

E.—No. 1.

# FURTHER PAPERS

RELATIVE TO

# THE PANAMA MAIL SERVICE.

(IN CONTINUATION OF PAPERS PRESENTED 3RD JULY, 1866.)

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

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WELLINGTON.

—  
1867.



## FURTHER PAPERS RELATIVE TO THE PANAMA MAIL SERVICE.

### CORRESPONDENCE WITH THE SECRETARY OF STATE.

#### No. 1.

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

SIR,— Government House, Wellington, 7th September, 1866.  
In my Despatch No. 72, of the 24th of July last, I reported the complete and successful establishment of a line of steamers between Panama and Australia, by which a new and short line of postal communication was opened between Great Britain, New Zealand, and New South Wales.

2. I have since received a letter from the General Manager of the Panama New Zealand and Australian Mail Company representing that they are most anxious to place a small depôt of coal and stores at some suitable island in the Pacific, and that they are of opinion that the Galapagos Islands, or the Island of Opara, would be the most convenient and suitable point for the proposed purpose, but that they require further information regarding these islands, and, if practicable, a survey of the latter island.

3. I have the honor to enclose a copy of the letter from the General Manager of the Company, and I should feel much obliged to you if you would request the Lords Commissioners of the Admiralty to supply the information which the Company require.

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

I have, &c.,

G. GREY.

#### Enclosure in No. 1.

Copy of a Letter from H. B. BENSON, Esq., to Governor Sir GEORGE GREY, K.C.B.  
Panama New Zealand and Australian Royal Mail Company (Limited), Sydney, Melbourne, and  
New Zealand.

SIR,— Wellington, 4th August, 1866.  
I have the honor to acquaint you that my Directors are most anxious to place a small depôt of coal and stores at some suitable island in the Pacific for the accommodation of their steam ships employed in the mail service between this port and Panama. After much consideration they are of opinion that Galapagos or Opara are the most convenient. As only one station is required, I think Opara the best; and your Excellency would confer a very great favour on the Company if you could procure for us a survey and information of this island. Its position, according to Raper, is latitude 27° 38' south, longitude 144° 13' west.

I have, &c.,

H. B. BENSON,  
General Manager.

His Excellency Sir George Grey, K.C.B., &c.

#### No. 2.

Copy of a Despatch from Lord CARNARVON to His Excellency Sir GEORGE GREY, K.C.B.

SIR,— Downing Street, 14th December, 1866.  
I have the honor to acknowledge the receipt of your Despatch No. 87, of the 7th September last, forwarding a copy of a letter addressed to you by the General Manager of the Panama New Zealand and Australian Mail Company, in which he represents the desire of the Company to establish a depôt for coal and stores either at the Galapagos Islands, or the Island of Opara; and requests your assistance in procuring for the Company a survey of the latter island.

I have to request that you will inform the Directors that Her Majesty's Government cannot detach a man-of-war to make inquiries at Opara, but that it would seem possible for the Company, without much inconvenience, to cause one of their own steamers to touch at the island, and ascertain both its capabilities as regards the Company's requirements, and also whether or not it is at present inhabited, and, if so, by what number of persons, and of what race, and under what jurisdiction.

You will be pleased at the same time to inform the Directors that they are not to infer from this communication that Her Majesty's Government would be prepared to establish a Colony at Opara, or to render it a subject of any expense to the British Treasury.

I have, &c.,

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

CARNARVON.

#### No. 3.

Copy of a Despatch from Lord CARNARVON to His Excellency Sir GEORGE GREY, K.C.B.

SIR,— Downing Street, 11th October, 1866.  
I have the honor to transmit to you for your own information and for that of your Responsible Advisers a copy of a letter from the Postmaster-General stating that in compliance with the request of the Postmaster-General in New Zealand, the necessary measures have been taken for authorizing the assimilation of the rates of postage charged upon correspondence sent to New Zealand by the route of

## FURTHER PAPERS RELATIVE TO

Panama to the rates charged upon correspondence sent to that Colony by way of Southampton and Suez.

A copy of a notice which has been issued announcing to the public the reduction which has taken place is likewise enclosed.

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

I have, &c.,

CARNARVON.

## Enclosure 1 in No. 3.

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

SIR,—

General Post Office, 26th September, 1866.

Referring to my letter of the 21st May last, and to previous correspondence on the subject of the rates of postage to be levied in this country upon correspondence for New Zealand forwarded by the new line of mail packets from Panama, I am directed by the Postmaster-General to acquaint you for the information of the Earl of Carnarvon, that His Grace has received a letter from the Postmaster-General of New Zealand (copy enclosed) requesting that the same rates of postage may be charged upon correspondence sent to New Zealand by the route of Panama that are charged upon correspondence sent to that Colony *via* Southampton and Suez.

This request will be complied with. A further Treasury Warrant has been drawn up and signed repealing the former warrant and authorizing the collection of the rates specified by the Postmaster-General of New Zealand, and a notice, of which I enclose a copy, has been issued and circulated throughout the United Kingdom announcing to the public the reduction which has taken place.

I have, &c.,

F. HILL.

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

## Enclosure 2 in No. 3.

Copy of a Letter from the Hon. JAMES PATERSON to the SECRETARY, General Post Office, London.

SIR,—

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

Referring to my letter of the 23rd ultimo, requesting you to be good enough to cause mails for this 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 routes.

This Government has arranged to forward correspondence from New Zealand to the United Kingdom *via* Panama at these same rates.

I have, &c.,

JAMES PATERSON,

Postmaster-General.

The Secretary to the General Post Office, London.

## Enclosure 3 in No. 3.

Copy of a Notice of Reduction of POSTAGE on Correspondence for New Zealand and the Australian Colonies *via* Panama.

In future all correspondence forwarded to New Zealand or to any of the Australian Colonies *via* Panama will be chargeable with the same rates of postage as correspondence forwarded *via* Southampton and Suez, which rates of postage must be prepaid, viz. :—

## Letters.

Not exceeding $\frac{1}{2}$ oz. in weight.	Above $\frac{1}{2}$ oz. and not exceeding 1 oz.	Above 1 oz. and not exceeding 2 ozs.	Above 2 ozs. and not exceeding 3 ozs.	Every additional oz.
s. d. 0 6	s. d. 1 0	s. d. 2 0	s. d. 3 0	s. d. 1 0

## Newspapers, Book Packets, and Patterns.

For each Newspaper duly Registered at the General Post Office for Transmission Abroad.	FOR A BOOK PACKET OR PACKET OF PATTERNS OR SAMPLES.				
	Not exceeding 4 ozs. in weight.	Above 4 ozs. and not exceeding 8 ozs.	Above 8 ozs. and not exceeding 12 ozs.	Above 12 ozs. and not exceeding 1 lb.	For every additional 4 ozs.
s. d. 0 1	s. d. 0 4	s. d. 0 8	s. d. 1 0	s. d. 1 4	s. d. 0 4

All letters, &c., for New Zealand which are not directed to be forwarded by any particular route, will be sent by the first mail despatched, whether *via* Suez or *via* Panama, but letters for the several Australian Colonies will not be forwarded *via* Panama unless specially so directed.

By command of the Postmaster-General.

General Post Office, 26th September, 1866.

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No. 4.

Copy of Despatch from Lord CARNARVON to His Excellency Sir GEORGE GREY, K.C.B.

SIR,— Downling Street, 20th October, 1866.  
I referred to the Lords Commissioners of the Treasury, a copy of your Despatch No. 72, of No. 30 of Panama Papers, 1866, page 19, the 24th of July, forwarding a Memorandum from your Responsible Advisers, respecting the trans- mission of mails by the Panama route, and the rates of postage to be charged on letters, newspapers, &c., which may be sent that way.

I have the honor to transmit for your information a copy of the letter which has been received in No. 8 in this Series.

reply. You have already been informed by my Despatch No. 35, of the 11th instant, that the necessary steps have been taken to meet the wishes of your Government on this subject.

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

I have, &c.,  
CARNARVON.

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CORRESPONDENCE WITH THE IMPERIAL POST OFFICE.

No. 5.

Copy of a Letter from Mr. SCUDAMORE to the Hon. JOHN HALL.

SIR,— General Post Office, 27th August, 1866.  
On the 13th instant mails from Victoria, New South Wales, and New Zealand reached this country by the West India packet "Tasmania," which mails although intended for transmission *via* Panama, had been made up precisely in the same manner as the mails usually received by way of Southampton, the amount of postage prepaid on the various classes of correspondence being the same, viz.:—sixpence per single letter, one penny per newspaper, fourpence per four ounces for book packets; and the whole of the postage between the Colonies and the United Kingdom being retained by the several Colonial Post Offices.

This Department, however, was entitled to its inland rate of one penny per half-ounce on the letters, and one penny per four ounces on paid book packets and patterns of merchandise, as well as to half the fee on registered letters, in accordance with the arrangement mentioned in my letter of the 31st May last (No. 579 R.); and consequently, in preparing the acknowledgments for these mails, this office has taken credit for the sums to which it is entitled under the above heads.

I enclose the acknowledgments, and I shall be glad if you will have the goodness to communicate with the Post Offices of Victoria and New South Wales on this subject, as well as to give instructions to the New Zealand offices of exchange with respect to the proper treatment of mails forwarded to this country in future by the route of Panama.

The Postmaster-General, &c., Wellington.

I have, &c.,  
FRANK JOS. SCUDAMORE.

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No. 6.

Copy of a Letter from the Hon. JOHN HALL to the SECRETARY, General Post Office, London.

SIR,— General Post Office, Wellington, 2nd January, 1867.  
I have the honor to acknowledge receipt of your letter No. 66,711, of the 27th August last, on the subject of irregularities in the disposal of the postage collected on the mails forwarded to Great Britain by the "Tasmanian," in that month.

I have given such instructions as will, I trust, prevent any recurrence of this circumstance, and I have also transmitted a copy of your letter to the Postmaster-General of New South Wales.

The Secretary, General Post Office, London.

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

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No. 7.

Copy of a Letter from Mr. SCUDAMORE to the Hon. JOHN HALL.

SIR,— General Post Office, London, 17th September, 1866.  
I am directed by the Postmaster-General to transmit for your consideration copy of a letter from the Acting British Post Office Agent at Panama, communicating certain suggestions with reference to the New Zealand mails transmitted by the Panama route.

At the same time I am directed by His Grace to state that those suggestions meet with the full concurrence of this Department, and to express the hope that your office will be disposed to take the same view of the matter, and to adopt the proposed measures.

The Postmaster-General, &c., Wellington.

I have, &c.,  
F. J. SCUDAMORE.

## Enclosure in No. 7.

SIR,—

British Packet Office, Panama, 27th July, 1866.

Mr. Elliott Elliott, the Secretary of the General Post Office of New Zealand, having arrived at Panama by the packet from that Colony, on the 20th instant, I took the opportunity to offer to him certain suggestions in reference to the New Zealand mails, of which I have the honor to submit a copy for your perusal, and which I trust may meet your approval.

These mails, on the first occasion, arrived without Letter Bills showing the postage due to the Imperial Post Office, and it became necessary, therefore, to prepare them in this office.

I beg leave to enclose herewith the duplicates of these Letter Bills, showing the amounts of postage to be charged against the Colonies.

An uniform rate of one shilling per half-ounce, and one penny, had been collected in the Colonies on letters and newspapers.

I may further suggest that it would much facilitate the receipt and despatch of these mails at this office, if the Colony of New Zealand were to despatch all the colonial correspondence as at present it receives it. This would render unnecessary the numerous Letter Bills and separate accounts between the Imperial and Colonial Post Offices.

I suggested this arrangement to Mr. Elliott, but he seemed to see some difficulty in its being carried out, and requested me to have the mails of each Colony separately weighed, which, of course, could only be done with the inward mails.

As, however, the New Zealand Post Office now receives all mails for distribution to other Colonies, it will perhaps appear to you that it would be desirable to make the arrangement work both ways.

I have, &amp;c.,

John Tilley, Esq.

CHARLES T. BIDWELL.

## Sub-Enclosure to Enclosure in No. 7.

## MEMORANDUM of Suggestions relative to New Zealand mails.

British Consulate and Packet Office, Panama, 24th July, 1866.

To be sent in closed mails, addressed to London—Correspondence for England, except Southampton, also for all countries through England.

To be sent in a separate bag, addressed to Southampton—Correspondence for that place.

To be sent in closed mails, addressed to New York—Correspondence for the United States of America, except California.

To be sent in a separate bag, addressed to San Francisco—Correspondence for California and Sandwich Islands.

Separate bags to be made up for each State in Central America, viz. :—Costa Rica, Salvador, Nicaragua, Honduras, and Guatemala.

To be sent in mails, addressed to Panama—Correspondence for South Pacific Coast, Foreign West Indies, United States of Colombia (New Granada), Venezuela, East Coast of Mexico, Grey Town, British Columbia and Vancouver's Island, collecting postage to destination in advance, and accounting for postage beyond Panama on Panama Letter Bill.

Separate parcels of the correspondence for each destination to be made to facilitate sorting for delivery to corresponding packets for cases of immediate departure from Panama.

*Table of Rates*

Shows when prepayment of rates is compulsory from Panama, and in all such cases the postage to be accounted for on Panama Letter Bill, unless sent in London mail and accounted for to London, in accordance with instructions that may have been received from the General Post Office, London.

*Letter Bill.*

One to include all mails from each Colony. All mails to be sent in bags, not boxes, and smaller bags than those now in use, to save expense in Isthmus transit.

A map of each Colony would be useful in Panama, showing the Provinces of each Colony.

## No. 8.

## Copy of a Letter from Mr. F. HILL to the Hon. JOHN HALL.

SIR,—

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

No. 30 of Panama  
Papers, 1866,  
page 19.

I am directed by the Postmaster-General to acknowledge the receipt of your further letter, of the 24th July last, in which you state that the Government of New Zealand have decided on levying upon the correspondence sent to this country in the mails *via* Panama the same rates of postage that are applicable to the correspondence forwarded by the route of Southampton and Suez, and request that like rates may be collected on correspondence forwarded from the United Kingdom to New Zealand *via* Panama. Steps were immediately taken for a compliance with your request, and I am to transmit for your information a copy of the notice issued.

This alteration in the rates of postage has rendered necessary corresponding alterations in the forms of Letter Bill used with the mails *via* Panama, as the Colony will no longer be credited with any of the postage collected for newspapers, and will receive fivepence per half-ounce letter, instead of elevenpence, and threepence per four ounces, instead of fivepence on account of books and patterns.

Provision has also been made, under Articles 4 and 5, Table 2, of the amended Letter Bill, for crediting your office with the sea postage due to the Colony on book packets, &c., from the Continent of Europe, as well as the sea postage and Colonial inland rate upon letters from France and countries *via* France, which is not accounted for by the French Post Office to this office, letter by letter, but by net weight in ounces at the rate of one shilling and fourpence per ounce.

In reference to this correspondence from France, the Director-General of the French Post Office has requested to be informed whether unpaid letters may be sent to New Zealand and Australia by the route of Panama, and I am to request that you will inform the Postmaster-General what reply should be made to the Director-General. If you decide that such correspondence may be forwarded, the Post Office of New Zealand will have to account to this Department for the French and British inland postage at the rate of two francs forty centimes per ounce.

