as those in force when transmitted by the route <i>via</i> Suez and Southampton ...						... ..	One Penny in addition to the existing rates
France ... ..	LETTERS.—10d. under $\frac{1}{2}$ oz.; 1s. 2d. under $\frac{3}{4}$ oz.; 2s. under 1 oz.; and so on increasing at the rate of 1s. Colonial Postage for every additional ounce; and 4d. Foreign Postage for every additional $\frac{1}{4}$ ounce or fraction of $\frac{1}{4}$ ounce ...						1s. under $\frac{1}{2}$ oz. and 4d. for every $\frac{1}{4}$ oz. in addition	Twopence each
Ditto ... ..	BOOK PACKETS.—7d. under 4 oz.; 1s. 2d. under 8 oz.; and 1s. 2d. for every additional 8 oz. or fraction of 8 oz.							

## No. 26.

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

No. 66-51.

Colonial Secretary's Office, Sydney, 15th June, 1866.

SIR,—

I beg to convey to you my acknowledgement of the due receipt of your letter dated May 15th transmitting copies of correspondence between your Government and the Agent of the Panama, New Zealand, and Australian Royal Mail Company, and copies of the original contract for the Panama Steam Postal Service, and also draft Articles of Agreement proposed to be entered into by your Government and the Governments of this Colony.

2. Under the direction of His Excellency, Sir John Young, and the interest of this Colony, the following points are submitted for your consideration and concurrence, before any final agreement between your Government and the Government of New South Wales is concluded. It does not appear to this Government that the Articles of Agreement transmitted by you are sufficiently comprehensive in their provisions, or sufficiently explicit in defining the details of the engagement of the Colony of New South Wales, to receive the assent of this Government in their present form. While it is fully intended to carry out the resolution passed by the Legislative Assembly of this Colony, April 20th, 1865, I am bound to admit that the manifest unwillingness of the other Australian Colonies to contribute any aid to the Panama Service is a matter of serious disappointment. It was reasonably expected that at least Victoria, having, it is believed, more important relations with America than any other of these Colonies, would render assistance in establishing a line of steam communication between Australia and Europe, which should embrace the great commercial countries of the American Continent. Up to the present stage of our negotiations both Victoria and Queensland stand aloof from the undertaking.

3. In this state of circumstances, and having regard to the equal responsibility of this Government with the Government of New Zealand, in the payment of this subsidy, it is my duty to claim for New South Wales an equal voice and authority in all matters relating to the service, and more expressly in the admission of other countries to the advantages to be derived from its establishment. It must be understood that in any modification or alteration of the original contract any negotiation with the British Government, or the Government of any foreign country or in any arrangement for extending the advantages of the service to other of the Colonies in this hemisphere, the expressed consent of the Government of New South Wales must be first obtained, and be held to be indispensable to the validity of such proceedings.

4. In order to protect the interests both of New Zealand and New South Wales, it will be necessary to insist that all mails for Panama or for countries *via* the port of Panama, made up in Tasmania, or in Colonies of Australia not contributing to the subsidy, shall be forwarded for shipment on the mail steamer at the port of Sydney, and shall not be received at any port in New Zealand. If the Colony of Victoria were to despatch mails by a branch steamer, leaving Melbourne about the date of the departure from Sydney, and those mails were to be received on board the mail steamer at Wellington, the people of Victoria would thus be permitted to participate in all the benefits of the service at the cost of New Zealand and New South Wales. You will therefore, as one condition of the agreement between your Government and the Government of this Colony, adopt the necessary measures to reject all mails from ports in Tasmania, or from ports in Australia other than in New South Wales, whether sent direct to Wellington, or by way of Nelson, or any other port in New Zealand.

5. It is further submitted for the concurrence of your Government that in carrying the mails of the non-contributing colonies even by way of Sydney as now insisted upon, we ought to receive the amount of sea postage on all letters so conveyed. Communications will be addressed to the neighbouring Governments in explanation of these conditions, in which it is believed you will fully concur.

6. In the event of any Australian colony agreeing to contribute an adequate share to the subsidy, this Government will in such case readily concur in any equitable arrangement for the postal accommodation of the Colony so contributing.

7. Though the "Kaikoura" will leave Sydney this day in pursuance of arrangements made before the receipt of your letter of May 15th, and it is intended that the next steamer shall leave on the 15th July, this date is certainly not favorable to New South Wales, and there will be no objection raised to a change in the date of departure in accordance with the time table preferred by you. It is hoped, however, that a time table may be agreed upon by which the departure and arrival of the Panama mails, both in England and Australia, will more satisfactorily alternate with the mails conveyed by the Suez route.

8. Your Government will of course see that penalties are assented to by the contracting Company for the non-performance of the passage between Wellington and Sydney within the contract time.

9. As no agent is appointed to proceed to Panama in charge of the mails by the "Kaikoura" this Government invites your concurrence in placing the mails for the present entire voyage in charge of H. S. Machin, Esq., the commander of the ship.

10. It is desirable that a return should be furnished to this Government of all letters, newspapers and mail parcels forwarded from New Zealand by the mail steamer of each month, and a like return shall be supplied to you for the Colony of New South Wales.

11. By the next mail leaving Sydney, Articles of Agreement prepared by the law advisers of the Crown in this Colony, for carrying into effect the resolution of Parliament shall be transmitted for your approval. In the meantime I beg to assure you that no step will be omitted by this Government to support the undertaking now commenced, it is believed under fair auspices of success, and to render assistance to New Zealand in ensuring the completion and permanence of a service from which so much has been hoped by the people of both colonies.

The Hon the Colonial Secretary,  
Wellington, New Zealand.

I have, &c.,  
HENRY PARKES.

## No. 27.

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

(245)

SIR,—

Colonial Secretary's Office, Wellington, 23rd July, 1866.

I have the honor to acknowledge the receipt of your letter, No. 6651, of the 15th ultimo, on the subject of the Draft Contract for the Panama Steam Postal Service, and stating that by the next mail leaving Sydney, Articles of Agreement between the Governments of New Zealand and New South Wales, in respect to this service, prepared by the Law Officers of the Crown in New South Wales, would be forwarded for the approval of this Government.

It is a matter of disappointment to this Government that these Articles of Agreement have not yet been received, and I trust that no unnecessary delay will be incurred in their preparation and transmission to this Colony, as it is important that some definite agreement should be arrived at, especially as payments on account of the service will now be falling due monthly. The contract with the Panama Company should also be executed as soon as practicable, as the Company are applying to this Government to have it sent to London for signature by the Directors there.

I enclose for your consideration copies of the correspondence noted in the margin, with the Government of Victoria, respecting a mail forwarded last month from that Colony for the Panama route, and the amount of additional postage which should be charged thereon, I should feel obliged if you would favor me with the views of the New South Wales Government on the question raised therein, in order that those Australian Colonies which have not as yet agreed to contribute to the Panama Steam Postal Service may be definitely informed on what conditions alone their mails will be forwarded by that line.

I perceive that in your letter now under acknowledgment, you express an opinion that all mails *via* Panama, made up in Australian Colonies not contributing to the subsidy, should be forwarded for shipment on the mail steamer at the port of Sydney, and should not be received at any port in New Zealand. I shall be glad to be informed of the particular reasons on which this opinion is founded, as it appears to this Government a matter of indifference at what port such mails are put on board a Panama Mail steamer, so long as a sufficient amount is paid on account of the letters and newspapers contained in them, and that amount is divided between the Colonies of New South Wales and New Zealand.

It was on this view of the case, and in order to save the public inconvenience which would have been caused by the rejection of the mail sent in good faith from Victoria, and subject to such additional rate as may be determined on, that this Government allowed the mail to be forwarded to its destination. But with respect to the future it is necessary that a different arrangement be come to with those Colonies which are not yet parties to the Panama Mail Service, with a view of requiring them either to make a fixed contribution to the service (which would be the best arrangement) or of charging a sufficient additional postage, or of refusing to allow their mail to be conveyed by that service.

The Hon. the Colonial Secretary,  
New South Wales.

I have, &c.,  
E. W. STAFFORD.

## Enclosure 1 in No. 27.

Copy of a Letter from the Hon. J. McCULLOCH to the Hon. E. W. STAFFORD.

SIR,—

Chief Secretary's Office, Melbourne, 12th June, 1866.

I have the honor to request that you will be good enough to inform me whether any arrangement can be made under which letters and newspapers, posted in this Colony for transmission by the Panama line of steamers, can be forwarded to destination *via* Wellington, New Zealand.

Of course it is expected that any such arrangement would provide for the collection and accounting for to your Colony of such additional postage as may be determined on by your Government, and I should feel obliged if you would, in the event of the proposition being favorably entertained, cause me to be furnished with a scale of charges on letters, packets, and newspapers posted in Victoria, addressed to places for which mails may be made up at the Post Office, Wellington, for despatch by the Panama route.

Letters and newspapers for transmission *via* Panama by this opportunity, which have been posted with only the ordinary rates of postage affixed, will be forwarded by the steamer "Taratua," which sails from this port to-morrow, and it is requested that in order to save disappointment, these may, if practicable, be sent forward and the deficient postage charged on delivery.

The Hon. the Colonial Secretary,  
Wellington, New Zealand.

I have, &c.,  
JAMES McCULLOCH,  
Chief Secretary.