The Postmaster-General, &c.,  
Wellington.

I have, &c.,  
F. HILL.

## No. 9.

Copy of a Letter from the Hon. JOHN HALL to the SECRETARY, General Post Office, London.  
SIR,—

General Post Office, Wellington, 7th December, 1866.

I have the honor to acknowledge the receipt of your letter of the 1st October last, No. 920R., on the subject of the rates of postage to be charged on correspondence sent between the United Kingdom and New Zealand *via* Panama, and also inquiring whether unpaid letters from France may be sent to New Zealand by this route.

With reference to this inquiry, I have the honor to inform you in so far as New Zealand is concerned it is not considered expedient to introduce a system of optional prepayment on correspondence with the Continent of Europe.

Being unable to answer this question in so far as it relates to Australia, I have sent a copy of No. 39 in this your letter to the Postmaster-General of New South Wales, requesting that he will communicate with Series. you direct on the subject.

I have, &c.,

JOHN HALL,  
Postmaster-General.

The Secretary, General Post Office, London.

## No. 10.

Copy of a Letter from the Hon. JOHN HALL to the SECRETARY, General Post Office, London.  
SIR,—

General Post Office, Wellington, 16th October, 1866.

With reference to my letter of the 8th ultimo, on the subject of the conveyance of the No. 39 of Panama mails between Great Britain and New Zealand by way of Panama, I have now the honor to request Papers, 1866, that you will be good enough to cause all correspondence despatched from the United Kingdom to New Zealand to be transmitted *via* Panama, unless it is specially directed to be sent by some other route. page 25.

You will probably have the goodness to cause such an amount of publicity to be given to this arrangement as will obviate any inconvenience to those persons who are in the habit of corresponding with New Zealand.

With regard to the rates of postage to be charged on this correspondence, I beg to request that you will cause a rate of threepence each to be collected for account of this Colony on all newspapers sent *via* Panama, and on letters and books the same rates as are now charged by way of Suez and Southampton.

The postage which it is necessary to charge on newspapers, in order to cover the Isthmus transit rate, is so heavy, and is felt by the public of this Colony to be so serious a grievance, that I should feel very glad if any steps could be taken which would enable the New Zealand Government to reduce this charge.

With this view, I should feel obliged if you would inform me whether you consider it probable that the Panama Railroad Company would be induced, upon proper representation, to reduce the exorbitant charges now made by them for the conveyance of mails, at least upon that portion of the mails which consists of newspapers and book packets.

I have, &c.,

JOHN HALL,  
Postmaster-General.

The Secretary, General Post Office, London.

## No. 11.

Copy of a Letter from Mr. F. HILL to the Hon. JOHN HALL.

SIR,—

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

I beg to acknowledge the receipt of your letter of the 8th September last, on the subject of No. 39 of Panama the arrangements for the transmission of mails, *via* Panama, between the United Kingdom and New Zealand. My letter of the 1st of last month will already have informed you that the rates of postage Papers, 1866, applicable to correspondence forwarded from the United Kingdom to New Zealand, by the route of Southampton and Suez, are now levied in this country on correspondence also forwarded *via* Panama. page 25.

Directions have been given that, in compliance with the request contained in your letter above referred to, all correspondence for Wellington, Picton, Nelson, New Plymouth, and Napier, may in future be forwarded solely by the route of Panama, unless specially directed to be sent *via* Suez; and further, that the correspondence for all the Australian Colonies sent *via* Panama, may be made up in a separate mail for Sydney.

Credit for the colonial share of the postage on the correspondence sent in such mail will be given in the Letter Bill accompanying it, and a copy of the Letter Bill will be sent to Wellington.

The selection of this correspondence, when the mails for New Zealand *via* Suez are being made up, will necessarily occasion a good deal of trouble to the despatching officers, and there will always be a chance, especially at first, of some letters which ought to be kept back being sent by the Suez

route; but, as far as practicable, every endeavour shall be made to meet your wishes, and to separate the correspondence.

You inquire whether it will be practicable to make an arrangement under which only the postage due to New Zealand on letters sent to London or to Panama for transmission to other British Colonies and Foreign Countries, would be collected in the Colony, and the charge for the conveyance of the letters from London or from Panama would be collected on delivery. As respects letters sent to London, any part payment of the postage would be very troublesome both to the Department and the public, and is therefore strongly objected to. Either the whole should be paid or none.

I enclose a copy of the Table which was forwarded to you in my letter of the 31st May last; and I have distinguished in this table the names of the countries and places letters for which must be prepaid, or the letters cannot be forwarded. Letters can be forwarded to any of the other countries and places wholly unpaid.

In regard to letters sent to Panama, upon those which are addressed to Costa Rica, Guatemala, Nicaragua, Honduras, San Salvador, the West Coast of Mexico, the United States of America, or the British West Indies, only the New Zealand postage can be taken in advance; whilst upon those addressed to all the other places specified in the second table transmitted in my letter of the 31st May last, the postage set down in that table must be accounted for in the Panama Letter Bill, or the letters cannot be sent forward.

In conclusion, I beg to refer to my letter of the 17th September last, in which the Postmaster-General requested that, if possible, the suggestion made by the British Packet Agent at Panama to the officer of the New Zealand Post Office who was sent to Panama in the Mail Packet "Kaikoura," with regard to making up the mail for Panama, might be adopted. There is no necessity for any letters being sent in the Panama Mail upon which no postage is accounted for in the Panama Letter Bill, except letters addressed to the British West Indies.

The Postmaster-General, Wellington, New Zealand.

I have, &c.,  
F. HILL.

#### No. 12.

Copy of a Letter from the Hon. JOHN HALL to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 5th January, 1867.

I have the honor to acknowledge the receipt of your letter of the 17th September, 1866, No. 911r., and of the 1st November, 1866, No. 71,598, on the subject of the mails to be despatched between Great Britain and New Zealand *via* Panama, and to convey to you my thanks for the instructions stated to have been issued by you.

I trust that the request conveyed in my letter of the 16th October, No. 138, to the effect that all letters for New Zealand should be sent *via* Panama, without otherwise specially directed, will have obviated the trouble to the despatching officers which it is apprehended by you would result from a partial application of this rule.

In compliance with the wish expressed by you the correspondence from New Zealand for the United States, California, Costa Rica, Salvador, Honduras, Nicaragua, and Guatemala, will henceforward be sent in closed mails addressed to those places.

As I am not aware whether you have written direct on the subject above referred to, to the Postmaster-General of New South Wales, I have caused a copy of your letter of the 1st November to be forwarded to him.

In order to avoid the possibility of misunderstanding, I beg to enclose copy of the instructions furnished to the officers of this Department by whom the mails are made up on board the Panama steamers, and request you will inform me whether any alterations in these instructions appear to you to be required.

In the event of any general instructions being in existence for the guidance of Mail Agents on board steamers conveying mails for the Imperial Post Office, I shall feel obliged by a copy of such instructions being forwarded to me.

I have, &c.,

JOHN HALL,  
Postmaster-General.

The Secretary, General Post Office, London.

#### No. 13.

Copy of a Letter from Mr. F. HILL to the Hon. JOHN HALL.

SIR,—

General Post Office, London, 19th November, 1866.

By the last voyage of the steamer "Rakaia" a sealed mail from Melbourne for Trinidad was received, and it is probable that other mails for British Colonies in the West Indies have reached Panama by the New Zealand steamers.

No correspondence however should be forwarded from Panama to the British West Indies unless the postage due to this office has been accounted for in the Letter Bill for Panama, or unless the postage can be charged by the Agent of this Department at Panama against the office to which the correspondence is sent. This can only be done by the letters, &c., being sent to the Panama office for disposal, and I am directed by the Postmaster-General to request that you will communicate with the Post Office of Victoria, and with the other Australian Post Offices, and request that no closed mails may be forwarded to Panama for transmission to any place other than the United States.

Upon such closed mails no postage is required to be accounted for to this office, as they are conveyed from Panama at the expense of the United States Post Office.

I have, &c.,

F. HILL.

The Postmaster-General, &c., Wellington.



## THE PANAMA MAIL SERVICE.

9 E.—No. 1.

### No. 14.

Copy of a Letter from Mr. F. HILL to the Hon. JOHN HALL.

SIR,—

General Post Office, London, 19th December, 1866.

With reference to my letter of the 17th September last, transmitting to you a copy of a report which had been addressed to this office by the British Post Office Agent at Panama, relative to the manner in which the mails forwarded by the line of New Zealand mail packets to Panama had been made up, I regret the necessity of forwarding to you the enclosed copy of a further report which has been received from the Agent, on the same subject.

Seeing that the Memorandum which had been prepared with much care by the Agent at Panama, for the guidance of the New Zealand Post Office, was handed by him to Mr. Elliott so long ago as in July last, two months previously to the date of my former letter, I entertained the expectation that the suggestions of Mr. Bidwell would have reached New Zealand, and been acted upon, before the despatch of the mail to which that gentleman's further report relates.

The practice of making up closed mails for places served from Panama to which prepayment of postage is required, instead of sending the correspondence in the mail for Panama, gives rise to much unnecessary trouble to the Agent, and I trust that, before this letter reaches you, instruction will have been given for the preparation of the mails in accordance with the terms of the Memorandum referred to.

The Postmaster-General, &c., Wellington.

I have, &c.,  
F. HILL.

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### Enclosure in No. 14.

SIR,—

British Packet Office, Panama, 22nd November, 1866.

With reference to my letter No. 38, of the 27th of July, I have the honor to report to you that the mails brought by the New Zealand packets still arrive without accountable Letter Bills, and that much unnecessary work is consequently entailed upon this office.

2. I enclose one of three copies of Letter Bills which it is now necessary to prepare on the arrival of each packet, one copy being retained here and one returned to the Colonies. If Letter Bills with acknowledgment forms in duplicate were used, this work would not be necessary.

3. The mails are also still received in the same irregular manner as at first, the correspondence with exception of that for England being put into Panama bags, and closed mails being made up for places to which it is necessary to pay postage.

4. I beg leave to refer you to the Memorandum of suggestions which I gave to Mr. Elliott Elliott, the Secretary of the General Post Office at New Zealand, which, if carried out, would very much facilitate the despatch of these mails.

John Tilley, Esq., Secretary to the General Post Office.

I have, &c.,  
CHARLES J. BIDWELL.

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### No. 15.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT, to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 7th March, 1867.

I have the honor to acknowledge the receipt of your letter No. 71,596, of the 19th December last, relative to the manner in which the mails forwarded from New Zealand *via* Panama, had been made up; and to inform you that proper Letter Bills have accompanied the mails despatched since November last, and instructions have been given to the Mail Agents to have the mails circulated in accordance with directions received from the London Office, so that it is hoped you will have no further cause to complain of irregularity in this matter.

I have at the same time to point out to you that no acknowledgment has been received at this office of the mail despatched from New Zealand to the United Kingdom *via* Panama since the mails of the 9th September and 6th October last.

The Secretary, General Post Office,  
London.

I have, &c.,  
G. ELLIOTT ELLIOTT,  
for the Postmaster-General.

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### No. 16.

Copy of a Letter from Mr. F. HILL to the Hon. JOHN HALL.

SIR,—

General Post Office, London, 1st February, 1867.

I am directed by the Postmaster-General to inform you that, in compliance with the request No. 10 of this Series contained in your letter of the 16th October last, His Grace has caused a notice to be issued to the public in this country, stating that in future all correspondence from the United Kingdom for New Zealand will be forwarded *via* Panama, unless specially addressed to be sent by another route.

His Grace has further given directions that upon every newspaper, not exceeding four ounces in weight, sent from the United Kingdom to New Zealand, *via* Panama, a rate of threepence may in future be collected on behalf of the Colony, in addition to the Imperial rate of one penny; and that the rate on books, &c., may be the same as upon those sent *via* Suez and Southampton.

It will, of course, take some little time to make the increase of postage on newspapers generally known, and you will, therefore, no doubt receive by this and by the next following mail, many newspapers paid at the lower rate, for which no credit can be given to your office.

As regards your inquiry whether it is considered probable that the Panama Railroad Company would be inclined, on proper representation, to reduce the charges now made by them for the conveyance of mails across the Isthmus, I have to inform you that any attempt to obtain a reduction of those charges would, in the opinion of the Postmaster-General, be quite hopeless under present circumstances.

The Postmaster-General, &c., Wellington.

I am, &c.,

F. HILL.

### No. 17.

Copy of a Letter from Mr. F. HILL to the Hon. JOHN HALL.

SIR,—

General Post Office, London, 31st January, 1867.

I am directed by the Postmaster-General to inform you that his attention has been drawn to the great length of time that is unavoidably occupied in this office in preparing mails for despatch to New Zealand and Australia *via* Panama, owing to the necessity, under the existing arrangement, of marking and counting upon each individual letter, newspaper, and book packet, the Imperial and Colonial shares of the postage. In addition to the time consumed in marking these sums upon the correspondence transmitted, the total amount due to each office has to be subsequently ascertained and inserted in the Letter Bill; and, as great accuracy is required in this duty, the operation is necessarily tedious and causes much delay in the despatch of the mails.

A similar loss of time, involving delay in the delivery of the correspondence, takes place on the arrival of mails from New Zealand and Australia *via* Panama, when it becomes necessary to check the amounts placed to the credit of this Department.

The Postmaster-General has little doubt that the trouble and delay referred to are felt with equal force by your office, and he hopes that you will co-operate with him in the endeavour to apply a remedy to this inconvenience. With this object, I am directed by His Grace to propose that, instead of accounting by piece, as at present, for the postage due to the Colony, or to the Imperial Post Office, as the case may be, upon the correspondence contained in the mails exchanged with this country by way of Panama, each office shall in future receive, as its share of the postage, a fixed sum per ounce for paid letters (except those sent in transit through the United Kingdom) either to or from the Colony, according to the weight in bulk of the letters comprised in the mail, and a fixed sum per pound for books and patterns, the Colonial Post Office receiving a fixed sum per pound in respect of the postage which will have to be accounted for hereafter by this office as the share of the postage due to it on newspapers.

In such case, it would simply be necessary, on the arrival or despatch of a mail, to check the weight of the correspondence received or transmitted, leaving the amount of postage due to each office upon the total number of ounces of letters or pounds of newspapers, &c., to be subsequently calculated and brought to account.

In suggesting this modification of the existing practice, I am desired to observe that such an arrangement has, for some time past, been in operation between this Department and several British Colonies, and that it has been found highly successful and convenient.

With regard to the terms upon which, in the event of this proposal meeting with your concurrence, the exchange of the correspondence between the United Kingdom and New Zealand should in future take place, the Postmaster-General desires me to state that, as soon as the necessary accounts can be taken, an estimate will be framed by the Receiver and Accountant-General of this Department of the rate at which the Imperial and Colonial Post Offices shall respectively account to each other under the suggested arrangement.

I am to add that the inconvenience of the plan of bringing the correspondence contained in the mails for New Zealand, &c., to account by piece is felt to be so great—the despatch of those mails taking place simultaneously with the heavy mails for the West Indies and the Pacific—that the Postmaster-General has given orders that the mails about to be despatched shall be made up on the plan proposed, the correspondence being brought to account in the Letter Bill by weight in bulk. A specimen of the Letter Bill which will in future be used by this office is enclosed.

The Postmaster-General, &c.,  
Wellington.

I have, &c.,

F. HILL.

### No. 18.

Copy of a Letter from the Hon. JOHN HALL to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 12th April, 1867.

I have the honor to acknowledge the receipt of your letter No. 93s. of the 31st January last, proposing certain arrangements with a view to lessen the time occupied in preparing mails for despatch to and from New Zealand and Australia *via* Panama, and to inform you that I entirely agree in the desirability of adopting the course suggested by you, and have given the necessary instructions accordingly.

I have, &c.,

JOHN HALL,  
Postmaster-General.

The Secretary, General Post Office, London.

### No. 19.

Copy of a Letter from Mr. G. ELIOTT ELIOTT to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 5th March, 1867.

The Mail Agent on board the s.s. "Rakaia," which arrived at this place from Panama on the 24th ultimo, reports as follows:—

“I would call your attention to the fact that the contents of many of the mail bags from London were much damaged by friction, the book packet portion more especially. In many cases, however, the damage mainly arose from the insecure manner in which articles for transmission were made up; book packets, as a general rule, are but indifferently secured.”

I have thought it better to report the above circumstance in case you may consider it desirable to take any steps with a view of remedying the defect in future.

I have, &c.,  
G. ELLIOTT ELLIOTT,  
Secretary.

The Secretary, General Post Office, London.

## No. 20.

Copy of a Letter from the Hon. JOHN HALL to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 16th April, 1867.

I have the honor to acquaint you that the existing arrangements for the transmission of correspondence sent and received *via* Panama to and from the Colonies of Queensland, Victoria, Tasmania, and South Australia, have been found very inconvenient and embarrassing to the Post Office in Sydney, and that the Postmaster-General of New South Wales is anxious that the correspondence in question should henceforward be sent in closed mails between the Colonies referred to and the British Post Offices in Panama and London, and that each Colony should keep its own accounts with the Imperial Government.

The contracting Colonies of New South Wales and New Zealand would not, under such arrangement, claim any part of the sea postage on correspondence sent by the Panama steamers to or from Queensland, Victoria, Tasmania, and South Australia, being reimbursed in other ways for the sea conveyance of such correspondence.

I trust you will inform me at your earliest convenience whether the desired arrangement can be effected, and if so, that you will cause it to be introduced at once, so far as the despatch from London and Panama is concerned.

In this case I will undertake to make the necessary communication to the Post Office authorities of the non-contracting Colonies, and forward to them copies of the instructions and tables of rates which you have furnished to this Department.

In the event of its being considered inexpedient to comply with this application, I beg to request that the correspondence for the non-contracting Colonies abovementioned may be included in the New Zealand mails, so as to enable it to be made up in closed mails in the Marine Post Office on board the Panama steamers. I trust, however, that this course will not be necessary, as the preparation of these mails would be an unadvisable addition to the heavy work already devolving on the Marine Post Office.

Should closed mails be made up as requested in London and Panama, I shall feel obliged by your causing me to be furnished with copies of the Letter Bills accompanying those mails.

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

The Secretary, General Post Office, London.

## No. 21.

Copy of a Letter from the Hon. JOHN HALL to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 16th April, 1867.

I have the honor to forward to you the enclosed copy of correspondence between this Department and the Panama Railroad Company, from which you will perceive that the Company has been induced to make a considerable reduction in its present charges for the conveyance across the Isthmus of that portion of the mail which consists of newspapers, book packets, and pattern parcels.

As the information contained in this correspondence will have been sent to you from New York direct, I trust you will have taken the necessary steps for abolishing the increased rate of postage on newspapers for New Zealand sent *via* Panama, which was imposed with a view of defraying the excessive transit charge made by the Railroad Company.

If however such has not been done, I shall feel obliged by the postage collected for account of that Colony being reduced to one penny for each newspaper with as little delay as possible.

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

The Secretary, General Post Office, London.

## Enclosure No. 1 in No. 21.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to the MANAGER, Panama Railroad Company.

SIR,—

General Post Office, Wellington, 7th December, 1866.

I am directed by the Postmaster-General of New Zealand to request that you will have the goodness to bring under the notice of the Directors of your Company the question of the present high rate of charge for the conveyance of mails across the Isthmus of Panama, and the expediency of making a reduction on this charge with regard at least to that portion of the mails between New Zealand and Great Britain, which consists of newspapers, book packets, and pattern parcels. The payment of this charge, although made to the Railroad Company in the first instance by the British Post Office, has to be repaid to that Department by the New Zealand Post Office.

Mails are now sent monthly between Great Britain and New Zealand both by way of Suez and Southampton and by the Isthmus of Panama. At present the postage on newspapers sent by both

routes is the same, viz., one penny for each newspaper. It is found however that this charge is, in the case of those sent *via* Panama, altogether insufficient to repay to this Department the actual cost of their conveyance across the Isthmus. As the cost in question is elevenpence per pound, and as the average weight of each newspaper is found to be nearly four ounces, it follows that the cost of conveying each newspaper is within a fraction of threepence. This office has therefore been compelled to issue instructions according to which the postage on newspapers between Great Britain and New Zealand *via* Panama will, in January next, be raised to fourpence on those posted in the former country, and threepence on those posted in the latter.

For the conveyance of newspapers by the way of Suez, the charge made to this Department for their transit through Egypt is exceedingly moderate, amounting on average to between one halfpenny and one penny per paper. By this route therefore the postage on newspapers from New Zealand to the United Kingdom, and *vice versa*, will remain one penny each. As there is no great difference in the time required for the conveyance of mails by the two routes respectively, and as rapidity of transmission is not generally in the case of newspapers a matter of such importance as in the case of letters, it follows that so soon as the great difference in the postage charged on newspapers by the above routes is known and understood by the people of this Colony, nearly the whole of the newspapers addressed to the United Kingdom will be sent by way of Suez. The public here will practically be deprived, for this portion of their correspondence, of the use of a mail route which is rapidly becoming a favourite one, and the Railroad Company will lose the amount of revenue which the conveyance of these mails at a more moderate charge would ensure to them,—that this amount is not inconsiderable may be gathered from the fact that the number of newspapers which passed between Great Britain and New Zealand during the past year was one million three hundred and seventy-five thousand one hundred and forty-eight.

The same remarks which I have made in reference to papers will apply in a great measure to book packets and pattern parcels.

Under the above circumstances, the Postmaster-General trusts that the Directors of the Panama Railroad Company will agree to reduce the charge of newspapers, book packets, and pattern parcels, to fourpence per pound, and thus enable him again to forward a large correspondence by way of Panama, which, under a continuance of the present charge, will inevitably be diverted to the Suez route.

I have, &c.,

G. ELLIOTT ELLIOTT,  
Secretary.

The Manager, Railroad Company, Panama.

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#### Enclosure 2 in No. 21.

Copy of a Letter from Mr. W. PARKER to Mr. G. ELLIOTT ELLIOTT.

Office of the Superintendent of the Panama Railroad,  
Aspinwall, 9th January, 1867.

SIR,—

I am in receipt of your favour of 7th December ultimo, asking a reduction of our charges for transit on your mails, and transmit it directly to New York, where alone the subject can be acted on.

I have, &c.,

Mr. G. Elliott Elliott, Secretary, General Post Office,  
New Zealand.

WILLIAM PARKER,  
Superintendent, Panama Railroad.

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#### Enclosure No. 3 in No. 21.

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

SIR,—

Office Panama Railroad Company, New York, 30th January, 1867.

By the arrival of the last steamer from Aspinwall I had the honor to receive your communication of the 7th ultimo, addressed to the "Manager of the Panama Railroad Company, Panama."

Your communication was presented to the Directors of this Company at an early meeting thereafter, and your suggestion that the transportation charge on "newspapers, book packets, and pattern parcels" across the Isthmus should be reduced to fourpence (4d.) sterling per pound, received their respectful consideration; and it affords me much pleasure to inform you that a resolution was adopted to the effect that the three articles abovenamed, when sent as part of Her Majesty's mails, shall be carried by this Company between Aspinwall and Panama at the rate of fourpence (4d.) per pound sterling, or eight cents per pound American currency, provided they are packed in separate bags, and so designated as to be certainly distinguished from bags containing letters, which will continue to be charged at twenty-two cents per pound.

I was instructed by the Directors to convey to the British Post Office Department, through the Royal Mail Steam Packet Company, of London, their action as above stated, and I accordingly addressed a letter to J. M. Lloyd, Esq., Secretary of that Company, under date of 22nd instant, authorizing him to make the necessary arrangements with the Department to carry the same into effect.

I am, &c.,

G. Elliott Elliott, Esq., Secretary, General Post Office,  
Wellington, New Zealand.

DAVID HOADLEY,  
President.

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#### Enclosure 4 in No. 21.

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

SIR,—

General Post Office, Wellington, 13th April, 1867.

I have the honor to acknowledge the receipt of your letter of 30th January last, stating that the Panama Railroad Company had agreed to a reduction of the transit rates on newspapers, book

packets, and pattern parcels, when sent as part of Her Majesty's Mails across the Isthmus of Panama, and I am directed to express to you the satisfaction of the Postmaster-General of New Zealand at the course taken by your Company, which cannot fail to be attended with beneficial results to the public without any ultimate loss of revenue to the Company.

Care will be taken that henceforward the three articles referred to shall be packed in separate boxes and properly marked.

I have, &c.,

G. ELLIOTT ELLIOTT,  
Secretary.

The President, Panama Railway Company, Panama.

## CORRESPONDENCE WITH THE GOVERNMENTS OF AUSTRALIAN COLONIES.

### No. 22.

Copy of a Letter from the Hon. A. BLYTH to the Hon. E. W. STAFFORD.

SIR,—

South Australia, Chief Secretary's Office, Adelaide, 5th September, 1866.

I have the honor, by desire of His Excellency Sir Dominick Daly, to acknowledge receipt of your letter of 13th ultimo, enclosing copies of correspondence on the subject of the Panama Steam Postal Service; and to inform you in reply, that His Excellency's Government do not consider it desirable to send a delegate to represent South Australia at the Conference proposed to be held at Wellington.

No. 35 of Panama  
Papers, 1866,  
page 23.

I have, &c.,

ARTHUR BLYTH.

The Hon. the Colonial Secretary, New Zealand.

### No. 23.

Copy of a Letter from the Hon. A. MACALISTER to the Hon. E. W. STAFFORD.

SIR,—

Brisbane, 19th September, 1866.

I have the honor to acknowledge the receipt of your letter of the 13th ultimo, with enclosed copy of a communication addressed by you to the Government of New South Wales on the subject of the present Steam Postal Service with the United Kingdom *via* Panama, in which it is proposed that a meeting of delegates from the several Colonies interested in this Service shall be held at Wellington.

This subject has already received the careful consideration of this Government, and as the question of a route *via* Torres Straits is one more immediately affecting the interests of Queensland, the Government regret their inability to appoint a delegate for the purposes of the proposed Conference.

I have, &c.,

A. MACALISTER.

The Hon. the Colonial Secretary, New Zealand.

### No. 24.

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

SIR,—

Tasmania, Colonial Secretary's Office, 8th November, 1866.

I have the honor to acknowledge the receipt of your letter of the 13th August, enclosing a copy of a letter which you had addressed to the Government of New South Wales, on the subject of the present Panama Steam Postal Service.

In that letter you propose a Conference of Delegates from the various Colonies of Australia and New Zealand, with the view of determining upon some plan to secure the co-operation of the Governments interested in the maintenance of this postal line.

In reply to your communication, I have the honor to inform you that this Government is not disposed to send a delegate to the Conference, which you suggest should be held at Wellington. Had Melbourne been selected, which from its central position would appear the most convenient, this Colony would in all probability have joined in the proposal; but while thus declining to acquiesce in the arrangement as suggested, I shall be anxious to hear when the delegates have met and come to a conclusion, the result of their deliberations; and this Government will be desirous to entertain any equitable proposition that may be submitted, with an earnest desire to join in an undertaking likely to prove mutually advantageous to the several Colonies in this quarter of the globe.

I have, &c.,

JAMES WHITE.

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

### No. 25.

Copy of a Letter from Mr. S. P. HARDINGE to the Hon. JOHN HALL.

SIR,—

Tasmania, General Post Office, Hobart Town, 24th September, 1866.

I am directed by the Hon. the Postmaster-General to acknowledge the receipt of your communication dated 25th July last (F. 66-106), forwarding a few letters, packets, and newspapers that had been received by the Panama steamer, addressed to Tasmania, and informing him that pending arrangements which were then under consideration, and to obviate inconvenience from delay, the Postmaster-General at New Zealand had decided to forward the letters, &c., to their destinations at once, appending to your letter a Return of the number and weight of the letters, &c., received. In reply, I am to acquaint you that several merchants and others in this city desire to forward letters occasionally *via* Panama, but as we are ignorant of the arrangements you refer to, we are unable to announce the closing of mails by this route until we are in possession of information from Sydney or Wellington on this subject; and I have therefore to request the favour of your informing me of the decision which the Government of your Colony has arrived at in relation to this matter.

I have, &c.,

S. P. HARDINGE,  
Secretary.

The Postmaster-General, &c., Wellington.

## No. 26.

Copy of a Letter from Mr. G. ELIOTT ELIOTT to the Hon. the POSTMASTER-GENERAL, Tasmania.  
SIR,—

General Post Office, Wellington, 24th October, 1866.  
Referring to your letter noted in the margin, requesting information as to the arrangements made for forwarding correspondence from Tasmania by the Panama Mail Steamers, I am directed by the Hon. the Postmaster-General to refer you to the Postmaster-General, New South Wales, through whose office, under existing arrangements, all such correspondence from those Colonies which do not contribute to the cost of the Service must pass.

The Hon. the Postmaster-General, Tasmania.

I have, &c.,  
G. ELIOTT ELIOTT.

## No. 27.

Copy of a Letter from Mr. S. H. LAMBTON to Mr. G. ELIOTT ELIOTT.

SIR,—

General Post Office, Sydney, 3rd November, 1866.

I have the honor to acknowledge the receipt of your communication dated the 24th ultimo (F. 66), enclosing copy of letter addressed by you to the Hon. the Postmaster-General of Tasmania, on the subject of mail conveyance *via* Panama.

I have, &c.,

S. H. LAMBTON,  
Secretary.

The Secretary, General Post Office, Wellington, New Zealand

## No. 28.

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

SIR,—

Chief Secretary's Office, Melbourne, 18th October, 1866.

No. 35 of Panama  
Papers, 1866,  
page 23.

I have the honor, by direction of His Excellency the Hon. Sir J. H. T. Manners Sutton, to acknowledge the receipt of your communication of the 13th August last, enclosing copy of letter addressed by you to the Colonial Secretary of New South Wales on the subject of the Panama Steam Postal Service, in which you refer to the importance of some understanding being arrived at as to the proportion of the subsidy to be contributed by the Colonies interested in the question, respectively, and suggest that delegates be appointed by the Governments concerned to meet at Wellington for the purpose of discussing the question.