## Enclosure 2 in No. 27.

Copy of a Letter from the Hon. E. W. STAFFORD to the Hon. J. McCULLOCH.

(247)

SIR,—

Colonial Secretary's Office, Wellington, 23rd July, 1866.

I have the honor to acknowledge the receipt of your letter of the 12th ultimo, requesting that you may be informed whether any arrangement can be made under which letters and newspapers posted in Victoria can be forwarded *via* Wellington by the Panama line of steamers, and stating that a mail by that route is forwarded in the steamer "Taratua."

In reply, I have to state that the question of the conveyance of the mails for any Colonies which have not as yet agreed to contribute towards the cost of the Panama Mail Service is at present under the consideration of the Government of New South Wales and of this Colony, and that a further communication will be made to you on the subject as soon as that question is determined.

In the meantime, I have to inform you that the Victorian mail by the "Tararua" was, in accordance with your request, forwarded by the "Kaikoura." I enclose a statement of the weight of the bags and packets in that mail, and I have to request you to be good enough to cause me to be furnished, at your early convenience, with the number and weights of the letters and with the number of the newspapers contained therein.

The Hon. the Chief Secretary,  
Victoria.

I have, &c.,  
E. W. STAFFORD.

Sub-Enclosure to Enclosure 2 in No. 27.

A STATEMENT of the Weight of Mails from Melbourne sent *via* Panama, 24th June, 1866.

1 bag for London	...	...	...	4 lbs. weight.
1 packet for New York	...	...	...	} ... 4 lbs. weight.
1 " Valparaiso	...	...	...	
1 " Panama	...	...	...	
1 " British Columbia	...	...	...	
2 " California	...	...	...	
1 " Jamaica	...	...	...	
1 " Antigua	...	...	...	
1 " Honolulu	...	...	...	...
Total				8 lbs. weight.

W. GRAY.

No. 28.

Copy of a Letter from the Hon. JAMES PATERSON to the SECRETARY, General Post Office, London.  
(F. 66-92.)

General Post Office,  
Wellington, 23rd June, 1866.

SIR,—

I have the honor to inform you that the Steam Mail Service between New South Wales, New Zealand, and the United Kingdom *via* Panama, being now established, I beg to request you will be good enough to cause mails to be made up for this Colony, and forwarded by the West India Company's Mail Steamer, leaving Southampton on the 2nd of each month, and arriving at Colon on or about the 21st. A steamer will be waiting at Panama the arrival of the Southampton steamer, to convey these mails to New Zealand and New South Wales.

This new service will not interfere with the usual despatch of the mails *via* Suez, which will continue as at present.

The Secretary, General Post Office,  
London.

I have, &c.,  
JAMES PATERSON,  
Postmaster-General.

No. 29.

Copy of a MEMORANDUM by the Hon. E. W. STAFFORD.

As the Panama Steam Postal Service between Great Britain, New Zealand, and Australia, is now established, Ministers request His Excellency the Governor to represent to the Imperial authorities, the wish of the New Zealand Government that the Right Hon. the Postmaster-General in London may cause all necessary action to be taken and every publicity given, with a view to the transmission of mails by that route, and that the same postage rates may be charged as are now levied on letters, newspapers, &c., sent *via* Suez.

His Excellency the Governor.

Wellington, 20th July, 1866.

E. W. STAFFORD.

No. 30.

Copy of a Letter from the Hon. JAMES PATERSON to the SECRETARY, General Post Office, London.  
(F. 66-104.)

General Post Office,  
Wellington, 24th July, 1866.

SIR,—

Referring to my letter of the 23rd ultimo, requesting you to be good enough to cause mails for the Colony to be made up and despatched by the West India Mail Steamers leaving Southampton on the 2nd, and arriving at Colon about the 21st of each month, and intimating that, in accordance with arrangements previously advised, a steamer would be in waiting at Panama for the conveyance of such mails to New Zealand,—I have now the honor further to request that you will forward correspondence conveyed by this route at the same rates of postage as are now charged on correspondence from the United Kingdom to this Colony by the Suez and Southampton route. This Government has arranged to forward correspondence from New Zealand to the United Kingdom *via* Panama at these same rates.

The Secretary, General Post Office,  
London.

I have, &c.,  
JAMES PATERSON,  
Postmaster-General.

No. 31.

Copy of a Letter from Mr. F. HILL to the Hon. JAMES PATERSON.

General Post Office, London, 31st May, 1866.

SIR,—

I am directed by the Postmaster-General, to inform you that the agent in London of the New

Zealand Government has reported to Her Majesty's Secretary of State for the Colonies that the Mail Packet Service between Panama and Wellington will commence next month, but that he has not received any instruction from the Colony respecting the rates of postage to be charged on the correspondence conveyed by this line of packets. He has requested the Postmaster-General, therefore, to take whatever steps His Lordship considers desirable in this respect, and, at His Lordship's request, the Lords of the Treasury have, by a warrant dated the 25th instant, of which I enclose a copy, fixed the following rates:—

1. On correspondence sent from the United Kingdom to New Zealand or Australia:—
  - On letters, a combined British and Colonial rate of one shilling per half-ounce. Of this sum one penny will belong to this country and eleven-pence to the Colony.
  - On each newspaper, a combined rate of four-pence. Of this sum, one penny will belong to this country and three-pence to the Colony.
  - On book packets and patterns, a combined rate of six-pence for a packet not exceeding four ounces. Of this sum, one penny will belong to this country and five-pence to the Colony.
2. Correspondence posted at Panama, or sent to Panama from places other than the United Kingdom, for transmission to New Zealand or Australia:—
  - On letters, a colonial rate of six-pence per half-ounce.
  - On each newspaper, a colonial rate of two-pence.
  - On a packet of books or patterns not exceeding four ounces in weight, a Colonial rate of three-pence.

These sums will belong wholly to the Colony.

A mail for Wellington will henceforth be made up here on the 2nd of each month, and forwarded to Panama by the West India packets containing such correspondence for New Zealand, or for any of the Australian Colonies, as is not addressed to be otherwise sent, and upon which an amount of postage equal to a single rate has been prepaid.

A letter bill will accompany the mail, placing to the credit of the Wellington office its share of the postage on the correspondence forwarded, at the foregoing rates.

The cost of conveying the mails by the railway across the Isthmus of Panama will be paid to the Railway Company by the Agent of this department at Panama, and the weight in bulk of the letters, newspapers, &c., contained in each mail, will be entered on the letter bill, in order that repayment may be made to this office of the amount of such transit, as agreed upon in your letter dated the 29th May, 1865.

It will be desirable that the weight in bulk of the correspondence contained in the return mails for the United Kingdom, sent from Wellington, should in like manner be entered on the letter bill accompanying the mails.

The Agent of this department at Panama will also make up a mail for Wellington on the departure of each packet, containing all correspondence posted at or reaching his office. With each mail he will send a letter bill, placing to the credit of the Wellington office the postage that has been collected on the correspondence forwarded. An acknowledgment of receipt should be sent by you to Panama.

It is desirable that all the correspondence despatched from Wellington by the new line of packets should be made up in two mails, one for London, and the other for Panama.

In the latter should be sent all correspondence for the United States of Colombia (formerly New Granada) Chili, Peru, Ecuador, Bolivia, Venezuela, Costa Rica, Guatemala, San Salvador, Mexico, British Colombia, Vancouver's Island, the United States of North America, and the Foreign and British West Indies.

I transmit herewith tables showing the British rates of postage which should be accounted for by you in the letter bill which you send to Panama for the correspondence addressed to any of the foregoing places, and the rates to be accounted for in the letter bill which you send to London for the correspondence intended to pass through the United Kingdom to British Colonies and Foreign countries.

On each single letter addressed to the United Kingdom an inland rate of one penny must be accounted for in the letter bill, and on each book packet and packet of patterns, an inland rate of one penny per four ounces must be accounted for.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

F. HILL.

### No. 32.

Copy of a Letter from Mr. F. HILL to the Hon. JAMES PATERSON.

SIR,—

General Post Office, London, 1st June, 1866.

As it will be useful to this office to possess authentic information as to the time of arrival and departure of the mails conveyed by the new line of packets about to be established between Panama and New Zealand, I have caused a form to be prepared for use in reporting the arrival at Wellington and the departure thence of the main packets proceeding to and from Panama, and of the branch packets proceeding to and from Melbourne and Sydney.

A supply of these forms is sent herewith, and I beg that you will be so good as to cause one copy to be filled up and sent to this office by the first packet after the arrival or departure of mails *via* Panama.

The Postmaster-General, Wellington.

I have, &c.,

F. HILL.

### No. 33.

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

(No. 218.)

Office of the New Zealand Government Agency,

SIR,—

3, Adelaide Place, King William Street, London, E.C., 24th May, 1866.

I do myself the honor to transmit to you the accompanying copy of a letter from the

Secretary of the Panama, New Zealand, and Australian Royal Mail Company (Limited), intimating to me that the Postmaster-General had not received instructions from the Government of New Zealand in reference to the forwarding of letters, &c., to the Australian Colonies *via* Panama, and to the rates of postage to be levied thereon, and suggesting it would be advisable for me to communicate with the Colonial Office on the subject.

I beg leave to claim your attention to copies of correspondence under mentioned:—

May 9. Myself to Under Secretary for the Colonies.