In reply, I have the honor to state, with reference to the first question, that the views of this Government have already been fully explained in a letter to the Hon. the Colonial Secretary, New South Wales, a copy of which I now beg to enclose for your information.

I have also the honor to state, with respect to the proposed meeting of delegates, that no objection is felt to such a measure. Indeed, in my letter to you of the 9th February last, it was suggested that such a meeting should take place with the view to the whole question of Steam Postal Communication with the United Kingdom being fully considered.

It, however, appears desirable that one of the Australian Colonies should be appointed as the place for the assembling and deliberations of the delegates; and, that as representatives are shortly expected from the several Colonies at the Inter-Colonial Exhibition to be held at Melbourne, this would be a favourable opportunity for carrying out the purpose.

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

I have, &c.,  
JAMES McCULLOCH.

## Enclosure in No. 28.

Copy of a Letter from the Hon. JAMES McCULLOCH to the Hon. H. PARKES.

SIR,—

Chief Secretary's Office, Melbourne, 10th October, 1866.

Adverting to the correspondence that has taken place respecting Steam Postal Communication by the Suez and Panama routes, I have the honor to inform you, by direction of His Excellency Sir J. H. T. Manners Sutton, that this Government having attentively considered the subject, are most desirous that such arrangements should be entered into by the Colonies interested in the question as will place the service on a permanent and equitable footing.

It appears to the Cabinet of Victoria that, as a Postal Service for the whole of the Australian Colonies, there cannot be a question that the line *via* Point de Galle, is, and must always remain superior to that *via* Panama, and that it is hardly necessary, in confirmation of this view, to point to the recent performances of the steamers employed on the respective routes.

The news of the "Bombay" with August mails, *via* Suez, having arrived at Adelaide, was received yesterday almost simultaneously with the news of the arrival of the "Ruahine" at Sydney, with the August mails, *via* Panama.

By the former vessel, telegraphic intelligence of the European affairs up to the 11th September, came to hand in thirty days, and her mails of the 26th August will be delivered this day in Melbourne, and not later than the 13th instant, in Sydney. The latter vessel it is believed brought out mails only to the 2nd August.

No doubt the example given, by way of illustration, presents what may be exceptional features, and a similar combination of circumstances may not arise again; but it must, it is thought, be admitted, that the voyages made by both lines since the Panama Contract first commenced, exhibit in a striking manner the advantages both to New South Wales and Victoria of the old over the new service.

Holding these views, the Government of Victoria—although animated by the desire of dealing with the question in a spirit of concession—would not feel justified in recommending that this Colony should contribute towards the maintenance of the Panama Service, which would be of comparatively

small benefit to the colonist on the same principle as the payments are now made in liquidation of the Colonial moiety of the subsidy to the Peninsular and Oriental Company.

In connection with this branch of the subject, it must be borne in mind that, by recent action on the part of your Government and that of South Australia, in giving notice of intention to withdraw from participation in the existing contract with the Peninsular and Oriental Company, nearly the whole burthen of the Colonial moiety of the subsidy will ultimately fall on Victoria; and that, as a consequence, the mails of those Colonies for transmission by the Point de Galle steamers will be on the same footing as the Victorian mails now are with respect to the Panama boats.

This would be a most undesirable state of things, of which the public both in New South Wales and Victoria would have just cause of complaint, and would, it is to be feared, lead to means being employed in Sydney and Melbourne by which any extra postage imposed by the respective Colonies would be evaded.

It is, however, hoped that the resolution arrived at in respect to the withdrawal of New South Wales and South Australia, from what appears to be the best arrangement for the transmission of the Indian and European mails, will be rescinded.

In this event I may state that, with the view to maintain friendly relations (upon which the success and value of the Postal Service mainly depend) in regard to the Ocean Mail Service, this Government will be prepared to consider in a fair and impartial manner any proposal from the Government of New South Wales for the payment by Victoria of a fixed sum per annum, for the privilege of forwarding and receiving the mails of this Colony by the Panama steamers sailing from Sydney and Wellington, New Zealand.

The Hon. the Colonial Secretary, &c.,  
Sydney.

I have, &c.,  
JAMES McCULLOCH.

## No. 29.

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

SIR,— Colonial Secretary's Office, Wellington, 5th November, 1866.

I have the honor to acknowledge the receipt of your letter, of the 18th ultimo, enclosing a copy of a letter of the 10th of that month, to the Hon. the Colonial Secretary, New South Wales, expressing the views of the Victorian Government on the subject of the Panama Steam Postal Service.

Mr. Crosbie Ward, a Member of the General Assembly of New Zealand, has been accredited by this Government to the Government of New South Wales, with a view to some definite arrangement of all outstanding questions connected with the Panama Steam Postal Service, and he recently proceeded to Sydney with that object. A copy of your letter will be transmitted to that gentleman for his information.

The Hon. the Chief Secretary, Melbourne.

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

## No. 30.

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

SIR,— Colonial Secretary's Office, Wellington, 5th November, 1866.

I have the honor to enclose, for your information, a copy of a letter dated the 18th ultimo, No. 28 & 29 of from the Hon. the Chief Secretary of Victoria, on the subject of the Panama Steam Postal Service, this series, and a copy of the reply which has been addressed to him.

The Hon. the Colonial Secretary, New South Wales.

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

## No. 31.

Copy of a Letter from the Hon. J. DOCKER to the Hon. JOHN HALL.

SIR,— General Post Office, Sydney, 29th November, 1866.

I have the honor to acknowledge the receipt of your letter No. F 66,123, dated the 8th September last; and in reply beg to state that accounts have been duly kept of the total amount of postage collected by New South Wales, including the amount of postage received from adjoining Colonies, on the correspondence, &c., which has been transmitted by the Panama Contract Packets. An account of what would be due from this Colony on account of the charges for the transit of such mails across the Isthmus has also been kept; and, whenever any determination shall be arrived at with respect to the mode of adjusting accounts between this Colony and New Zealand, a settlement can take place.

The charges specified in the tables enclosed by you from the Imperial Post Office, have been and will be levied on all correspondence addressed to the places mentioned therein, and will be accounted for to the London and Panama Post Offices, to which places direct mails will be made up.

In the present state of the question no other portions of your letter, now under reply, appear to me to require any comment.

The Postmaster-General, Wellington, New Zealand.

I have, &c.,  
J. DOCKER,  
Postmaster-General.

## No. 32.

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

SIR,—

Colonial Secretary's Office, Wellington, 3rd December, 1866.

Nos. 36 and 43 of  
Panama Papers,  
1866.

I have the honor to refer you to my letter, No 260, of the 13th August last, and \*No. 320, of the 3rd October last, requesting repayment of the amounts advanced by this Government on account of the Government of New South Wales in respect of the share due by that Colony of the subsidy for the Panama Steam Postal Service, and further requesting that arrangements might be made for the payments for which New South Wales is liable in each succeeding month, and to express my surprise that these letters have not been replied to.

Since I last addressed you on this subject, further payments have been made to the Panama New Zealand and Australian Royal Mail Company, and the proportion due by New South Wales, advanced by this Government, now amounts to the very considerable sum of £13,750.

The New Zealand Legislature, on the faith of repeated assurances that the Government of New South Wales would pay a moiety of the subsidy in question, has only made provision for one moiety on behalf of New Zealand. This Government therefore is not prepared to make the advances referred to above, which have never been contemplated as likely to be required.

I have accordingly to request an immediate repayment to this Government of the sum of £13,750, owed by the Colony of New South Wales.

The Hon. the Colonial Secretary, New South Wales.

I have, &amp;c.,

E. W. STAFFORD.

## No. 33.

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

SIR,—

Colonial Secretary's Office, Wellington, 17th December, 1866.

I have been informed by Mr Crosbie Ward that your Government is prepared to make in future monthly payments of its share of the subsidy accruing to the Panama New Zealand and Australian Royal Mail Company, through the Company's Bankers, in Sydney. I have, accordingly, the honor to acquaint you that I have furnished the Company with an authority (copy of which is enclosed) for the Bank to grant to the Colonial Treasurer of New South Wales a discharge on behalf of the New Zealand Government for payments so made henceforward.

The monthly payments are due on the 23rd of each month, and the amounts which have actually become due up to the 23rd November, included, have been paid in full by this Government.

On the 23rd December, therefore, and on the 23rd of each succeeding month, the Company will be entitled, providing no interruption to the service takes place, to a payment of nine thousand one hundred and sixty-six pounds thirteen shillings and fourpence, one-half of which sum will be the amount to be paid in Sydney under the arrangement now referred to.

With respect to the payments already made, you were informed by my letter No. 382, of the 3rd instant, of the total amount paid to the Company by this Government to that date, since which a further payment has been made. The sum now due by New South Wales to this Government is accordingly sixteen thousand and forty-one pounds thirteen shillings and fourpence, which amount it is trusted may be remitted without further delay.

I have the honor to enclose, for your information, Parliamentary Papers relating to the Panama Mail Service, which have been presented to the New Zealand Legislature in the last two Sessions.

The Hon. the Colonial Secretary, New South Wales.

I have, &amp;c.,

E. W. STAFFORD.

## No. 34.

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

SIR,—

Colonial Secretary's Office, Sydney, 20th December, 1866.

In attention to your letter of the 3rd, received on the 15th instant, and your previous letters dated 13th August and 3rd October last, respectively, I have the honor to forward herewith a Sola Bill of Exchange for £13,750, in favour of the Honorable the Treasurer of your Colony, being the amount of the subsidy due by this Government on account of Steam Postal Communication with Great Britain *via* Panama, from 1st July to 31st October last; and to state that all future claims on this Colony for the service in question will be paid into the Union Bank here, to the credit of the Panama New Zealand and Australian Mail Company, the receipt of whose Manager in Sydney, will, it is presumed, be considered by the New Zealand Government as a sufficient discharge.

2. It is, however, to be clearly understood that the Government of New Zealand will keep this Government duly advised of the monthly subsidy payable to the Company.

3. I shall thank you to acknowledge the receipt of the Bill of Exchange now enclosed.

The Honorable the Colonial Secretary, New Zealand.

I have, &amp;c.,

HENRY PARKES.

## No. 35.

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

SIR,—

Colonial Secretary's Office, Wellington, 3rd January, 1867.

I have the honor to acknowledge the receipt of your letter, No. 128, of the 20th ultimo, transmitting a Bill of Exchange for £13,750 in favour of the Hon. Colonial Treasurer of this Colony



on account of the subsidy due by the Government of New South Wales towards the Panama Steam Postal Service.

You will have learnt from my letter No. 412, of the 17th December, that subsequently to the despatch of my letter No. 382, of the 3rd of that month, a further payment had been made by the New Zealand Government to the Panama New Zealand and Australian Royal Mail Company, making the total sum due by the Government of New South Wales to this Government to the 17th December last, on account of the Panama Postal Service, £16,041 13s. 4d. There is thus still a balance of £2291 13s. 4d. due from New South Wales to this Colony, which amount it is requested may be remitted.

My letter above quoted, No. 412, of the 17th ultimo, will also have informed you that in order to enable your Government to make, as it desires, future monthly payments of its share of the subsidy accruing to the Panama New Zealand and Australian Royal Mail Company through the Company's bankers at Sydney, I have furnished the Company with an authority for the Bank to grant a discharge on behalf of the New Zealand Government for payments so made henceforward.

The Government of New South Wales will, as you request, be kept regularly informed of the monthly subsidy payable to the Company in future.

The Hon. the Colonial Secretary, Sydney.

I have, &c.,

E. W. STAFFORD.

### No. 36.

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

SIR,—

Colonial Secretary's Office, Wellington, 18th January, 1867.

Adverting to the letter to you, No. 6, of the 3rd instant, it appears to this Government that the most convenient mode of keeping the New South Wales Government informed of the monthly subsidies payable in future to the Panama New Zealand and Australian Royal Mail Company on account of the mail service between Sydney, New Zealand, and Panama, will be for the Hon. the Postmaster-General to furnish the Company with a certificate in the annexed form, which the Agents of the Company can present to the Government of New South Wales.

I have, &c.,

WM. FITZHERBERT,

(for the Colonial Secretary.)

The Hon. the Colonial Secretary, New South Wales.

General Post Office, Wellington,

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I hereby certify that one-twelfth portion of the Annual Subsidy accruing to the Panama New Zealand and Australian Royal Mail Company, on account of the Mail Service between Sydney, New Zealand, and Panama, became due and payable to the Company on the

of

Postmaster-General of New Zealand.

### No. 37.

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

SIR,—

Colonial Secretary's Office, Sydney, New South Wales, 30th January, 1867.

With reference to your letter of the 3rd instant, I do myself the honor to transmit a Bill of Exchange for the sum of two thousand two hundred and sixty-six pounds thirteen shillings and fourpence, being the balance due to the Government of New Zealand, by this Colony, on account of Steam Postal Communication with Great Britain *via* Panama, up to the 23rd November last.

In the communication above referred to, the amount is stated to be £2,291 13s. 4d., but it will be observed in reference to the Schedule enclosed in your letter of 17th ultimo, that a sum of £50, deducted as penalty for non-arrival of mail at the proper time, has not been taken into consideration, and which makes up the difference between the amount claimed, and that now forwarded.

An Account Current up to the 23rd December last, will materially assist this Government in the adjustment of the accounts for this service, and I beg to invite your consideration on the subject.

I will thank you to acknowledge the receipt of the bill now enclosed.

I have, &c.,

HENRY PARKES.

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

### No. 38.

Copy of a Letter from Mr. GISBORNE to the Hon. H. PARKES.

SIR,—

Colonial Secretary's Office, Wellington, 5th February, 1867.

I have the honor to acknowledge the receipt of your letter No. 69-501, of 30th ultimo, forwarding a Bank draft for the sum of £2,266 13s. 4d., in account of the Panama Steam Postal Service.

I have, &c.,

WM. GISBORNE,

(for the Colonial Secretary.)

The Hon. the Colonial Secretary, New South Wales.

### No. 39.

Copy of a Letter from the Hon. JOHN HALL to the Hon. J. DOCKER.

SIR,—

General Post Office, Wellington, 7th December, 1866.

I have the honor to forward for your information a copy of a letter I have received from the Secretary of the General Post Office, London, on the subject of the rates of postage to be charged on

Printed as No. 8  
in this series.

correspondence *via* Panama, and inquiring whether unpaid letters from France may be sent to New Zealand and Australia by this route.

No. 9 of this series.

In order that you may be acquainted with the course which this Colony has adopted with reference to this inquiry, I enclose a copy of my reply to the Secretary's letter, and I beg to suggest the desirability of your communicating your views on this subject direct to the Imperial Post Office.

I have, &c.,

JOHN HALL,

The Hon. the Postmaster-General, Sydney.

Postmaster-General.

#### No. 40.

Copy of a Letter from Mr. S. H. LAMBTON to the Hon. JOHN HALL.

SIR,—

General Post Office, Sydney, 31st December, 1866.

I am directed by the Postmaster-General to acknowledge with thanks the receipt of your letter dated the 7th instant, enclosing copy of a letter dated 1st October last, addressed to you by the Secretary of the General Post Office, London, together with a copy of your reply thereto; and I am to state that due attention has been paid to your request as regards communicating direct with the Home Authorities on the subject of the optional prepayment of correspondence for the Continent of Europe by the Panama route.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Hon. the Postmaster-General, Wellington.

#### No. 41.

Copy of a Letter from the Hon. JOHN HALL to the Hon. J. DOCKER.

SIR,—

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

I have the honor to enclose for your information a copy of a letter I have received from the Secretary of the General Post Office, London, as I am not aware whether you have received any communication direct from the Imperial Post Office on the subject.

Printed as No. 11 in this series.

You will perceive from Mr. Hill's letter that all correspondence sent from England, *via* Panama, to the Australian Colonies, will henceforward be made up in a closed mail for Sydney; and also, that it is the wish of the British Post Office that letters for the United States, California, Costa Rica, Salvador, Honduras, Nicaragua, and Guatemala, should be sent in closed mails addressed to these countries, and not sent in the mail to Panama.

Printed as Enclosure to No. 7 in this series.

I have given instructions for this course to be adopted so far as New Zealand correspondence is concerned, and I trust you will think it right to adopt a similar course with respect to correspondence sent from New South Wales.

I also enclose a copy of a Memorandum from the British Post Office agent at Panama respecting the mails to be made up for the Panama route.

I have, &c.,

JOHN HALL,

Postmaster-General.

The Hon. Postmaster-General, Sydney.

#### No. 42.

Copy of a Letter from Mr. S. H. LAMBTON to the Hon. JOHN HALL.

SIR,—

General Post Office, Sydney, 9th January, 1867.

I have the honor with thanks to acknowledge the receipt of your letter dated the 24th ultimo (F. 66-176), enclosing a copy of a letter addressed to you by the Secretary of the London Post Office, in which it is intimated that the London Office will make up a direct mail for Sydney *via* Panama, and enclose therein the correspondence for other Australian Colonies.

2. The instructions contained in the Memorandum from the British Post Office agent at Panama (copy of which you also enclosed in letter now under acknowledgment) will have due attention paid them.

3. I take this opportunity of forwarding a copy of a circular addressed to the various non-contributing Colonies with reference to the details of the Panama Mail Service.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Postmaster-General, Wellington.

#### Enclosure in No. 42.

Copy of Circular from SECRETARY, General Post Office, New South Wales, to Non-contributing Colonies to the Panama Service.

SIR,—

General Post Office, Sydney, 2nd January, 1867.

By the steamer which arrived on the 31st ultimo from Panama, direct mails for the first time, were received at this office from London *via* Panama. These mails contained correspondence addressed to the various Australian Colonies, for the transmission of which correspondence across the Isthmus of Panama this office has been charged the sum of elevenpence per pound.

The portion of this correspondence addressed to \_\_\_\_\_ weighs and I am directed to state that your office has been charged with the amount due thereupon on account of Isthmus transit, at the before-mentioned rate of elevenpence per pound namely \_\_\_\_\_

I am further directed to state that under existing arrangements this office will have to pay the \_\_\_\_\_

same rates on account of Isthmus transit on all mails hitherto or hereafter to be forwarded by or through this Colony for transmission by the Panama mail steamers across the Isthmus.

I accordingly enclose a statement of the gross weight on all mails forwarded from your Colony from October last up to the present time, and transmitted by this route, and have to state that these amounts due thereon have likewise been charged against your Department.

I am further to request that in future all correspondence forwarded by you for transmission by this route may be sent in your mail for this office, and not as heretofore in direct mails to Panama and London. The adoption of this course will be necessary, to enable this Colony to account to the Imperial Post Office on the Letter Bills for one penny out of every sixpence accounted for by you to this office on letters, and one penny out of every fourpence accounted for by you on book packets.

It will materially facilitate despatch if the correspondence from your office for transmission *via* Panama is made up distinct from the ordinary correspondence for Sydney, and accompanied by a Letter Bill (a few forms of which will be forwarded to you at an early opportunity), the correspondence liable to the Isthmus transit being distinguished by a label from that intended for delivery this side of the Isthmus.

From the Letter Bills to be forwarded you will perceive that it is proposed that your office shall account to New South Wales for all foreign postages, and these shall be re-accounted for by us to the London Office.

The Postmaster-General, &c., &c.

I have, &c.,

Secretary.

#### No. 43.

Copy of a Letter from the Hon. JOHN HALL to the Hon. J. DOCKER.

SIR,—

General Post Office, Wellington, 2nd January, 1867.

Referring to my letter of the 24th ultimo, No. 176, I have the honor to forward to you the enclosed copy of a letter from the Secretary of the General Post Office, London, dated 27th August, Nos. 5 and 6 in this series. respecting the amount of postage to be credited to the Imperial office on correspondence forwarded *via* Panama, and of my answer to that communication.

I have, &c.,

JOHN HALL,

Postmaster-General.

The Hon. the Postmaster-General, Sydney.

#### No. 44.

Copy of a Letter from Mr. S. H. LAMBTON to the Hon. JOHN HALL.

SIR,—

General Post Office, Sydney, 19th January, 1867.

I have the honor, by direction of the Postmaster-General, to acknowledge with thanks the receipt of your letter dated 2nd instant, (F. 67-2), enclosing copy of a letter from the Secretary of the General Post Office, London, dated 27th August, respecting the amount of postage to be credited to the Imperial office on correspondence forwarded *via* Panama, together with a copy of your reply thereto.

I am to refer you to correspondence lately addressed from this to your Department, by which it will be seen that the steps suggested, as far as this Colony is concerned, have already been taken.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Postmaster-General, Wellington, New Zealand.

#### No. 45.

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

SIR,—

Colonial Secretary's Office, Sydney, New South Wales, 1st January, 1867.

I have the honor to enclose a copy of letter from the Honorable the Postmaster-General of this Colony pointing out the necessity for arrangements being made by New Zealand with the Imperial Government for the despatch of direct mails to Sydney, from the General Post Office, London, and, also, the incompleteness of existing arrangements for charging the correspondence of the non-contributing Colonies in Australia.

2. I desire to invite your early attention to the several questions raised by Mr. Docker for the consideration of the New Zealand Government.

I have, &c.,

HENRY PARKES.

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

#### Enclosure in No. 45.

SIR,—

General Post Office, Sydney, 31st December, 1866.

I am directed by the Postmaster-General to request that you will be good enough to move the Honorable the Colonial Secretary to point out to the Government of New Zealand, as the contracting party to the Panama Mail Service, the desirability of arrangements being made with the Imperial Government for the despatch of direct mails for Sydney from the General Post Office, London, by way of Panama, such mails to include all correspondence addressed to the Colonies which do not contribute to the cost of the existing Panama Mail Contract, viz., Victoria, Queensland, Tasmania, South Australia, and Western Australia.

2. I am further directed to suggest that Mr. Parkes be requested to bring under the notice of the Government of New Zealand the fact—that although certain charges are levied and accounted for to New South Wales (to be halved with New Zealand) on correspondence despatched from the non-

contributing Colonies to the United Kingdom and other places by the Panama Contract Steamers,—no extra charges are levied in England on account of New Zealand and New South Wales, or collected by these Colonies on correspondence despatched from the United Kingdom for the non-contributing Colonies, the last-mentioned Colonies at present deriving the same advantages, as regards the inward mails, as the Colonies of New South Wales and New Zealand, which contribute to this Mail Service on equal terms.

It therefore appears to the Postmaster-General that the London Office should be requested through the Government of New Zealand to levy and account to this office on all correspondence forwarded through or from the United Kingdom by way of Panama, addressed to the before-mentioned non-contributing Colonies, the same rates (of which New Zealand would receive half) as are levied by New South Wales on all correspondence sent from those Colonies.

These rates are at present as follow—

		<i>Letters :</i>	s.	d.
Not exceeding half an ounce	... ..		0	6
Exceeding half an ounce and not exceeding one ounce	... ..		1	0
Every additional ounce or fraction of one ounce	... ..		1	0
		<i>Packets :</i>		
Per four ounces	... ..		0	4
		<i>Newspapers :</i>		
Each	... ..		0	1

It will of course be understood that these rates are to be levied in addition to those already collected on correspondence forwarded to Australia and New Zealand by this route, a portion of which is credited to New Zealand.

It would be a more convenient course to levy this additional postage on delivery to the non-contributing Colonies. It is in the power of New Zealand to do this, but the existing arrangement being that all these letters should pass through New South Wales, our present postal laws stand in the way of its being done by this Colony.

3. There is it is believed nothing in the two foregoing proposals contrary to any existing agreement between the Governments of New South Wales and New Zealand in reference to this mail service.

4. The Postmaster-General is of opinion that correspondence originating in all places between New Zealand and the United Kingdom addressed to the non-contributing Colonies, and forwarded by the Panama contract steamers, should also be liable to an additional charge, such charge to be collected either at place of despatch or of destination, and accounted for to New Zealand or New South Wales, as the case may be.

There appear however, to the Postmaster-General, to be difficulties in the way of carrying out this arrangement at the present time, but he is of opinion that the point should be submitted for the consideration of the Government of New Zealand.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Under Secretary, &c., Sydney.

#### No. 46.

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

SIR,—

Colonial Secretary's Office, Wellington, 18th January, 1867.

I have the honor to acknowledge the receipt of your letter No. 2, of the 1st instant, transmitting a copy of a letter from the Honorable the Postmaster-General of New South Wales, representing the necessity for arrangements being made by this Colony with the Imperial Government for the despatch of direct mails *via* Panama to Sydney, from the General Post Office, London, and also the incompleteness of existing arrangements for charging the correspondence of the non-contributing Colonies in Australia.

I enclose, in reply, a Minute of the Honorable the Postmaster-General of this Colony conveying information on these subjects and raising certain questions in connection therewith for the consideration of your Government.

I would suggest whether on matters of Post Office detail such as those to which the Memorandum of the Honorable Postmaster-General of New South Wales refers, it would not be more convenient and expeditious for the Postmaster-Generals of the two Colonies respectively, to correspond direct with each other, as is done in similar cases between the General Post Office, London, and New Zealand.

I have, &c.,

WILLIAM FITZHERBERT,

(for the Colonial Secretary.)

The Hon. Colonial Secretary,  
New South Wales.

#### Enclosure in No. 46.

MINUTE on a Letter from General Post Office, Sydney, dated 31st December, 1866.

1. I have anticipated the wish of the New South Wales Post Office, that the correspondence *via* Panama for New South Wales and the other Australian Colonies should be sent from London in a direct mail for Sydney. I addressed a request to that effect on the 8th of September last, to the London Post Office, and the answer, stating that this would be done, was communicated to the Postmaster-General of New South Wales on the 24th December last.

2. With respect to the extra postage to be levied on correspondence conveyed by the Panama steamers, and addressed to the non-contributing Colonies of Australia, I concur in the opinion

expressed by Mr. Docker, that it is most desirable this charge should be collected on delivery of this correspondence to the non-contributing Colonies, and I regret to learn that the postal laws of New South Wales do not admit of such an arrangement being carried out by that Colony. I do not see anything to prevent its being done by New Zealand, if the correspondence were sent in mails made up by New Zealand for the Colonies in question. These mails could still be sent through Sydney, and could be delivered unsealed to the New South Wales Post Office if desired. The alternative suggested by Mr. Docker, viz., that this extra postage should be collected for account of New South Wales and New Zealand at the time the correspondence is originally posted, appears to me to present very serious difficulties. The collection, not only in the United Kingdom, but in all countries the correspondence of which is sent through the United Kingdom, of an unusual rate of postage on correspondence for a portion of the Australian Colonies would create so much trouble and complication both to the British and Foreign Post Offices, that I fear any such proposal would be seriously objected to, especially if it is borne in mind that a change may again be asked for, when Victoria or any other of the non-contributing Colonies shall agree to pay a portion of the subsidy to the Panama steamers. With regard to correspondence originating in countries between the United Kingdom and New Zealand, I beg to point out, that as most of those countries collect only their own postage, and as no accounts are kept between their Post Offices and that of New Zealand, it is in these cases indispensable that the sea postage accruing to New South Wales and New Zealand should be collected on delivery. Looking to the probability of an arrangement being arrived at during the approaching Postal Conference in Melbourne, by which the necessity for the continued imposition of additional postage on the correspondence above referred to may be obviated, and to the difficulties which surround the adoption of the plan now under discussion, I recommend that it be suggested that to the New South Wales Government whether it will not be desirable to postpone further action in the direction indicated by Mr. Docker until the result of that Conference shall be ascertained.

3. There is, however, one subject referred to in Mr. Docker's letter which appears to require immediate attention. I was not informed, until the receipt of that letter, of the actual amount of the additional postage which is being charged by New South Wales on the correspondence from non-contributing Colonies, and I learn from it that, upon newspapers from those countries, when sent *via* Panama, a charge of one penny only is collected. It has probably escaped the attention of the New South Wales Post Office, that the actual cost of the conveyance of these newspapers across the Isthmus of Panama is elevenpence per pound, equal to an average charge of nearly threepence per newspaper, and that consequently under existing circumstances, New South Wales and New Zealand are serious losers on all newspapers carried for the non-contributing Colonies. I have already initiated a correspondence with the Panama Railroad Company, in the hope of obtaining a reduction upon the excessive charge above mentioned; but, in the meantime, I do not doubt the Postmaster-General of New South Wales will think it right to take such steps as may be necessary for securing to that Colony and New Zealand at least the repayment of the sum actually disbursed by them for conveying newspapers across the Isthmus.

JOHN HALL.

## No. 47.

Copy of a Letter from Mr. S. H. LAMBTON to Mr. G. ELLIOTT ELLIOTT.

SIR,—

General Post Office, Sydney, 30th January, 1867.

I have the honor to transmit a specimen of the Time Bill for the conveyance of mails between Sydney and Panama, for your information, and beg to state that a copy thereof, with the necessary particulars filled in, accompanies the mail which leaves to-day for Panama.

I also enclose a supply of forms of Time Bill for the conveyance of mails from Panama to Sydney which you will be so good as to forward to the British agent at Panama, with instructions for immediate use.

If any improvements in either of the forms in question can be suggested by you, steps will at once be taken to give effect thereto.

I have, &amp;c.,

S. H. LAMBTON,

Secretary.

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

## No. 48.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to British Packet AGENT, Panama.

SIR,—

General Post Office, Wellington, 5th February, 1867.

I am directed to forward to you the enclosed six copies of a Time Table in connection with the inward Panama Mail Service, and to request you to cause the mails from London and your office to be entered thereon, and to be given to the Mail Agents when they receive delivery of the mails.

A larger supply will be furnished to you when one or two corrections are made in the form now sent.

I have, &amp;c.,

G. ELLIOTT ELLIOTT, Secretary.

The British Packet Agent, Panama.

## No. 49.

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

SIR,—

Colonial Secretary's Office, Sydney, New South Wales, 1st April, 1867.