” 11. Myself to Mr. Worley.

” 17. Sir Frederick Rogers to myself, enclosing copy of letter from Mr. Hill, of 16th May.

” 18. Myself to Sir Frederick Rogers.

” 22. Sir Frederick Rogers to myself, with enclosure from Mr. Hill, of 21st May.

Viewing with much anxiety the loss it would entail in the event of the mails not being forwarded, and the unfavorable impression the circumstance might create against the service, I unhesitatingly acceded on behalf of the Government to the propositions of Mr. Cardwell and the Postmaster-General, although it was distinctly stated to the former that I had no authority from you to do so. The public notification by the Post Office has not yet appeared, but I am given to understand it will do so forthwith. The delay is owing to Treasury warrants having first to be issued.

The rates of postage fixed, pending the receipt of your instructions, are, I trust, such as will meet with the approval of the Government, as well as the course I have adopted.

I have, &c.,

JOHN MORRISON.

The Hon. the Colonial Secretary,  
Wellington, New Zealand.

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### Enclosure 1 in No. 33.

Copy of a Letter from Mr. JAS. WORLEY to Mr. MORRISON.

Panama, New Zealand, and Australian Royal Mail Company (Limited),  
Offices, 41, Moorgate Street, London, E.C., 8th May, 1866.

DEAR SIR,—

I am desired to call your attention to the fact that the Post Office authorities here have not yet received any instructions from the New Zealand Government in reference to the forwarding of letters, &c., to the Australian Colonies, *via* Panama, and to the rates of postage to be levied thereon. In order that proper mails for New Zealand and Australia may be made up for the packet sailing from Southampton with the West India and Pacific mails on the 2nd proximo, it is suggested that it might be advisable for you to communicate with the Colonial Office forthwith, intimating that the outward service between Panama, Wellington, and Sydney, will connect with the steamer leaving this country on the 2nd of each month; and that it has been arranged for the first vessel to leave Panama on the 24th of June; and requesting the Colonial Secretary to convey that information to the Postmaster-General, and to direct that certain rates of postage, fixed by you, may be charged for letters, newspapers, &c., on behalf of the New Zealand Government.

It is not the province of the Company to take any steps in this matter, it being entirely a question for arrangement between the Imperial and Colonial Governments; but as the directors are anxious that no difficulty in regard to the despatch of the first mails by the new route should arise, they deemed it proper to address you on the subject.

I have, &c.,

JAS. WORLEY, Secretary.

John Morrison, Esq., Agent New Zealand Government.

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### Enclosure 2 in No. 33.

Mr. MORRISON to Sir F. ROGERS.

Office of the New Zealand Government Agency,

3, Adelaide Place, King William Street, London, E.C., 9th May, 1866.

SIR,—

I do myself the honor to inform you that the Secretary of the Panama, New Zealand, and Australian Royal Mail Company (Limited), has intimated to me that no instructions are yet received by Her Majesty's Postmaster-General from the Government of New Zealand to forward mails to New Zealand and Australia by the Company's vessels, nor fixing the rates of postage to be levied; and unless instructions are given to the Post Office authorities to do so, the mails cannot be forwarded.

By Mr. Worley's letter, copy of which I herewith enclose, it will be seen that the contract for the postal service to New Zealand and Australia *via* Panama commences on the 2nd proximo. The mail expected to arrive about the 14th instant may bring instructions from the Government of New Zealand on the subject, yet as it is urgent that the Post Office authorities should notify without further delay when the service commences, and the scale of postage to be charged: I have to request, in the absence of instructions from the Colonial Government to the Post Office authorities and myself, that Mr. Cardwell will be pleased to instruct the Postmaster-General to take immediate steps to notify that proper mails for New Zealand and Australia *via* Panama will be made up for the packets sailing from Southampton with the West India and Pacific mails, on the 2nd of each month, and to direct him to fix the scale of postage to be charged on letters, newspapers, &c.

I have stated that I am without instructions from the Government of New Zealand. I am unable, therefore, to indicate to you what rates of postage the Government seek to establish, having regard, however, to the large subsidy paid to the Panama, New Zealand, and Australian Royal Mail Company for the conveyance of the mails, and the high rates which are charged by the Panama Railway Company for transit across the Isthmus, I submit that the rate should be not less than one shilling for each letter weighing not more than half an ounce, and three-pence for each newspaper not exceeding in weight four ounces.

Further, I have to request that the Postmaster-General may be informed the postage to be thus levied and received, after deducting the amount for inland postage claimed by the Post Office, and the railway expences incurred in conveying the mails from Colon to Panama, which I believe the Colonial Government agree to pay, is to be accounted for, and paid to the Government of New Zealand.

Soliciting your immediate attention to the matter,  
The Under Secretary of State for the Colonies,  
Downing Street, Whitehall.

I have, &c.,  
JOHN MORRISON.

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Enclosure 3 in No. 33.

Copy of a Letter from Mr. MORRISON to Mr. J. WORLEY.  
3, Adelaide Place, King William Street,  
London, E.C., 11th May, 1866.

DEAR SIR,—

I am in receipt of your favor of the 8th instant, on the subject of the transmission of the mails for New Zealand *via* Panama. I addressed a letter to the Under Secretary of State for the Colonies, requesting Mr. Cardwell to direct the Postmaster-General to make up mails for New Zealand and Australia for the packets sailing from Southampton with the West India and Pacific Mails on the 2nd of each month, it appearing that the Government of New Zealand had not as yet advised him on the subject.

On calling afterwards at the Colonial Office, I was assured that the matter should receive attention.

I beg to thank your Board for having addressed me on the subject.

James Worley, Esq., &c., 41, Moorgate Street, E.C.

I am, &c.,  
JOHN MORRISON.

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Enclosure 4 in No. 33.

Copy of a Letter from SIR F. ROGERS to Mr. MORRISON.  
Downing Street, 17th May, 1866.

SIR,—

In answer to your letter of the 9th instant, respecting the Postal Service to New Zealand and Australia, by way of Panama, I am directed by Mr. Secretary Cardwell to transmit to you for your information the accompanying copy of a letter from the Postmaster-General, in reply to the reference which was made to him on the subject.

Mr. Cardwell would be glad to be informed at your early convenience whether you are prepared on the part of the New Zealand Government, to accede to the propositions made by the Postmaster-General with regard to the rates of postage to be levied on newspapers, book packets and packets of patterns forwarded by this route.

I have, &c.,  
FREDERIC ROGERS.

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Sub-Enclosure to Enclosure 4 in No. 33.

Copy of a Letter from Mr. J. HILL to Sir F. ROGERS.

SIR,—

General Post Office, London, 16th May, 1866.

With reference to your letter of the 11th instant, I am directed to acquaint you, for the information of Mr. Secretary Cardwell, that the Postmaster-General will take immediate steps for notifying to the public that the Mail Packet Service subsidized by the New Zealand Government between Panama, Wellington and Sydney, is about to commence.

As regards the rates of postage to be levied on the correspondence forwarded by this new route, Mr. Morrison, the agent for New Zealand in this country, suggests, in a letter of which a copy accompanied your communication above referred to, that considering the large subsidy to be paid to the Packet Company, and the heavy cost of the transit across the Isthmus, the rate of postage per half-ounce letter should not be less than one shilling, and that the charge on each newspaper, not exceeding four ounces in weight, should not be less than three-pence.

As the transit rate payable to the Panama Railway Company, on the whole weight of each British Mail sent across the Isthmus is eleven-pence per pound, and as one penny for each newspaper of four ounces is required to cover the English inland rate, the Postmaster-General is of opinion that the rate on newspapers should not be less than four-pence, leaving three-pence to represent the Isthmus transit rate, the colonial sea rate, and the colonial inland rate, and he requests that you will acquaint me as early as possible whether Mr. Secretary Cardwell concurs in this view, and in the rate of one shilling per half-ounce proposed by Mr. Morrison for letters.

On book packets and packets of patterns, the Postmaster-General recommends that the rate should be fixed at six-pence for a packet not exceeding four ounces in weight, heavier packets being charged according to the existing scale of progression by weight.

It is important that if Mr. Morrison wishes any alteration to be made in the higher rate here suggested for newspapers, or in the rate recommended for book packets and patterns, he should forthwith state his views, as an immediate notification of the arrangements to the public is most desirable.

Sir Frederic Rogers, Bart., &c., &c., Colonial Office.

I have, &c.,  
J. HILL.

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Enclosure 5 in No. 33.

Mr. MORRISON to Sir F. ROGERS.

Office of the New Zealand Agency,

3, Adelaide Place, King William Street, London, E. C., 18th May, 1866.

SIR,—

I have the honor to acknowledge the receipt, this morning, of your letter of the 17th instant,



transmitting copy of a letter from the Postmaster-General on the subject of the New Zealand and Australian Mails *via* Panama, and inquiring whether I am prepared, on behalf of the Government of New Zealand, to accede to the propositions made by the Postmaster-General with regard to the rates of postage to be levied on newspapers, book packets, and packets of patterns, to be forwarded by this route.

In reply I beg to state, that although I am still without instructions from the Government, I have no hesitation in acceding, on their behalf, to the suggestions of the Postmaster-General, pending such arrangements as the Government of New Zealand may hereafter desire to have carried out.