I have the honor to transmit for your information the enclosed copy of the Minute of the Executive Council, defining the rules under which the mails of Colonies not contributing to the Panama Mail Service, will be charged in future for transmission by the steamers of that service.

I have, &amp;c.,

HENRY PARKES.

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

## Enclosure in No. 49.

SIR,—

General Post Office, Sydney, 27th March, 1867.

In carrying out the agreement at present arranged between the Governments of New Zealand and New South Wales, with regard to mails forwarded from Colonies which do not contribute to the subsidy paid to the Panama and New Zealand Mail Company, it is found that considerable inconvenience and delay in the despatch of every mail would be incurred, if an attempt is made to ascertain the liability of the respective Colonies by counting the postages.

It is also impossible and inexpedient for the Government of New South Wales to fix a postage rate for letters transmitted from other Colonies on such a basis as would protect this Department from positive loss for their carriage by the Panama Mail Steamer.

If the Governments of the non-acting Colonies decline to pay a fixed sum for the privilege of transmitting mails by this opportunity, the only alternative will be to charge for the carriage of these mails by weight.

I propose therefore to impose a charge of twenty shillings per pound on the gross weight of all mails forwarded for transmission by the Panama Mail Steamers from non-contracting Colonies, under which arrangement it should be optional with these Colonies to forward these mails through Sydney, as at present, or direct to Wellington in New Zealand by any opportunity which may appear expedient to them; it being understood that under this arrangement each Colony would keep its own accounts with the Imperial Government.

It will be desirable that the Governments of these respective Colonies should be informed, through the usual official channels, of this arrangement, and that copies of all communications from the Imperial Post Office be forwarded as early as possible to them.

The Government of New Zealand should also be requested to communicate the above arrangements to the London Post Office, in order that direct mails may, in future, be made up for each of these Colonies, with the exception of Western Australia, which will remain as at present.

I have, &c.,  
J. DOCKER.

## No. 50.

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

SIR,—

Colonial Secretary's Office, Wellington, 9th April, 1867.

I have the honor to acknowledge the receipt of your letter No. 65, of the 1st instant, transmitting a copy of the Minute of the Executive Council of New South Wales, defining the rules under which the mails of Colonies, not contributing to the Panama Mail Service, will be charged for transmission by the steamers of that service.

In reply I have the honor to state that the New Zealand Government concurs in these Rules, and I enclose for your information a copy of a Memorandum from the Hon. the Postmaster-General of this Colony, agreed to by this Government.

The Hon. the Colonial Secretary, New South Wales.

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

## Enclosure in No. 50.

Memorandum by the Hon. JOHN HALL.

REFERRING to the rates defined in the enclosure to Mr. Parkes' letter of the 1st instant, for charging the mails of Colonies not contributing to the Panama Mail Service, I would observe that time did not admit of the Imperial Post Office being communicated with by the Panama Mail of the 8th instant, but a request will be sent by the next opportunity that correspondence from London to Panama for the non-contracting Colonies may be sent in closed mails for those Colonies, and that they may be allowed to send closed mails in return. If this cannot be allowed, the correspondence in question may circulate through the Marine Post Office on board the Panama Steamers, and be then made into closed mails. The proposed charge for conveyance, viz., twenty shillings per pound gross, though high, does not seem to me more than the circumstances warrant.

With regard to the remaining proposal contained in the minute enclosed in Mr. Parkes' letter, viz., that the non-contracting Colonies should be allowed to send and receive their closed mails direct to and from Wellington, although I think the arrangement a very desirable one generally, I doubt the expediency, looking to the state of the negotiations on this subject with the Colony of Victoria, of adopting it at this particular moment. This is a question, however, which it appears to me should be left for the decision of New South Wales.

JOHN HALL.

## No. 51.

Copy of a Letter from the Hon. JOHN HALL to the Hon. J. DOCKER.

SIR,—

General Post Office, Wellington, 12th April, 1867.

Printed as Nos.  
17 and 18 in this  
series.

In forwarding to you the enclosed copy of a letter from the Secretary, General Post Office, London, and my reply thereto, I have the honor to state that, as the course proposed by Mr. Hill will save much trouble in the preparation of mails for despatch to and from Australia and New Zealand, *via* Panama, I trust that it will be acceded to by you.

As only one copy of the Letter Bill was enclosed in Mr. Hill's letter, I am unable to send you that copy, but you will be able to obtain the necessary forms for the printer from the Letter Bills accompanying the mail by the "Mataura."

I shall feel obliged by being informed whether a similar communication has been received by you

from the London Post Office, so that I may know whether it is necessary, in future, to furnish you with copies of such communications.

I have, &c.,

JOHN HALL,

Postmaster-General.

The Hon. the Postmaster-General, Sydney.

### No. 52.

Copy of a Letter from the Hon. JOHN HALL to the Hon. J. DOCKER.

SIR,—

General Post Office, Wellington, 16th April, 1867.

With reference to my letter of the 12th April, I have now the honor to forward copy of a No. 20 of this letter which I have addressed, by the outgoing Suez mail, to the Secretary, General Post Office, London. series.

I shall feel obliged by being informed whether, in the event of closed mails being made up for the non-contracting Colonies, either in London or Panama, or in the Marine Post Office, it is the wish of the New South Wales Government that such mails for Victoria, Tasmania, and South Australia should be sent through Sydney or direct to Melbourne.

I have, &c.,

The Hon the Postmaster-General,  
Sydney.

JOHN HALL,

Postmaster-General.

### No. 53.

Copy of a Letter from the Hon. JOHN HALL to the Hon. J. DOCKER.

SIR,—

General Post Office, Wellington, 9th April, 1867.

I have the honor to forward a Memorandum, in duplicate, of the points of detail agreed upon during my recent visit to Sydney, and of which there was not time to make a formal record previous to my departure.

I shall feel obliged if you will be good enough to return to me one copy of this Memorandum, signed by yourself, for record here.

I have, &c.,

JOHN HALL,

Postmaster-General.

The Hon. the Postmaster-General, Sydney.

P.S.—I enclose the rough notes of the agreement which was made at the time, which you will find to agree with the Memorandum now sent.

### Enclosure in No. 53.

MEMORANDUM of Points of Detail agreed upon between the Postmaster-General of New South Wales, and the Postmaster-General of New Zealand, at Sydney, on the 1st April, 1867.

1. Accounts between the two Offices respecting postage collected on correspondence sent by the Panama Steamers:

The Form of Account submitted by the New Zealand Post Office is approved, with some trifling modifications, which are agreed to. Quarterly Accounts in this form are to be made out by each office, and forwarded to the other as soon as the receipt of the necessary documents from the London Post Office renders this practicable.

2. Returns of Number of Letters forwarded *via* Panama:

Returns of the New Zealand correspondence down to the present time have been furnished to the Sydney Post Office, and will continue to be sent periodically. Similar Returns will be furnished by the Sydney Post Office, showing, as far as practicable, the correspondence of New South Wales, and of the several non-contracting Colonies.

3. Isthmus transit charge:

Each Colony is not to bear, as a separate charge, the cost of transporting its own mails across the Isthmus, but the total cost of both the mails is to be divided equally between the two Colonies in the same way that the total postage revenue on correspondence conveyed by this route is shared equally. No charge will consequently be made by either Colony against the other for Isthmus transit expenses on any mis-sent correspondence. This rule, as to equal division of postage revenue, will not apply to "Foreign" postage, *i.e.* postage collected in the Colonies for the conveyance of Colonial letters from Panama or from London to Foreign Countries, this postage having to be accounted for by the Colony collecting it to the British Post Office, therefore not being Colonial Postage Revenue.

4. Newspaper postage:

Each Colony may collect whatever postage it thinks proper on newspapers sent and received by it, but in the accounts between the two Colonies, each office will account for a postage of threepence each on all newspapers, this being the cost of conveying each newspaper across the Isthmus. This arrangement to take effect from the present time. On all newspapers sent and received previously to this date, only the actual postage collected to be accounted for.

5. Mails to and from non-contracting Colonies:

Dealt with in separate minute.

6. Penalties and premiums payable by or to the Company:

In accordance with the stipulation on this point, in the agreement between the two Colonies, New Zealand will pay all premiums and retain all penalties; that Colony will also decide on the remission of penalties incurred, except with regard to any penalties which may be provided for loss of time on the voyage from Wellington to Sydney, with regard to which the decision will rest with New South Wales.

The sum of £25, stopped by the New South Wales Treasury, as moiety of a £50 penalty, on the occasion of the repayment of advances made by New Zealand, to be reimbursed to that Colony.

## 7. Postage on Inter-colonial Letters sent by the Panama steamers :

Each Colony will retain the postage which it collects on this class of correspondence.

## No. 54.

Copy of a Letter from the Hon. JOHN HALL to the Hon. J. DOCKER.

SIR,—

General Post Office, Wellington, 12th April, 1867.

Enclosures to No. 21 in this series.

I have the honor to forward to you the enclosed copy of correspondence between this office and the Panama Railroad Company, respecting a reduction in the transit rates on newspapers, book packets, and pattern parcels, across the Isthmus of Panama.

In consequence of the reduction agreed to by the Company, the amount to be debited to each of the Colonies of New South Wales and New Zealand, in the joint account, will be one penny per paper, as heretofore, and not threepence as recently agreed upon.

I have to suggest that great care should be taken to distinguish the bags containing newspapers, &c., as suggested by the Company, whether coming from New South Wales or other Australian Colonies.

I have, &c.,

JOHN HALL,

Postmaster-General.

The Hon. the Postmaster-General, Sydney.

## No. 55.

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

SIR,—

Colonial Secretary's Office, Wellington, 16th May, 1867.

Adverting to the correspondence which has taken place on the subject of the contract between this Government and the Panama New Zealand and Australian Royal Mail Company, for the Panama Steam Postal Service, and of the agreement in reference thereto, entered into by the Governments of New Zealand and New South Wales, I have the honor to remind you, that on the 15th May, 1866, I forwarded to you the draft of the contract in question, with a view to the suggestion of any alterations which it might appear to you to require, and that after further correspondence on the subject, Mr. Crosbie Ward, the Special Agent of the New Zealand Government, left with you while he was in Sydney, the Draft Contract, the Government of New South Wales undertaking to revise and forward it together with any alterations suggested therein for the consideration of this Government. In March last, the Postmaster-General of New Zealand went from Melbourne to Sydney, the principal object of his visit to the latter place being to obtain this document, and he informs me that he was assured by you that it would be sent by the "Egmont," which was to leave Sydney on the 6th of last month.

As this document has not yet been received here, and as considerable inconvenience has arisen from the consequent delay in the execution of the contract for a service which has already been in operation for eleven months, I have to request you to be good enough to cause it to be forwarded to this office by the first opportunity.

I have, &c.,

The Hon. the Colonial Secretary, New South Wales.

E. W. STAFFORD.

## CORRESPONDENCE RESPECTING MR. CROSBIE WARD'S MISSION TO SYDNEY.

## No. 56.

Copy of a Letter from the Hon. JOHN HALL to Mr. CROSBIE WARD.

SIR,—

Christchurch, 20th October, 1866.

I have the honor to inform you that having regard to the several important questions connected with the Panama Mail Service which are still unsettled, the New Zealand Government is of opinion that it is extremely desirable, with a view to the early and satisfactory settlement of these questions, that an Agent of this Government should proceed to Australia for the purpose of fully discussing and determining them with the Government of New South Wales, and possibly with that of Victoria.

The manner in which you have been connected with the commencement and the progress of the Panama Mail Service, and your intimate acquaintance with all the details connected with this important undertaking, point you out as the most fitting Representative to whom the Government could intrust the interests of New Zealand on a mission of the kind above referred to.

I am therefore instructed to request you will be good enough to inform me whether you would be willing to afford the Government the benefit of your assistance in the capacity above alluded to, and whether you would be able to undertake the mission at an early date.

I have, &c.,

JOHN HALL,

Postmaster-General.

Crosbie Ward, Esq., M.G.A.

## No. 57.

Copy of a Letter from Mr. CROSBIE WARD to the Hon. JOHN HALL.

SIR,—

Christchurch, 20th October, 1866.

I have the honor to acknowledge your letter of this day's date inquiring whether I am prepared



to undertake a mission to Sydney and Melbourne as Agent of the New Zealand Government, for the purpose of negotiating certain questions relating to the Panama Service. In reply, I have to state my acceptance of so flattering an appointment, and I shall be prepared to start for Wellington on the way to Sydney to-morrow.

Hon. J. Hall, Postmaster-General.

I have, &c.,

CROSBIE WARD.

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No. 58.

Copy of a Letter from the Hon. JOHN HALL to Mr. CROSBIE WARD.

SIR,—

Christchurch, 20th October, 1866.

Understanding that you are willing to afford the New Zealand Government the benefit of your assistance in the settlement of several important questions connected with the Panama Mail Service, by undertaking the negotiation of these questions with the Government of New South Wales, I have the honor to communicate to you the following information as to the views of this Government on the subject referred to.

With a view of making these instructions more intelligible, I beg to prefix to them a brief recapitulation of the present state of the negotiations on the subject of the contract for the Mail Service in question, viz. :—

1. In February, 1865, an agreement was, after considerable negotiations with the Panama New Zealand and Australian Royal Mail Company, entered into between Captain Vine Hall, on behalf of the Company, and the Hon. Major Richardson, on behalf of the New Zealand Government, for the performance of the Mail Service between Panama and Sydney. This agreement is the basis of all subsequent proceedings.

2. In April, 1865, the Government of New South Wales, upon an invitation contained in a Memorandum by His Honor Dr. Featherston, as representative agent for the New Zealand Government, agreed to the proposal of that Government that New South Wales should share with New Zealand the advantages and responsibilities of the undertaking.

3. In April, and May, 1866, a draft of the proposed contract with the Company was forwarded by the agent of the Company in Wellington to the Colonial Secretary of New Zealand, and was by him submitted to the Government of New South Wales for its consideration and acquiescence. Mr. Stafford at the same time transmitted draft of proposed articles of agreement between the two Colonies.

4. In his several replies to this communication Mr. Parkes stipulates that no modification of the contract with the Company shall be made without the concurrence of New South Wales; he claims that letters to or from all the Australian Colonies, transmitted by the Panama mails, shall be sent through Sydney, and that the whole of the postage on this correspondence shall be the perquisite of New South Wales. He also proposes modifications of the proposed articles of agreement between the two Colonies with a view of ensuring that the mail steamers from Panama shall in all cases proceed on to Sydney, and not tranship mails and passengers at Wellington.

Under these circumstances the questions to which it appears to the Government your attention should be directed are as follows :—

1. The settlement with the New South Wales Government of the precise terms of the contract with the Company.—The modification in the original draft which the New Zealand Government now proposes to introduce, are shown in red ink on the accompanying printed copy of the original draft contract. It is not probable that this draft, as now amended, contains anything which will be objected to by the New South Wales Government. You are authorized, however, to agree to any modifications, if such should be proposed, which may appear to you not inconsistent with the interests and fair claims of New Zealand, and not likely to be rejected by the Company.