In my letter of the 9th instant I did not refer to the rates of postage to be charged from the States of America and other countries, but I apprehend that provisions will be made by the Postmaster-General to meet this question in such manner as he may deem expedient for protecting the interest of the Government of New Zealand.

Sir F. Rogers, Bart., Colonial Office.

I have, &c.,  
JOHN MORRISON.

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Enclosure 6 in No. 33.

Sir F. ROGERS to Mr. MORRISON.

SIR,—

Downing Street, 22nd May, 1866.

With reference to your letter of the 18th instant, I am directed by Mr. Secretary Cardwell to transmit to you a copy of a letter from the Secretary to the General Post Office on the subject of the rates of postage to be charged on correspondence for New Zealand and the Australian Colonies *via* Panama.

John Morrison, Esq.

I have, &c.,  
FREDERIC ROGERS.

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Sub-Enclosure to Enclosure 6 in No. 33.

Mr. J. HILL to Sir F. ROGERS.

SIR,—

General Post Office, London, 21st May, 1866.

I have laid before the Postmaster-General your further letter of the 18th instant, enclosing the copy of another letter from Mr. Morrison, the agent for New Zealand, on the subject of the rate of postage to be charged on correspondence for New Zealand and the Australian Colonies forwarded *via* Panama.

The solicitor of this department has advised that a Treasury warrant will be necessary to authorize the collection of the proposed rates in the United Kingdom, and he has been instructed to prepare the draft of such a warrant forthwith.

Provisions will be made in this warrant for levying the following rates in Panama on correspondence posted at the British Packet Agency, or reaching that agency from any place other than the United Kingdom and intended to be forwarded by the new line of packets, *viz.* :—

Six-pence per half-ounce for letters.

Two-pence for each newspaper not exceeding four ounces in weight.

Three-pence for each book packet or packet of patterns not exceeding four ounces in weight.

Sir F. Rogers, Bart.

I have, &c.,  
J. HILL.

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No. 34.

Copy of a Letter from Mr. GISBORNE to Mr. MORRISON.

(248)

SIR,—

Colonial Secretary's Office, Wellington, 24th July, 1866.

I have the the honor, by the direction of Mr. Stafford, to acknowledge the receipt of your letter No. 218 of the 24th May last, and, in reply, to convey to you his approval of the steps taken by you with reference to the transmission of mails from Great Britain to New Zealand by the June mail *via* Panama.

A letter was addressed by this Government last mail, to the Right Honourable the Postmaster-General in London on this subject, and a further communication has been made respecting it to the Imperial authorities by this mail, and the postage rates have been requested to be fixed at the same amounts as are now levied on mails *via* Suez.

John Morrison, Esq.,  
3, Adelaide Place, King William Street, London, E. C.

I have, &c.,  
W. GISBORNE,  
Under Secretary.

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No. 35.

Copy of a Letter from the Hon. E. W. STAFFORD to the Hon. the CHIEF SECRETARY, Victoria.

(No. 255.)

SIR,—

Colonial Secretary's Office, Wellington, 13th August, 1866.

I have the honor to enclose a copy of a letter which I have this day addressed to the Government of New South Wales, on the subject of the present Panama Steam Postal Service, now undertaken on the joint responsibility of that Colony and New Zealand.

I trust that the views expressed in that letter will meet with your favorable consideration, and that the proposed conference of delegates from the Colonies interested in this matter may be held, and attended by a representative of Victoria.

The Hon. the Chief Secretary, Victoria.

I have, &c.,  
E. W. STAFFORD.

Letter of similar tenor and date to the Government of Queensland, Tasmania, and South Australia.

## Enclosure in No. 35.

Copy of a Letter from the Hon. E. W. STAFFORD to the Hon. the COLONIAL SECRETARY,  
New South Wales.

(No. 259.)

SIR,—

Colonial Secretary's Office, Wellington, 13th August, 1866.

Col. Secretary,  
N.S.W., to Col.  
Secretary, N.Z.,  
No. 66-51, June  
15, 1866.

In the correspondence, noted in the margin, which has taken place on the subject of the Panama Steam Postal Service, the question has arisen as to what course should be adopted with respect to the transmission by that route of mails to and from those Australian Colonies which have not yet agreed to contribute to the subsidy now payable in equal shares by the Governments of New South Wales and New Zealand, on account of that service.

Col. Secretary,  
N.Z., to Colonial  
Secretary, N.S.W.  
No. 245, July 23,  
1866.

That question is of great importance; for it not only materially affects the Postal interests of the Australasian Colonies generally, but its unsettlement would tend to create a spirit of jealousy and irritation between those Colonies which in all probability would not be confined to the particular question at issue, but would rapidly spread to, and soon involve all matters in which it is essential to their best interests that they should cordially co-operate.

The Panama Service having now been successfully commenced, it appears to this Government that the fairest course which could be adopted with respect to the transmission of mails by that service to and from the Colonies of Victoria, South Australia, Tasmania and Queensland, would be that each Colony should pay as a contribution to the whole cost of the service, a sum calculated on the proportion which the number of letters and newspapers conveyed on account of each Colony bore to the whole number; or failing this, then such fixed sum as may be mutually agreed upon.

A refusal on the part of any Colony to agree to one or other of the above propositions would appear to necessitate either the imposition of large additional rates of postage on the of hasmeuils Colony, or an absolute prohibition of their transmission by the Panama Line. It is obvious that either result will lead to embarrassment and dissatisfaction, and possibly to more or less successful attempts at evasion. A consideration of these circumstances and of the desirability of having the questions at issue settled as speedily as possible, will, I have no doubt, induce the Government of New South Wales to concur with this Government in inviting the Governments of Victoria, South Australia, Tasmania, and Queensland to send Delegates to confer with persons similarly appointed by the Governments of New South Wales and New Zealand, in order to determine on some plan in reference to this subject, which will secure their co-operation and protect their interests.

Another important subject which might be advantageously considered by the Delegates would be the general rates of postage to be charged for letters and newspapers by the Panama route by sea, and for the transit of the Isthmus.

I would suggest Wellington as a convenient place at which the meeting of Delegates could be held, and I trust that you will join with this Government in communicating with the Governments of Victoria, South Australia, Tasmania, and Queensland, and in earnestly requesting their assent to this proposal.

I have transmitted copies of this letter to those Governments, with an expression of the hope that the suggestion contained in it may meet their views.

Pending a reply from the Colonies I have indicated to the invitation for a conference, it is advisable that their mails be conveyed by the Panama steamers, whether offered to be put on board at Sydney or Wellington. The cost for conveying the same to be subsequently adjusted.

I have, &amp;c.,

The Hon. the Colonial Secretary, New South Wales.

E. W. STAFFORD.

## No. 36.

Copy of a Letter from the Hon. E. W. STAFFORD to the Hon. the COLONIAL SECRETARY,  
New South Wales.

(No. 260.)

SIR,—

New Zealand,

Colonial Secretary's Office, Wellington, 13th August, 1866.

Referring to my letter No. 245, of the 23rd ultimo, I have the honor to call your attention to the urgent necessity which exists for some definite agreement being come to between the Government of New South Wales and this Government, as to the mode of paying their respective shares of the subsidy to the Panama, New Zealand, and Australian Royal Mail Company, on account of that service.

Having regard to the equal responsibility of the two Governments for the payment of this subsidy, the New Zealand Parliament has only made appropriations to meet its own share of the liability on account of it. It would be most convenient, therefore, that instead of money being remitted from one Colony to the other, each Government should pay its monthly proportion direct to the Agent of the Panama, New Zealand, and Australian Royal Mail Company at Sydney and Wellington respectively. I have ascertained that this arrangement would be agreeable to the General Manager of that Company, whose agent in Sydney will in future give the necessary receipts for all such payments, if made to its credit at the Union Bank of Australia, Sydney.

In the meantime, as one month's subsidy had become due before any reply on the subject had been received from you, and the General Manager of the Company had applied for payment of it, representing that if the whole amount were not paid at once great inconvenience would result to the Company, this Government has temporarily advanced the moiety due from New South Wales, amounting to £4583 6s. 8d., which sum I have the honor to request may be refunded by the Government of New South Wales.

The recovery of the penalties, and the payment of the premiums which may arise under the contract can be made by this Government, and afterwards periodically adjusted with the Government of New South Wales.

I have, &amp;c.,

The Hon. the Colonial Secretary, New South Wales.

E. W. STAFFORD.

## No. 37.

Copy of a Letter from the Right Hon. EDWARD CARDWELL, M.P., to Governor SIR G. GREY.  
(No. 70.)

SIR,—

Downing Street, 25th June, 1866.

I have the honor to transmit for your information, a copy of a letter from the Postmaster-General respecting two questions which had arisen in connection with the transit of the Mails from Panama to New Zealand; and I have to request that you will inform me whether your Government concur in the course adopted by Lord Stanley of Alderley.

Copies of a previous correspondence between Mr. John Morrison, this department, and the Post Office, respecting the despatch of the mails from this country by way of Panama, and the rates of Postage to be levied on Letters, Newspapers, Book Packets, and Packets of Patterns, so transmitted are likewise enclosed for your information.

Governor Sir George Grey, K.C.B., &c.

I have, &c.,  
EDWARD CARDWELL.

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Enclosure in No. 37.

Copy of a Letter from Mr. HILL to Sir F. ROGERS.

SIR,—

General Post Office, 11th June, 1866.

With reference to my letters of the 16th and 21st ultimo, I am directed by the Postmaster-General to request that you will state to Mr. Secretary Cardwell that, on proceeding to make up the first mail for New Zealand *via* Panama, questions arose on two points which required immediate settlement.

In the first place, it was necessary to determine what rate should be accounted for by the French Post Office for the conveyance from Panama to Wellington of letters and printed papers originating in France, and in countries the correspondence of which is forwarded through France, and addressed to New Zealand or Australia.

On every description of correspondence despatched from France through the United Kingdom to British Colonies or foreign countries, the payment made by the French to the British Post Office for the transit of those mails is calculated, not on each separate letter, and on each separate packet of printed papers, but at a sum per 30 grammes for letters, and per kilogramme for printed papers according to the net weight in bulk of each class of correspondence.

It would have complicated the accounts, therefore, to have adopted any other mode of calculating the payment to be made by France for this new service between Panama and New Zealand, and the Postmaster-General took upon himself, under the circumstances, to propose to the Director-General of the French Post Office that this payment should be fixed at 1 franc 20 c. per grammes for letters, and 1 franc per kilogramme for printed papers. The proposal has been accepted.

The French Post Office will account to this office at the rates specified on all the correspondence which it sends to London for transmission to New Zealand *via* Panama; and this office will account at a like rate to the Post Office, Wellington.

The other question was, whether the privilege enjoyed by Naval Officers and seamen in the Royal Navy of sending and receiving their letters by British Mail Packets at reduced rates of postage, would apply to letters forwarded to New Zealand by the Colonial Mail Packets from Panama; and the Postmaster-General, believing that such would be the wish of the Government of New Zealand, gave directions that the letters in question should be sent *via* Panama without any additional charge.

I am to request that Mr. Secretary Cardwell will be good enough to communicate these circumstances to the officer administering the Government of New Zealand, and to ascertain whether the course adopted meets with his approval.

Sir Frederick Rogers, Bart., &c., Colonial Office.

I am, &c.,  
F. HILL.

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No. 38.

Copy of a Letter from Mr. S. H. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 4th August, 1866.

I am directed to acknowledge receipt of the Honorable the Postmaster-General of New Zealand's letter, dated the 21st ultimo, in reply to a letter from this department dated the 15th June.

I am to express regret that the third paragraph of that letter was not understood; and now to explain its real meaning, which is as follows: That an account of postages on correspondence posted in Sydney, addressed to New Zealand, and forwarded by the Panama contract steamers, will be kept; but the usual credit for two-thirds of those receipts will not be given on the letter bills until it is ascertained whether, in lieu of this, the Colony will be credited with a certain portion of the Imperial Government's contribution to the Intercolonial Mail Service between Australia and New Zealand.

The Secretary, General Post Office,  
Wellington, New Zealand.

I have, &c.,  
S. H. LAMBTON,  
Acting Secretary.

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No. 39.

Copy of a Letter from the Hon. POSTMASTER-GENERAL, Wellington, to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 8th September, 1866.

I have the honor to acknowledge receipt of your letter of 31st May last, acquainting me with

the arrangements which had been made by Her Majesty's Postmaster-General for the transmission of mails by the Panama New Zealand and Sydney Mail Steamers, and with the rates of postage which had been fixed for correspondence to be sent in those mails, as well as the amount of postage which will have to be accounted for by this department to the General Post Office in London on correspondence from New Zealand for other British Colonies and foreign countries.

Your letter did not reach Wellington in time to admit of some of the instructions it conveyed being given effect to in the case of the mails despatched from hence on the 24th June and 24th July. I presume however that in the case of any correspondence for which the proper amount of postage, has, owing to this circumstance, not been credited in the letter bills to the British Packet Agency at Panama, or to the Post Office in London, the necessary corrections will have been made at these offices. Henceforward the instructions above mentioned will be carried into effect as far as practicable.

An officer of this department who was despatched by the "Kaikoura" on the 24th June (before the receipt of your letter under reply), to make any arrangements that might be found necessary for the transmission of mails across the Isthmus,—reports to me that he was requested by the British Packet Agent at Panama to have the correspondence from New Zealand to the United States, California, Costa Rica, Salvador, Nicaragua, Honduras, Guatemala, and each of the British West India Islands, made up in closed mails addressed to those places. As this however appears to be at variance with the desire expressed by you,—that the correspondence in question should be forwarded in one mail, addressed to Panama, I shall feel obliged by more definite instructions on the subject: until these can be received, the correspondence referred to will be sorted into separate bags, but these will be delivered open to the British agent at Panama.

I gather from your letter that all correspondence for New Zealand, not specially directed to be sent *via* Panama, and posted in the United Kingdom between the 2nd and the 20th of the month, is forwarded *via* Suez, and that posted between the 20th and the 2nd, is unless otherwise specially directed, sent *via* Panama. As however correspondence for Wellington, Picton, Nelson, New Plymouth, and Napier, even if posted before the 20th of the month, will reach its destination sooner if kept back for the mail *via* Panama, than if sent *via* Suez, I beg to request that no correspondence for those places may be sent *via* Suez, unless specially so directed.

You will have been informed by the letter from my predecessor of 24th July, that it was the wish of this Government, the same rates of postage should be charged on letters, &c., forwarded *via* Panama, as on those sent by way of Suez. It is probable that a modification will have to be made on those rates so far as regards newspapers and book packets, but pending more definite arrangements between this Colony and New South Wales, and also the consideration of the whole question by the General Assembly of this Colony, I shall feel obliged by the Suez rates being adhered to.

I shall also be glad to be informed whether an arrangement can be made under which this Colony shall collect only the postage which will belong to it, leaving the charge for the conveyance of letters, newspapers, &c., from Panama, or from London to other British Colonies and foreign countries, to be collected on delivery.

It will be a convenience to this department, if, instead of including the correspondence for all the Australian Colonies in the mails for New Zealand *via* Panama, you will be good enough to cause the correspondence for Queensland, New South Wales, Victoria, Tasmania, South Australia, and Western Australia, to be made up in separate mails for Sydney, transmitting to this department a copy of the letter bill.

The Secretary, General Post Office, London.

I have, &c.,  
JOHN HALL, Postmaster-General.

#### No. 40.

Copy of a Letter from the Hon. POSTMASTER-GENERAL, New Zealand, to the Hon. POSTMASTER-GENERAL, Sydney.

SIR,—  
General Post Office, Wellington, 8th September, 1866.

I have the honor to transmit herewith copy of a letter dated 3rd May, from the Secretary to the General Post Office, London, enclosing tables of postage rates to be accounted for by this department to the Imperial Government on correspondence to certain colonies and foreign countries forwarded from New Zealand and Australia in the mails to Panama and the United Kingdom.

It appears from this communication that the London Office has debited and continues to debit New Zealand with the rates specified in those tables on all such correspondence, whether from Australia or New Zealand, received at the British Post Offices in Panama and London, and also with the cost of transporting the Australian Mail across the Isthmus of Panama; which cost amounts to elevenpence per pound on the whole bulk of the mail, whether letter, newspaper, or book packet.

I request, therefore, you will be good enough to take the necessary steps for crediting this department with the proportion of the charges above referred to, which may be applicable to the mails that have either already been or may hereafter be forwarded from Sydney.

The Hon. the Postmaster-General, Sydney.

I have, &c.,  
JOHN HALL, Postmaster-General.

#### No. 41.

Copy of a Letter from the Hon. COLONIAL SECRETARY, New South Wales, to the Hon. COLONIAL SECRETARY, New Zealand.

(No. 66-3832, 66-85.)

New South Wales,

SIR,—  
Colonial Secretary's Office, Sydney, 1st September, 1866.

I have the honor to acknowledge the due receipt of your letters, No. 245, of 23rd July, and No. 259, of the 13th ultimo, on the subject of the Panama Steamship Service, and I now return for the

further consideration of your Government the draft Articles of Agreement transmitted by your previous communication of the 15th of May, with such amendments as appear to be necessary to carry out the conditions of contract in my letter to you of the 15th of June. For the more ready examination these alterations and additions are written in red ink on your draft. Should you concur in the amended agreement now submitted, you will perhaps prepare an instrument embodying the terms of contract between the two Colonies so assented to, and it will be executed without further delay on the part of New South Wales.

2. I much regret that you should have taken a view of this undertaking, and of the interests of the two Colonies engaged in it, so materially differing from the views of this Government. In my letter of the 15th of June I definitely informed you of the conditions which would be insisted upon in any contract entered into by New South Wales for carrying out the Panama Service, and as these conditions were based on the position of equal pecuniary responsibility which this Colony was called upon to occupy in conjunction with New Zealand, it was not supposed that they would be objected to, unless it could be shown that they prejudicially affected your interests. You, however, have considered it your duty to take a course which evinces a disregard of our interests quite irreconcilable with the admission on your part of our equal authority in controlling the service. With the hope that this course will not be persisted in, I now invite your attention to the considerations that have influenced the Government of New South Wales in arriving at its decision.