2. The settlement of the precise terms of the articles of agreement between the two Colonies.—The New Zealand Government will consent to such modifications of these articles as will provide for the Panama steamers making Sydney, as a rule, their port of arrival and departure, and as will require that mails from other Australian Colonies not contributing to the subsidy to the Company shall be sent through Sydney. The precise terms, however, of the additional words suggested by Mr. Parkes would give to New South Wales an absolute and peremptory power to determine the facts and circumstances under which she would be at liberty to withdraw from the agreement; they would even enable her to do so if a Panama steamer failed to go on from Wellington to Sydney, because she arrived at the former port in a condition in which it would be dangerous or impracticable for her to continue her voyage. I have no doubt, however, that the Government of New South Wales will, upon your representation, agree to such reasonable modifications of the proposals made by it, as will give effect to the conditions upon which substantially both Governments are now agreed, and place their respective rights under the articles of agreement upon a fair and equitable footing.

3. The articles of agreement do not give to New South Wales the whole of the postage on correspondence belonging to non-contributing Colonies, but a claim to this postage is made in Mr. Parkes' letter of the 15th June, 1866.—This claim appears to the New Zealand Government unreasonable and unfair, as well as opposed to the spirit, if not the letter, of the original agreement entered into with Dr. Featherston. You will therefore resist this claim to the utmost of your power, and I have little doubt you will be able to induce the Government of New South Wales to relinquish it. If, however, I should be disappointed in this respect, and you find that it is the fixed purpose of that Government to make this condition a *sine quâ non*, while in other more important particulars no difference exists between the two Governments, you will bear in mind that the New Zealand Government does not consider it would be to the interest of this Colony to sacrifice, for the sake of this objection, an agreement under which one-half of the heavy subsidy to be paid to the Company will be undertaken by the Colony of New South Wales.

4. There are several questions of detail connected with the accounts to be kept by the New Zealand and New South Wales post offices, which will be more fully explained to you at the General

Post Office in Wellington, and which the Government will feel obliged if you will undertake to arrange with the Postmaster-General of New South Wales. I should be glad if you could induce this officer to agree to a quarterly settlement of balances between the two post offices.

5. With regard to any further attempt to induce the Government of Victoria to contribute to the cost of the Panama Mail Service,—while the New Zealand Government is fully alive to the importance of this step being taken whenever the proper time for it shall arrive, they are by no means certain that circumstances render it advisable to do so at the present moment. They feel that the desirability or otherwise of such a proceeding must depend to a great extent on facts which can only become known to you on your arrival in Australia, and they therefore leave it to your discretion to place yourself in communication with the Victorian Government, or not, as you may deem most expedient after you shall have visited Sydney. Any steps to be taken by you in this respect should, however, be adopted only after consultation and in concert with the Government of New South Wales. In any case it will probably be desirable that you should visit Melbourne, if only for the purpose of ascertaining the general state of public feeling there with regard to the Panama Mail Service. You are aware that steps have already been taken by this Government which it hopes will, at no distant date, considerably lessen the indisposition hitherto shown by Victoria to contribute to the cost of the service.

6. In addition to the questions above referred to connected with the mail service to Panama, the Government will feel obliged if you will undertake to bring before the Governments of New South Wales and Victoria, the fairness and justice of a reasonable contribution being made by those Colonies to the cost of the mail steamers between Auckland and Sydney, and between Melbourne and Otago. The benefit of these services being shared between New Zealand and the Colonies in question, it seems but reasonable that some contribution should be made by the latter towards an expense which is incurred for joint benefit, more especially as a considerable amount of postage must be collected both in Sydney and Melbourne on letters forwarded by these steamers.

7. Having thus indicated to you the views of the Government in regard to the several questions above referred to, and having placed you more fully in possession of those views by personal communication, I have, in conclusion, only to express the hope which I confidently entertain, that New Zealand will derive very great advantage from the zeal and ability with which her interests will be advocated by you in the important negotiations now entrusted to your charge.

8. I beg to forward herewith printed and other papers affording full information on the various subjects with which you will have to deal, and beg you will be good enough to send them back to me on your return to New Zealand.

I have, &c.,

JOHN HALL,  
Postmaster-General.

To Crosbie Ward, Esq., M.G.A.

#### No. 59.

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

SIR,—

Colonial Secretary's Office, Wellington, 22nd October, 1866.

I have the honor to state that this Government, believing that the questions which still remain unadjusted between the Government of New South Wales and New Zealand, in relation to the Panama Service, can be more promptly and satisfactorily settled by personal communication than by correspondence, has appointed Mr. Crosbie Ward, a Member of the New Zealand Legislature, to proceed to Sydney and confer with the Government of New South Wales in this matter.

Mr. Ward, who negotiated with the Government of New South Wales, and with the Imperial Government, in 1863, for the establishment of the Panama Steam Service, and who initiated the original contract for that service, is thoroughly conversant with all the details of the subject, and can complete all arrangements still necessary between the Governments.

I have accordingly to request that you will communicate with Mr. Ward as the duly authorized agent of the New Zealand Government.

I have, &c.,

The Hon. the Colonial Secretary, New South Wales.

E. W. STAFFORD.

#### No. 60.

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

SIR,—

Colonial Secretary's Office, Wellington, 5th November, 1866.

I have the honor to enclose for your information a copy of a letter, dated the 18th ultimo, from the Honorable the Chief Secretary of Victoria, on the subject of the Panama Steam Postal Service, and a copy of the reply which has been addressed to him.

I have, &c.,

Crosbie Ward, Esq., care of the Hon. Colonial Secretary,  
New South Wales.

E. W. STAFFORD.

#### No. 61.

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

SIR,—

Colonial Secretary's Office, Wellington, 3rd December, 1866.

I have the honor to enclose a copy of a letter which I have this day addressed to the New South Wales Government, on the subject of the repayment of the advances made by this Government on account of that Colony in respect of the subsidy for the Steam Panama Postal Service, and to request you to be good enough to urge upon the New South Wales Government the necessity of immediately repaying the advances which have already been made, and of adopting measures to ensure

that in future all payments for which the Government of New South Wales is liable may be punctually made as they become due.

Crosbie Ward, Esq., M.G.A., Petty's Hotel, Sydney, N.S.W.

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

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No. 62.

Copy of a Letter from MR. CROSBIE WARD to the Hon. E. W. STAFFORD.

SIR,—

Sydney, 1st December, 1866.

I have the honor to acknowledge the receipt of your letter, of the 5th ultimo, No. 358, enclosing for my information copies of letters from the Chief Secretary of Victoria to the Colonial Secretary of New South Wales, relative to the contribution of the former Colony to the Panama Mail Service.

The terms of the agreement between New Zealand and New South Wales, for the joint maintenance of the service, and the conditions which are to be required from non-contributing Colonies using the Panama line for the carriage of their mails, are so far settled that I am able to report in general terms the conclusions arrived at.

That part of the Draft Agreement which was proposed to the Government of New Zealand will remain without material alteration. But in those clauses which were proposed to be inserted by the Government of New South Wales, some considerable modification will be made, to the following effect:—

1. The stipulation intended to bind the Government of New Zealand to send forward the mails from Sydney and Panama respectively, to their destinations, in the same vessel on board of which they were placed at the port of departure, will be removed from the agreement. But care will be taken to provide, in the contract with the Company, that the service shall be a whole through service between Panama and Sydney, calling at Wellington, in the terms commonly used in similar contracts; but leaving a reasonable latitude to the Company in cases of emergency.

2. The provision that all the correspondence of non-contributing Colonies shall pass through the Sydney Post Office is admittedly objectionable, but it is not thought desirable to disturb existing arrangements while a negotiation with the principal Colonies for placing the questions on a permanent and satisfactory footing is still pending. If it be thought worth while to record an agreement between New South Wales and New Zealand, on such a point at all, the clause in question will be amended by words defining its temporary character, and enabling this part of the agreement to be reconsidered at any time, without the re-opening the whole.

3. The right reserved in the last proposed clause of the Draft Agreement to New South Wales to retire from the undertaking under certain circumstances, will be modified so as to give to that Colony exactly the same rights of withdrawal as if it were a party to the contract itself. There will also be a right reserved to New South Wales to abandon its undertaking in case of breach by New Zealand of the articles of the agreement itself. The latter Colony is therefore placed in a position of greater safety by transferring in every possible case the stipulations of New South Wales from the agreement to the contract with the Company.

4. The Colonial Secretary of New South Wales has made a new demand, with which I feel it impossible to comply. It is that, instead of each Colony receiving the postage on its own correspondence, the whole revenue derivable from this source shall be equally divided between the two. I regard such a proposal as not only involving a loss to New Zealand, but also tending to retard the natural development of the service as a mail carrying line. I have therefore declined to assent to the demand in the absence of distinct instructions from you; and if the demand be further pressed the agreement will in this respect remain open until settled by correspondence.

The exact terms of the amended clauses in the contract with the Company now alone await settlement. I have requested the Government of New South Wales to prepare such amendments as will give effect to their demands, and I had hoped by this time to have brought the whole matter to a conclusion, but owing to the pressure of Parliamentary business, as I am informed, little progress has recently been made, and I am compelled to remain here still longer awaiting the result.

You will have observed by the correspondence between the Governments of Victoria and New South Wales, that a desire has been expressed on both sides to come to an amicable arrangement respecting the Panama and Suez Mail Services, on a basis mutually satisfactory, and I am persuaded that the desire is so earnest that some such arrangement may be confidently expected to result from the negotiations now commenced. As the action of Victoria, with regard to the Panama route, will be to a great extent contingent on that of New South Wales, with regard to the Suez route, the conduct of the negotiations on our side may be left to the latter Colony; and indeed the interference of New Zealand might be regarded as not only unnecessary but embarrassing. As, however, any conclusions must be submitted for the ratification of New Zealand, and as some advantage might be gained by a representative of that Colony being cognisant of the proceedings in every stage, the proposal which has been made for a Conference of Delegates appears to be one which I may assume that you would accept, and would wish me to give effect to on behalf of the Colony. I am informed that the Government of New South Wales will probably also accept the proposal, and that action may be taken in the matter during the month of January next. Should this information prove to be correct, I propose to make use of the additional time during which I must remain in Australia, in visiting Melbourne, for the purpose of promoting the arrangements for a Conference, and also of ascertaining for your information the views of the Victorian Government on the questions for your consideration. I trust that by that time the contract and agreement will have received the full attention of the Government of New South Wales, and my duties here be at an end.

I have omitted to mention, in its place, that the Government of New South Wales will be willing to make payments of the monthly share of the subsidy through the bankers of the contracting

Company, for convenience sake, provided that the Government of New Zealand will authorize the bank to give a discharge on their account. The commencement of the system will await the transmission of the required authority.

The Hon. the Colonial Secretary, Wellington.

I have, &c.,

CROSBIE WARD.

No. 63.

Copy of a Letter from Mr. CROSBIE WARD to the Hon. E. W. STAFFORD.  
Between Sydney and New Zealand, on board the s.s. "Phœbe,"  
12th December, 1866.

SIR,—

I have the honor to enclose a copy of the Draft Agreement between the Colonies of New Zealand and New South Wales for the joint maintenance of the Panama Mail Service, with the amendments which have been agreed upon between the Honorable the Colonial Secretary of New South Wales and myself, as the representative of the Government of New Zealand.

Appended to the agreement, and substantially forming part of it, is a Memorandum by the Honorable Mr. Parkes, containing some additional demands by the Government of New South Wales as the condition of their acquiescence in the agreement, which was placed in my hands yesterday morning. The minutes appended to this Memorandum will show which of the demands referred to have been accepted, and which refused. In the state in which it now appears it was finally agreed to by both parties, and the Draft Agreement and Memorandum were simultaneously signed by Mr. Parkes and myself. I trust that the terms of the contract between the two Colonies will appear, under all the circumstances, satisfactory to the Government of New Zealand.

With reference to my letter of the 1st instant, in which my intention of visiting Melbourne was stated, I have now the honor to inform you, that such visit was rendered unnecessary by circumstances which shortly afterwards transpired. On the day following the despatch of the letter referred to, I was made aware of the receipt by the Government of New South Wales of letters from the Government of Victoria, proposing that a Conference of Representatives from all these Colonies should be held in Melbourne early in next year, to consult with respect to a recent important Despatch from the Secretary of State for the Colonies upon postal subjects. I was informed also that the Government of New South Wales would acquiesce in this proposal. The Despatch and letters referred to have no doubt already come to your knowledge. There appeared, accordingly, no reason to visit Melbourne to ascertain whether a Conference would be held, or what would be the subjects likely to be brought before the body of Colonial representatives.

I have the pleasure to add, that the Colonial Secretary of New South Wales, in parting, assured me that the Government of that Colony desired to co-operate with the Government of New Zealand in all matters of common interest in the most frank and cordial spirit.

The Hon. the Colonial Secretary, Wellington.

I have, &c.,

CROSBIE WARD.

Enclosure 1 in No. 63.

FORM OF AGREEMENT as revised and agreed upon, 11th December, 1866.

ARTICLES of Agreement made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, A.D. 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 10th day of March, 1865, 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 22nd day of April, 1865, and signed by the Hon. 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, and the Panama New Zealand and Australian Royal Mail Company (Limited), provision has been made, amongst other things, 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 [for himself and his successors, Governors of the said Colony last mentioned] doth hereby, *for and on behalf of the Government of the said Colony*, agree with the said Sir John Young, Governor, as aforesaid, [and his successors, Governors of the] *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 himself and his successors, Governors of the said] *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, [and his successors, Governors] *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 11th day of March, A.D. 1865, and the said other letter or memorandum in writing, dated the 22nd 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 Agreement between the said Sir George Grey and the said Panama New Zealand and Australian Royal Mail Company, 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 [consent] concurrence of the Government of New South Wales, testified by writing under the hand of the Colonial Secretary of New South Wales first had and obtained, and no contract, agreement or arrangement with the Imperial Government or with any Foreign or other Colonial Government, in anywise 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] 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 £55,000 by equal monthly instalments of £4583 6s. 8d. per month.

That the payment of the premiums by the Articles hereinbefore mentioned 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 until otherwise provided by mutual 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 amount 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 subsidy to be paid by the Colonies of New Zealand and New South Wales to the said Company for the said mail service, shall, until otherwise provided by mutual agreement, 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 Articles of Agreement, 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 services, 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.*

NOTE—The parts included in brackets are erased.

## Enclosure 2 in No. 63.

Memorandum by the Honorable H. PARKES.

1. If the Colony of New South Wales continues to be the only Australian Colony contributing to the subsidy agreed to be paid by New Zealand to the Panama New Zealand and Australian Royal Mail Company, then, so long as she remains in that position, New South Wales ought to have absolute control of the Australian portion of the service.

Paragraph 1 agreed to.  
C. W.

2. If any Colony on the Australian Continent agree to pay a fixed sum per annum, or make other arrangement for participation in the benefits of the service, then, it is urged that the amount so paid ought to be placed in reduction of the moiety agreed to be contributed by New South Wales, as against the other moiety contributed by the united Provinces of New Zealand, and the Australian Colony so making any payment in reduction of the moiety paid by New South Wales, is to be admitted a party to the service on such conditions as the Governments of New Zealand and New South Wales shall mutually assent to.