3. The Colony of Victoria is the Australian Colony most largely interested in the successful opening of the route to America and Europe *via* the Isthmus of Panama. The position assumed by that Colony from first to last has been, if not one of discouragement and hostility to the undertaking, at least one in which she has steadily refused to contribute towards the cost of it. In the early part of last year when Dr. Featherston, the Representative Agent of the New Zealand Government, submitted to the Government of Victoria the whole question as stated in his Minute of 10th March, 1865, with a view to the neighbouring Colony participating in the establishment of the proposed service, Mr. McCulloch replied at some length in support of his refusal. So far back as the 28th of February last this Government again opened the question to the Victorian Government, urging several reasons why the Colony of Victoria should join with New South Wales in contributing towards the payment of the subsidy agreed upon by New Zealand. On the 22nd of June last a second letter was addressed to the Government of Victoria, in which the interest of that Colony in the opening of the Panama route was urged as a reason for the reconsideration of the subject; and in the event of no contribution being made it was distinctly stated that all mails must be forwarded by way of Sydney. Though we expressly desired to be informed of any decision in the matter, no reply to either of these letters has been received up to the present date from the Government of Victoria. Copies of both these communications are enclosed for your information.

4. I also inclose copies of correspondence between this Government and that of Queensland, by which it will be seen that the latter Colony though sufficiently courteous to reply to our communications, at the same time positively declines to bear part of the burden.

5. Under these circumstances it appears unreasonable on the part of your Government to entertain any desire of placing the other Australian Colonies on the same footing as New South Wales, or the expectation that we could possibly concur in any such arrangement. These Colonies would be practically placed in a position of equal advantage, as pointed out in my letter of 15th of June, if mails were received by steamers leaving their respective ports at dates calculated to meet the mail steamer at Wellington.

6. In your letter of the 23rd of July you ask to be informed of our particular reasons for insisting upon the mails from the non-contributing Colonies being forwarded by way of Sydney. The reasons for this course as stated above and explained more fully in my letter of the 15th of June, are sufficiently obvious. We do not see why New South Wales should pay for the accommodation of these Colonies. This Government, however, will be prepared to concur in any equitable arrangement for admitting them to full participation in the benefits of the service whenever any of them may consider it desirable to open negotiations with that object.

7. Referring more especially to your letter No. 259, of the 13th ultimo, I am bound to dissent from your opinion that any danger can arise to the adjustment of questions of general interest between the Colonies in this hemisphere by New Zealand and New South Wales insisting upon directing, for their own advantage, a costly service which they are left exclusively to support from their public revenues. It is open to the other Colonies at any time to become parties to this service, but it does not appear to be probable that they would take much trouble to this end if they were allowed to enjoy all the substantial conveniences without incurring any of the responsibilities attached to it.

8. This Government does not entertain much hope of any practical good arising from a Postal Conference in Wellington such as you suggest nor is it likely that those Australian Colonies that have declined to take any part in establishing the Panama Service will consider themselves to be sufficiently interested in the matter to appoint delegates. The adjustment of the postage rates, all arrangements for facilitating transit across the Isthmus of Panama, and the modification of the time table, so as to bring the performance of the journey from Southampton to Sydney within the time occupied by the journey *via* Suez must, I apprehend, be effected by the Governments of New Zealand and this Colony in communication with the contracting company and the Imperial Government.

9. I am informed by telegrams in the public journals that mails have been again despatched from Melbourne by branch steamers in order to their transshipment on board the "Rakaia" at Wellington. I do not suppose that these mails or any other mails coming from ports in Australia or Tasmania other than the port of Sydney will be forwarded, in view of the decision of this Government as now communicated. But should you feel yourself constrained to disregard the terms which are considered essential to any contract to be entered into by New South Wales in carrying out the understanding arrived at with Dr. Featherston, and again forward mails, transhipped at Wellington from any of the non-contributing Colonies, that act will be held by this Government as a release from its engagements in respect to the Panama Service on payment of its proportion of the subsidy up to the present date.

10. In submitting for your early consideration the views of this Government on the whole question

as between the contributing Colonies, and those Colonies that refuse to contribute, I am desired by His Excellency Sir John Young to express the anxiety of this Government to continue in association with New Zealand in carrying out this important service.

The Hon. the Colonial Secretary, New Zealand.

I have, &c.,

HENRY PARKES.

### Enclosure 1 in No. 41.

#### COPY OF ARTICLES OF AGREEMENT.

Articles of Agreement made and entered into the \_\_\_\_\_ day of \_\_\_\_\_ in the year of our Lord 1866, between His Excellency the Right Honorable Sir John Young, Baronet, Knight Commander of the Most Honorable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Captain-General and Governor-in-Chief of the Colony of New South Wales and Vice Admiral of the same, [acting herein for and on behalf of the Government of the said Colony,] of the one part, and His Excellency Sir George Grey, Knight Commander of the Most Honorable Order of the Bath, Governor and Commander-in-Chief in and over Her Majesty's Colony of New Zealand and its Dependencies, and Vice Admiral of the same, [acting herein for and on behalf of the Government of the said last-mentioned Colony,] of the other part.

Whereas, by a certain letter or memorandum in writing, dated the tenth day of March, one thousand eight hundred and sixty-five, and signed by Isaac Earl Featherston, the agent for that purpose duly authorized by the Government of New Zealand, and by a certain other letter or memorandum in writing dated the twenty-second day of April, one thousand eight hundred and sixty-five, and signed by the Honorable Charles Cowper, the Colonial Secretary of the Colony of New South Wales, it was agreed between the said Isaac Earl Featherston, as such agent as aforesaid, and the said Charles Cowper, on behalf of the Government of New South Wales, that a certain postal service theretofore contracted for between the Postmaster-General of the Colony of New Zealand and the agent of "The Panama New Zealand and Australian Royal Mail Company (Limited)," for the carriage of Her Majesty's Mails between England and New Zealand by way of Panama and *vice versa*, should be extended for the benefit of the said Colony of New South Wales upon the terms in the said letters or memoranda respectively mentioned or referred to.

And whereas by certain articles of agreement intended to bear even date with these presents and be made between the said Sir George Grey, Governor, \* \* \*

\* \* \* Provision has been made for extending the said postal service for the benefit of the said Colony of New South Wales upon terms and conditions approved of by the Government of the said Colony, and it has been arranged that the terms and conditions upon which as between the Colony of New Zealand, and the Colony of New South Wales, the said Postal Service is so extended should be set forth in [or expressed in] and ratified by these presents: Now these presents witness that the said Sir George Grey, Governor, as aforesaid, by and with the advice and consent of the Executive Council of the Colony of New Zealand, doth hereby [for and on behalf of the Government of the said Colony], agree with the said Sir John Young, Governor, as aforesaid, [representing and in this agreement acting on behalf of the] Colony of New South Wales: And the said Sir John Young, Governor, as aforesaid, by and with the advice and consent of the Executive Council of the said Colony of New South Wales [for and on behalf of the Government of the said] Colony doth hereby agree with the said Sir George Grey, Governor of the Colony of New Zealand, [representing and in this agreement acting on behalf of] the said last mentioned Colony as follows:—

[That the said letter or memorandum in writing, dated the eleventh day of March, A.D. 1865, and the said other letter or memorandum in writing dated the twenty-second day of April, A.D. 1865, and this present memorandum of agreement, shall be considered as together constituting the agreement between the Governments of New Zealand and New South Wales, under which the rights and liabilities of the said Governments in respect of or in relation to the said Mail Service are defined, the said memoranda and these presents being read as constituting one agreement: Provided that these presents shall be considered in respect to any proviso stipulation or agreement in which they may differ from the said memoranda, as expressing the final intention of the parties hereto.]

That the services provided for by the said articles of even date herewith shall be continued until the expiration of the period by the said articles, provided unless in the meantime it shall be agreed between the Government of New South Wales and the Government of New Zealand that notice should be given for an earlier termination thereof.

That so long as the Government of the Colony of New South Wales continue to be interested in and participate in the said contract no future or other contract shall be entered into with the said Company for such services as are in and by the said articles of even date with these presents mentioned and provided for [nor shall the said contract be varied or altered in any respect] without the [concurrence] of the Government of New South Wales, testified by writing under the hand of

first had and obtained, and no contract, agreement, or arrangement with the Imperial Government or with any Foreign or other Colonial Government, in any wise affecting the services so provided for, shall be made or entered into by either the Government of New Zealand or the Government of New South Wales without the [concurrence] of the other of them.

That during the continuance of the service provided for by the said articles of even date herewith the [said] Colony of New South Wales shall pay or contribute towards the expense of such service the sum of £ \_\_\_\_\_ by equal monthly instalments of £ \_\_\_\_\_ per month.

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The alterations and additions proposed by the New South Wales Government are shown within brackets.

That the payment of the premiums by the said articles of even date herewith provided to be paid to the said Company in certain cases shall be borne by the Colony of New Zealand, and the Colony of New Zealand shall be entitled to the penalties or forfeitures by the Company so provided, if any shall arise.

[That during the continuance of this agreement the Port of Sydney shall be the western terminus of the said Mail Service to which all the said Company's steamers conveying mails for the Governments of New Zealand and New South Wales shall come as their final port of discharge on the voyage from Panama, and from which the said Company's steamers shall start on the return voyage to Panama, it being the intention of the parties hereto that the mails carried for the New South Wales Government shall at all times be delivered in the Port of Sydney by the vessel on board of which they shall be shipped at Panama, and at Panama, by the vessel on board of which they shall be shipped at Sydney.]

[That during the continuance of this agreement, the Government of New Zealand shall not permit or suffer any letters, newspapers, book parcels, or other things ordinarily carried by post, which may be received at any port or place in New Zealand, from or through any Colony which does not, by arrangement with the said Governments of New Zealand and New South Wales, contribute to the amounts paid by the said Governments to the said Company for the said Mail Service to be conveyed by the said Company's steamers either as a distinct mail or portions of a mail forwarded by such steamer, or as a portion of any mail made up of letters, newspapers, or book parcels posted in New Zealand, but shall, in the event of any letters newspapers or book parcels, posted at New Zealand to be carried by such mail, bearing the postage mark or stamp of any Colony not contributing as aforesaid, exclude such letters, newspapers, and book parcels from the said mail.]

[All mails made up for transmission by this Mail Service from any port or place in Tasmania, or in any port or place in any of the Colonies of Australia, not contributing to the subsidies to be paid by the Colonies of New Zealand and New South Wales to the said Company for the said Mail Service, shall be forwarded to the Port of Sydney for transmission by the said Mail Service, at which port the sea postage in respect thereof will have to be paid, and shall not be received in any port or place in New Zealand to be forwarded from thence.]

[The Government of New Zealand shall at the expiration of each and every month during the continuance of this agreement, furnish to the Government of New South Wales a return specifying the number of all letters, newspapers, and book parcels forwarded from New Zealand by the Mail steamer during the month, and a like return shall, at the expiration of each month, be forwarded by the Government of New South Wales to the Government of New Zealand.]

[Provided always that if the Panama New Zealand and Australian Royal Mail Company shall in any particular fail to observe, perform, and keep all and every the terms and conditions of the said hereinbefore recited agreement, bearing even date herewith, for extending the said Postal Service for the benefit of the said Colony of New South Wales, or if the Government of New Zealand shall not in all things perform, observe, and keep all and every the agreement contained in these presents, according to the true intent and meaning hereof, it shall be lawful for the Governor for the time being of the Colony of New South Wales on behalf of the Government of the said Colony, by notice in writing under his hand directed to the Governor for the time being of the Colony of New Zealand, to terminate this agreement; whereupon all liability of the said Colony of New South Wales to contribute to the expenses of the said Postal Service shall at once and from thenceforth absolutely cease and determine, as if the said memoranda signed by the said I. E. Featherston and Charles Cowper respectively, and these presents had not been signed or entered into.]

### Enclosure 2 in No. 41.

Copy of a Letter from the CHIEF SECRETARY, Victoria, to the HON. COLONIAL SECRETARY,  
New South Wales.

SIR,—

Chief Secretary's Office, Melbourne, 16th February, 1866.

The unsatisfactory manner in which the Peninsular and Oriental Steam Navigation Company has for some time past carried on the Steam Postal Service between England and Australia has been so apparent as to render superfluous any lengthened argument in support of the proposition for concerted action on the part of the Colonies interested, in order to secure greater regularity of communication.

There can be no doubt that, as suggested by the Government of South Australia, the time has arrived when the Colonies should unite in order thoroughly to investigate the question, and to devise means for carrying on the service, if necessary, independent of the present contracting Company, which it is feared will not, in the absence of any competing power, be induced to apply itself in a cordial spirit effectually to redress the grievances of which the Colonies have such just cause for complaint, even although the subsidy should be augmented in its favor.

It must be admitted that the magnitude of the resources of the Peninsular and Oriental Steam Navigation Company, gives it a most decided advantage over any enterprise dependent for success on the local means at present developed in Australia, and that should it be found necessary to adopt an entirely new system, the Colonies must be prepared to incur, at the outset, the risk of even greater inconveniences and delays than those we are subject to at the present time.

Notwithstanding this, the Government of Victoria feel that it is better not to shrink from encountering the probable temporary evil adverted to, when by such sacrifice the steam postal communication with England may ultimately be placed on a permanently satisfactory and efficient footing.

With these views I am directed by His Excellency Sir Charles Darling to invite the co-operation of your Government, and to suggest, as the best means by which the desired end may be attained, that the Australian Colonies should appoint delegates to meet in Melbourne, as the most central spot, for the purpose of considering whether, and at what period, it would be advisable to terminate the existing



contract with the Peninsular and Oriental Steam Navigation Company, and to inquire into and suggest the best means by which the Ocean Postal Service may be provided for, assuming that the connexion with the Company were to be dissolved.

A communication to the same effect has been addressed to the respective Governments of South Australia, Tasmania, and Queensland.

I have, &c.,  
JAMES McCULLOCH.

Enclosure 3 in No. 41.

Copy of a Letter from the Hon. COLONIAL SECRETARY, New South Wales, to the CHIEF SECRETARY, Victoria.

SIR,—

Colonial Secretary's Office, Sydney, 28th February, 1866.

I am directed by His Excellency Sir John Young to acknowledge the due receipt of your letter of 16th February, bringing under the notice of this Government the unsatisfactory manner in which the Peninsular and Oriental Steam Navigation Company has for some time past carried on the Postal Service between England and Australia, and suggesting, as the best means of devising a remedy for the serious inconveniences now suffered by the Australian Colonies from this cause, that delegates from South Australia, Tasmania, Queensland, and New South Wales, should meet a representative of your Government in Melbourne, to consider the whole subject.

The Government of this Colony is fully alive to the magnitude of the interests that have been disarranged and injured by the failure of the contracting Company to perform the service within the terms of their engagement, and already the expediency of retiring from the contract has been under consideration. The means of redress to which your suggestions directly point will sooner or later be forced to a practical trial. Whether the resources of the Australian steam ship companies are at present equal to an undertaking which the most powerful Company in the world has so imperfectly carried through may be fairly held in some doubt, without questioning for a moment the power of the Colonies to terminate a grievance so generally felt, or the advisability of adopting immediate steps for this purpose. The Australasian Steam Navigation Company has opened communication with this Government with the view of tendering for the contract, and, in the event of tenders, open to the Colonies, being called for, is prepared to take up the service at a reduced subsidy. The Company has now afloat four powerful vessels which the Directors consider capable of successfully performing the passages between Australia and the Red Sea, and it is urged by them that the time necessary for the termination of the existing contract would be sufficient for the building of other vessels expressly adapted for the service. On the whole, it is hoped that no serious drawbacks would arise from a transference of the service to the hands of Colonial contractors.

The port of Sydney being the last point of arrival and the first of departure in Australia, this Colony, as a consequence, has suffered more severely than Victoria or South Australia, from the irregularities in the Suez Mail Service; and we cannot be supposed to be less desirous than the Southern Colonies of a thorough investigation of the whole question, in order to arrive, as speedily as possible, at a more satisfactory permanent condition. It appears to this Government, however, that the matter might be discussed by letter, without the necessity of a Conference in Melbourne; but, should the other Colonies fall in with the proposal of the Government of Victoria, no difficulty on this point will be raised here.

Connected with the general subject, I am directed to invite your attention to the engagement which this Government has entered into with the Government of New Zealand for establishing a line of Steam Communication between England and Australia *via* the Isthmus of Panama, and the immediate prospect of the opening of this line. It will probably be known to you that this route has, at all times, found many advocates in New South Wales, who have supported it, not merely as a means of postal communication, but as likely to contribute very materially to the commerce and traffic of this portion of Her Majesty's Dominions. The Isthmus of Panama may be regarded as the great gathering ground of converging streams of population, which again diverge from that point and distribute themselves to all parts of the world; and the elements of industrial and commercial enterprise and accruing wealth, thus carried forth, may be confidently expected to flow largely in upon these Colonies, and beneficially influence their progress and prosperity. At the Port of Colon, as also on the Pacific side, steam passenger ships arrive and depart almost daily, keeping up a complete system of rapid communication with England and France, the Atlantic States of America, the West Indies, Mexico, California, British Columbia and all parts of the West Coast of South America. The contracting Company have built ships for the Australian and Panama service of 1500 to 1800 tons register, and 450 to 500 horse power, combining high rates of speed with adequate accommodation for first, second and third class passengers; and the first vessel is expected to arrive at Sydney in April next.

At present the Government of New South Wales is responsible for the whole amount of the Australian subsidy for this important service, and it is now submitted whether a fair contribution should not be paid by the Government of Victoria for the postal and other advantages which your Colony will undoubtedly derive from it. Should the whole burden of this undertaking be left to New South Wales by the Southern Colonies, it may become a question for serious consideration whether this Government is not called upon to retire altogether from the Mail Service *via* Melbourne and King George's Sound—trusting to such friendly intercolonial arrangements as may be hereafter effected for extending the postal accommodation of the two services to all.

I have, &c.,  
HENRY PARKES.



## Enclosure 4 in No. 41.

Copy of a Letter from the Hon. COLONIAL SECRETARY, New South Wales, to the CHIEF SECRETARY, Victoria.

SIR,—

Colonial Secretary's Office, Sydney, 22nd June, 1866.

Referring to my letter of 28th February on the subject of ocean postal communication, I am now directed by His Excellency Sir John Young to invite your attention to the concluding paragraphs of that letter.