Paragraphs 2 and 3. With reference to the second and third paragraphs of this Memorandum I must express my entire dissent from the proposals which they put forward. If the Colony of New South Wales desires so far to modify the agreement with New Zealand, I would suggest that the proposals should form the subject of separate correspondence.

C. W.  
Paragraph 2 withdrawn.  
H. P.  
These observations cancelled.  
C. W.

3. The postal revenue derived from the service is to be equally divided between New Zealand and New South Wales.

Paragraph 3 agreed to on the withdrawal of paragraph 2.

4. The agreement between New Zealand and New South Wales in other respects is to remain as agreed upon between Mr. Parkes and Mr. Crosbie Ward, in Sydney.

C. W.  
Paragraph 4 agreed to.  
C. W.

5. The contract between the Government of New Zealand and the Panama New Zealand and Australian Royal Mail Company is to be revised so as to embrace the same conditions as the agreement between New Zealand and New South Wales, and to enable the agreement between the two Colonies to be strictly carried out.

Paragraph 5 agreed to.  
C. W.

H. P.

Colonial Secretary's Office, Sydney,  
11th December, 1866.

## Enclosure 3 in No. 63.

MEMORANDUM regarding Points of Detail arranged with the General Post Office,  
New South Wales.

1. It appears requisite that the Postmaster-General, New South Wales, should be appointed the Agent of the Postmaster-General, New Zealand, under the contract, in order to carry out its provisions.

2. The Post Office, Sydney, will submit a form of Time Bill for the steamers, on the Peninsula and Oriental model, and will use it pending approval by Post Office, New Zealand.

3. New Zealand to render, as soon as possible, accounts of the mails which have been made up jointly for all the Colonies.

4. New South Wales to render promptly account of mails forwarded by her from other Colonies; and, until other arrangements are made, to continue to account with and for those Colonies.

5. When separate mails are received by New Zealand and New South Wales, each Colony to account direct with London and Panama.

6. New South Wales already accounts for and remits the Intercolonial sea postage on all correspondence sent by the New Zealand subsidized boats, and will continue to do so; but not by the Panama steamers or by private steamers.

7. All accounts between the two Post Offices to be adjusted quarterly.  
Sydney, New South Wales, 1st December, 1866.

CROSBIE WARD.

## No. 64.

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

SIR,—

Colonial Secretary's Office, Wellington, 7th January, 1867.

I have the honor to acknowledge the receipt of your letter of the 12th ultimo, reporting the result of the negotiations conducted by you with the Government of New South Wales, to whom you were accredited by this Government with a view to the settlement of some important outstanding questions in connexion with the Panama Steam Postal Service.

While this result is, in the opinion of the Government, less advantageous to New Zealand than could have been desired, and than the Colony had a fair right to expect, in which opinion it is under-

stood that you coincide, the Government is fully sensible that the result is attributable to circumstances beyond your control, and that it is owing to your exertions that the position of this important question is not much more unsatisfactory than it is at present.

I desire to convey to you the strong sense which the Government entertain of the public zeal which induced you, at its request, so promptly to undertake the mission to New South Wales, and of the ability with which you discharged its duties.

Crosbie Ward, Esq., M.G.A., Lyttelton.

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

## CORRESPONDENCE WITH CAPTAIN BENSON.

## No. 65.

Copy of a Letter from Captain BENSON to the Hon. JOHN HALL.

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

SIR,—

Wellington, 13th July, 1866.

I beg respectfully to hope that you will be able to let me have the Panama Contract, duly signed, in time to transmit it to my Directors, in London, by the Suez mail hence on the 17th instant.

In so doing, I desire to draw your attention to the fact that two of the ships are now at sea, with mails on board; a third leaves Sydney to-morrow for this port and Panama; and the fourth about due in Australia to take her place on the line. Under these circumstances, I do hope I shall not again have to inform the Board of its still remaining in abeyance.

I have, &c.,  
H. B. BENSON,

General Manager.

The Hon. the Postmaster-General, Wellington.

## No. 66.

Copy of a Letter from Mr. GRAY to Captain BENSON.

SIR,—

General Post Office, Wellington, 16th July, 1866.

With reference to your letter of the 13th instant, requesting that the Panama Contract be forwarded to you, duly signed, in time to transmit the same to the Directors, in London, I am directed to inform you that the draft copy of the contract was referred to the Government of New South Wales, and has not since been received at this office, consequently the Postmaster-General is unable to furnish you with a signed copy. This he regrets, but probably the next mail from Sydney may bring the document.

I have, &c.,  
W. GRAY,

Acting Secretary.

Captain Benson, Manager P.N.Z. and A.R.M. Company, Wellington.

## No. 67.

Copy of a Letter from Captain BENSON to the Hon. JOHN HALL.

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

SIR,—

14th August, 1866.

I am constrained to remind you that another month has elapsed since I wrote you requesting the Panama Contract, duly signed, for transmission to my Directors, in London. I note in your last reply to my application for this document, that your inability to furnish it was consequent on the Government of New South Wales not having returned you a draft copy of it, and I beg respectfully to intimate that the Government alluded to is not a contracting party to it, therefore, taking into consideration the advanced state of the service, I trust that I shall not in this instance apply in vain.

The favour of your reply in time for the Suez mail hence on the 17th instant will much oblige me.

I have, &c.,  
H. B. BENSON,

General Manager.

The Hon. the Postmaster-General.

## No. 68.

Copy of a Letter from Mr. GRAY to Captain BENSON.

SIR,—

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

With reference to your letter of the 14th instant, requesting that the contract for the Panama Mail Service be forwarded to you, signed, for transmission to England, I am directed to inform you, that the draft copy has not yet been received from the Government of New South Wales, and this Government is consequently not in a position to furnish you with it, which the Postmaster-General very much regrets.

I have, &c.,  
W. GRAY,

Acting Secretary.

Captain Benson, Manager P.N.Z. and A.R.M. Company,  
Wellington.

## FURTHER PAPERS RELATIVE TO

## No. 69.

Copy of a Letter from Captain BENSON to the Hon. JOHN HALL.  
Panama New Zealand and Australian Royal Mail Company (Limited), Sydney, Melbourne, and  
New Zealand.

SIR,—

Wellington, 4th October, 1866.

I trust it will meet your convenience to let me have the Panama Contract, duly signed, for transmission per "Kaikoura," on the 8th instant. I need hardly remind you that our fourth steamer is now on her way from Sydney *en route* to Panama, and that three ships have arrived from thence.

I can assure you that the continued delay in the transmission of this document is most embarrassing to my Directors in London, and respectfully hope you will now comply with my request.

I have, &amp;c.,

H. B. BENSON,  
General Manager.

The Hon. the Postmaster-General, Wellington.

## No. 70.

Copy of a Letter from Mr. G. ELIOTT ELIOTT to Captain BENSON.

SIR,—

General Post Office, Wellington, 5th October, 1866.

In reply to your letter of yesterday's date, requesting that the contract for the Steam Mail Service *via* Panama might be transmitted to you, duly signed, so that you could forward it by the "Kaikoura" on the 8th instant, I am directed to inform you that the draft contract to which you refer, and which was forwarded to this department in Mr. Lawson's letter of April last, has now been returned by the New South Wales Government, and it will require some modification before it can receive the assent of this Government.

These alterations are now being made by the Attorney-General, and the Postmaster-General hopes to be able to forward to you the amended draft in time for the outgoing mail *via* Panama.

I have, &amp;c.,

G. ELIOTT ELIOTT,  
Secretary.

The General Manager P.N.Z. and A.R.M. Company, Wellington.

## No. 71.

Copy of a Letter from the Hon. JOHN HALL to Captain BENSON.

SIR,—

General Post Office, Wellington, 16th October, 1866.

With reference to Mr. Elliott's letter, of the 5th instant (No. 277), on the subject of the contract for the Mail Service between Australia, New Zealand, and Panama, I regret that, owing to pressure of business at the close of the late session of Parliament, the Law Officers of the Crown were unable to report on the amendments required in the draft forwarded by Mr. Lawson, in sufficient time to enable me to send you the draft before the departure of the last mail.

The report in question has now been furnished, and I have the honor to forward you a printed copy of the draft contract, with interlineations in red ink showing the amendments which it is necessary should be introduced into the deed before signature. The contract, as so amended, would be satisfactory to the Government of New Zealand, but it is bound by its agreement with the Government of New South Wales to obtain the concurrence of that Government to any alterations in the original draft before finally assenting to them. I have no reason to doubt that this concurrence will be readily given, and with a view of expediting the settlement of the question, and of arranging other details connected with this service, an agent of the New Zealand Government will proceed to Sydney in the course of the ensuing month.

In the meantime, I beg to suggest that, should the draft deed, as now amended, meet with the approval of the Directors of your Company, the final completion of the contract would be accelerated if you were furnished with authority to sign the deed on behalf of the Company, upon its being signed on behalf of the Colony by His Excellency Sir George Grey.

I have, &amp;c.,

JOHN HALL,  
Postmaster-General.

The General Manager P.N.Z. and A.R.M. Company, Wellington.

## No. 72.

Copy of a Letter from Captain BENSON to the Hon. JOHN HALL.

SIR,—

Wellington, 17th October, 1866.

I have the honor to acknowledge receipt of your letter of 16th instant, covering the draft contract with certain alterations which the Government of New Zealand considers necessary to meet the wishes of the Government of New South Wales. And acquaint you that I have this day forwarded it to my Directors in London.

I have, &amp;c.,

H. B. BENSON,  
General Manager.

The Hon. the Postmaster-General, Wellington.

## No. 73.

Copy of a Letter from Mr. G. ELIOTT ELIOTT to Captain BENSON.

SIR,—

General Post Office, Wellington, 10th April, 1867.

Referring to a letter addressed by you to the Governor, in September last, expressing the desire of your Company to establish a depôt for coal and stores, either at the Galapagos Islands, or at



the Island of Opara, and requesting His Excellency's assistance in procuring for the Company a survey of the latter island: I am directed to inform you that a Despatch has been received from Her Majesty's Secretary of State for the Colonies, stating that a man-of-war cannot be detached to Opara for this purpose, but that it would seem possible for the Company, without much inconvenience, to cause one of their own steamers to touch at the Island, and ascertain both its capabilities as regards the Company's requirements; and also whether or not it is at present inhabited, and if so, by what number of persons, and of what race, and under what jurisdiction.

You will understand that you are not to infer from this that Her Majesty's Government would be prepared to establish a Colony at Opara, or to render it a subject of any expense to the British Treasury.

I have, &c.,

G. ELLIOTT ELLIOTT,  
Secretary.

The Manager P.N.Z. and A.R.M. Company, Wellington.

#### No. 74.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to Captain BENSON.

SIR,—

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

I have the honor to forward herewith extract of a letter from Mr. Crosbie Ward, from which you will perceive that the Government of New South Wales has undertaken henceforward to make monthly payments of its share of the subsidy for the Panama Service, through the Bankers of your Company in Sydney. As I understood from you some time since, that this arrangement is one which will suit the convenience of the Company, I beg to enclose the authority required by the New South Wales Government, authorizing your Bankers to give a discharge on account of the Government of New Zealand.

I have, &c.,

G. ELLIOTT ELLIOTT,  
Secretary.

The General Manager P.N.Z. and A.R.M. Company, Wellington.

[EXTRACT.]

"I have omitted to mention in its place, that the Government of New South Wales will be willing to make payments of the monthly share of the subsidy, through the Bankers of the contracting Company, for convenience sake, provided that the Government of New Zealand will authorize the Bank to give a discharge on their account. The commencement of the system will await the transmission of the required authority."

#### No. 75.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to Captain BENSON.

SIR,—

General Post Office, Wellington, 24th January, 1867.

With reference to my letter of the 17th ultimo, I am directed to inform you that since that letter was written a communication has been received from the Colonial Secretary of New South Wales, in which he requests the New Zealand Government to keep the Government of New South Wales informed of the monthly subsidy payable to the Company.

It has been decided that the most convenient mode of keeping the New South Wales Government supplied with this information will be to furnish the Company, as each monthly subsidy falls due, with a certificate in the annexed form, which the agents of the Company in Sydney will present to the Colonial Government when application is made for the New South Wales moiety of the subsidy.

I have, &c.,

G. ELLIOTT ELLIOTT,  
Secretary.

Captain Benson, Manager P.N.Z. and A.R.M. Company.

(Copy Certificate.)

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

I do hereby authorize the Manager of the Bank of \_\_\_\_\_ at Sydney, to give, on the part of the New Zealand Government, to the Colonial Treasurer of New South Wales, receipts for all sums paid by such Colonial Treasurer to the credit of the Panama New Zealand and Australian Royal Mail Company, on account of the amounts due from time to time by the Government of New South Wales to the Government of New Zealand, in respect of the subsidy for the Panama Steam Postal Service.

#### No. 76.

Copy of a Letter from Mr. LAWSON to the Hon. JOHN HALL.

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

SIR,—

Wellington, 17th December, 1866.

I have the honor to acknowledge the receipt of letter of this day's date, intimating that Government of New South Wales has undertaken henceforward to make monthly payments of its share of the subsidy for Panama service through the bankers of this Company in Sydney, your enclosed authority for which is forwarded to Sydney this day.

I have, &c.,

H. LAWSON,  
Sub-Manager.

The Hon. the Postmaster-General, &c., Wellington.

## No. 77.

Copy of a Letter from the Hon. JOHN HALL to Captain BENSON.

SIR,—

General Post Office, Wellington, 28th January, 1867.

With reference to my letter to you of the 16th of October last, forwarding a copy of the draft contract for the mail service between Australia, New Zealand, and Panama, I have the honor to inform you that in accordance with the intentions of the Government as expressed in that letter, a copy of the draft in question was forwarded without delay to the Government of New South Wales for its approval. I had hoped that Mr. Crosbie Ward, who, as you are aware, recently proceeded to Sydney with a view of arranging all outstanding questions connected with this service, would have been able to bring back the document in question with a statement of the views of the New South Wales Government with regard to it. He has, however, been unable to do this, owing to the pressure of parliamentary business upon the New South Wales Government at the time of his departure. He was assured, however, that immediately upon the prorogation of the New South Wales Parliament, the attention of the Law Officers of the Crown would be given to the subject, and that the deed would be returned to New Zealand without delay. It is understood that some alteration will be required in the draft as transmitted from New Zealand.

I have, since Mr. Ward's return, taken steps for urging upon the New South Wales Government the desirability of the settlement of this contract at a very early date, and during my approaching visit to Australia, to attend the Postal Conference there, I will again press the subject on the attention of the proper authorities.

I have, &amp;c.,

JOHN HALL,

The General Manager P.N.Z. and A.R.M. Company, Wellington.

Postmaster-General.

## No. 78.

Copy of a Letter from Captain BENSON to the Hon. JOHN HALL.

Wellington, 29th January, 1867.

SIR,—

PANAMA CONTRACT.

I beg to acknowledge the receipt of your letter of 28th instant, referring to this document. Its contents are duly noted.

I have, &amp;c.,

H. B. BENSON,

The Hon. the Postmaster-General.

General Manager.