2. The opening of the direct route to the United States and Europe by way of the Isthmus of Panama is of so much importance to the whole of the Australian Colonies, and more particularly to the great commercial Colony of Victoria, that the subject, it is presumed, has already received the consideration of your Government. As you will have been apprised by the public journals, the first steam ship of the new line left Sydney on the 15th instant; the second vessel will leave on the 15th of July. Afterwards the date of departure on this side will be changed to the first of each month.

3. I shall be glad to be informed of any decision arrived at by the Government of Victoria in respect to this service, and the subsidy to be paid to the contracting Company in order to the due consideration of any modification of existing arrangements which may be necessary to meet your interests. As matters now stand, the whole cost being jointly borne by New South Wales and New Zealand, so also will the control of the service be confined to this and the neighbouring Colony.

4. Mails will be carried by the ships of the new service *via* Panama for all parts of America and Europe; but, in the case of the other Australian Colonies not contributing to the subsidy, arrangements must be specially made by which the mails will be sent to Sydney for transhipment, and the amount of the sea postage credited to the Governments of New South Wales and New Zealand. No mail from Tasmania or from any port in Australia except Sydney will be received on the mail steamer at Wellington.

5. It is desirable that proper precautions should be taken to despatch all mails intended for the Panama route sufficiently early to reach Sydney before the departure of the mail steamer at the time notified.

The Hon. the Chief Secretary, Melbourne.

I have, &c.,

HENRY PARKES.

## Enclosure 5 in No. 41.

Copy of a Letter from the Hon. COLONIAL SECRETARY, New South Wales, to the Hon. COLONIAL SECRETARY, Queensland.

SIR,—

Colonial Secretary's Office, Sydney, 18th June, 1866.

Calling your attention to the negotiations opened with your Government, by Dr. Featherston, on behalf of the Government of New Zealand, in March, 1865, for establishing regular steam communication between Australia and Panama, I have now the honor to submit for your consideration the whole subject of this steam service.

2. As you are no doubt aware from the ordinary channels of intelligence, the first steam ship, the "Kaikoura," left Sydney, on the 15th instant, to open this line of communication, while another vessel has been sent round by Cape Horn, to open it on the other side of the Pacific, at the same time. A second vessel, to continue the service from the Australian terminus, has arrived in these waters.

3. These vessels have been built by the contracting Company, with a careful regard to the introduction of all the latest improvements derived from experience in steam postal navigation. Accommodation for a large number of passengers, at fares graduated to meet the means of the different classes of society, has been successfully combined with high rates of speed; and every precaution appears to have been taken to adapt the ships to the peculiar character of the navigation in which they are to be employed. The fine passages made by both vessels from England to the Colonies afford the best ground for confidence in the punctual performance of the contract.

4. The importance of this steam ship service, it is believed, will not be questioned by persons who have paid attention to the subject; and the many natural elements of success which will at once come into active play on the opening of the route, can scarcely fail of rendering it permanent. A line of steam ships that will place these Colonies in direct communication with both the Pacific and Atlantic ports of the United States, the rich countries of South America, and the British Colonies of Canada and the West Indies, as well as with England and France, and the other nations of Europe, must, as its benefits become known and understood, command a general support. Nor can it be supposed that the Colony of Queensland has not a close interest in the success of this enterprise, or is indisposed to share in its direction and its advantages.

5. It is now, when the service has been actually commenced, and commenced under every condition of success which capital, experience, and foresight could secure, that I invite you to consider the expediency of co-operating with this Government in the support of the new line. I am directed by His Excellency Sir John Young, to supply you with the accompanying Parliamentary Paper, explanatory of the negotiations that have taken place on the subject, and to inform you of the nature and extent of the engagements of New South Wales in carrying out the undertaking. The contracting Company is engaged to connect the port of Sydney and the port of Panama *via* the port of Wellington by a ten knot service, for which the Company is to receive an annual subsidy of £110,000. For this subsidy New Zealand and New South Wales are jointly responsible; but the sum will be subject to reduction by the amount of the sea postage between Australia and Panama, and between Colon and England. The arrival and departure of the steam ships at Panama, will be timed to connect with the departure and arrival of the Royal Mail Company's ships on the Atlantic side. At present, this Colony and New Zealand have entire control of the service.

6. Though I may acknowledge that some disappointment has been felt at the absence of co-oper-

tion on the part of the Australian Colonies in this undertaking, still, the Government of New South Wales is fully prepared to act in concert with the Government of New Zealand in carrying out the contract, even if no assistance be extended to it by the neighbouring Governments. But it is thought, from the favorable views conveyed to Dr. Featherston in your letter of 27th March last year, that it is a step not less due to you than to the interest of this Colony, to submit the matter as it now stands, for the further consideration of the Government of Queensland.

The Hon. Colonial Secretary, Queensland.

I have, &c.,  
HENRY PARKES.

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Enclosure 6 in No. 41.

Copy of a Letter from the Hon. COLONIAL SECRETARY, Queensland, to the Hon. COLONIAL SECRETARY, New South Wales.

(No. 66—152.)

Colonial Secretary's Office,

SIR,—

Brisbane, Queensland, 5th July, 1866.

I have the honor to acknowledge the receipt of your letter of the 18th ultimo, submitting for the consideration of this Government, the subject of the Steam Postal Service between the Australian Colonies and Europe *via* Panama, which has recently been established, and further expressing a hope that this Colony will not be indisposed to bear a proportionate share of the expense of maintaining this new service. In reply, I have to inform you that this Government is not in a position to take any action in furtherance of the mail service above referred to, as the question of the Torres Straits route is one more immediately affecting the interests of Queensland, and to such this Government deems itself at present more specially pledged.

The Hon. Colonial Secretary, New South Wales.

I have, &c.,  
R. R. MACKENZIE.

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No. 42.

Copy of a Letter from the Hon. E. W. STAFFORD to the Hon. H. PARKES.  
(No. 321.)

Colonial Secretary's Office,

SIR,—

Wellington, 3rd October, 1866.

I have the honor to acknowledge the receipt of your letter No. 66-85, of the 1st ultimo, returning the draft Articles of Agreement between the Colony of New South Wales and New Zealand, relative to the Panama Steam Postal Service with certain amendments.

This Government agrees substantially to those amendments, and an early opportunity will be taken to forward to you an instrument embodying the terms of agreement assented to between both Colonies, for execution by the Government of New South Wales.

I have to express my regret that it should have appeared to you that any course suggested by me evinced a disregard of the interests of New South Wales in connection with the Panama Steam Service, as this Government has always considered that the two Colonies, New South Wales and New Zealand, have an equal interest in the success of that service. As that success would, however, to a great extent, be promoted by securing the cordial co-operation of all the Australasian Colonies interested therein, the suggestions of this Government were made with a view of avoiding a hostile attitude towards those Colonies who are as yet not parties to the contract, but rather, by friendly consultation, of inducing them to recognize that their interests, and especially those of Victoria required a definite agreement to be made with them for the transmission of their mails.

If, however, as I infer from your last letter, those Colonies are so indifferent to the subject as to decline to enter into any such agreement, they must inevitably be subjected to the disadvantages which its absence will entail.

In this matter the Government of New South Wales and New Zealand can have only one ultimate object; and, whatever differences of opinion may hitherto have existed as to the best means of attaining it, it is desirable that they should cordially unite in giving effect to those measures which they may both agree in believing to be most conducive to that end.

The information to which you refer, in the ninth paragraph of your letter, as conveyed by telegram is incorrect. No mails, direct from Melbourne, except by the first steamer, the "Kaikoura," have been received here for transmission by the Panama steamers, and strict directions have been given to the Chief Postmasters that no such mails are to be forwarded by the Panama mail steamers. Accordingly all such mails in future, if received in New Zealand, will be sent to Sydney for transmission thence, so soon as the necessary payment for their conveyance is made.

It affords this Government much pleasure to reciprocate the anxiety expressed by His Excellency Sir John Young, on behalf of the Government of New South Wales, to continue in association with New Zealand in carrying out this important service, which we earnestly believe will largely promote the best interests and beneficial influence of the Colonies by which it has been established.

The Hon. the Colonial Secretary, New South Wales.

I have, &c.,  
E. W. STAFFORD.

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No. 43.

\* Copy of a Letter from the Hon. E. W. STAFFORD to the Hon. H. PARKES.  
(No. 320.)

Colonial Secretary's Office,

SIR,—

Wellington, 3rd October, 1866.

With reference to my letter No. 260, of the 13th August last, to which I have not been favored with any reply, I have now the honor to enclose a statement of account, showing the further

payments made to the Panama New Zealand and Australian Steam Company, on account of the Panama Service, and the share of the subsidy due by the Government of New South Wales on account of it, for the months of July, August, and September last, and to request you to be good enough to cause the sum now due, amounting to nine thousand one hundred and sixty-six pounds thirteen shillings and fourpence, to be remitted to the Government of New Zealand.

I have also to request to be informed in what manner your Government proposes to make the payments for which New South Wales will be liable, as they become due in each succeeding month.

I have, &c.,

E. W. STAFFORD.

The Hon. the Colonial Secretary, New South Wales.

*Panama New Zealand and Australian Steam Service.*

The following payments have been made on account of this Service:—

	£	s.	d.
July	9,166	13	4
August	4,583	6	8
September	4,583	6	8
	2) 18,333	6	8
	<u>£9,166</u>	<u>13</u>	<u>4</u>

