

No. 29.

The Hon. J. McCULLOCH, Chief Secretary, Melbourne, to the Hon. W. GISBORNE, Wellington.
Victoria, Chief Secretary's Office,

SIR,—

Melbourne, 29th June, 1870.

I have the honor to acknowledge the receipt of your letter of the 20th ultimo, in which you advert to a communication by the Hon. Mr. Vogel, dated the 11th January, on the subject of the recently established mail line between Sydney and San Francisco, *via* Auckland and Honolulu, and request to be informed whether the Government of this Colony is prepared to contribute six thousand pounds annually towards the support of the service in question.

In reply, I beg to inform you that this Government having attentively considered the subject, has arrived at the conclusion that it must decline to pay a subsidy for a second monthly mail communication. The route *via* Galle and Suez is far more advantageous to this Colony than the service by New Zealand and California, and therefore the offer of participation in the contract on the terms proposed cannot be entertained.

At the same time it should be stated that, pending this decision being arrived at, mails from this Colony have been placed on board the steamers leaving Sydney under contract with the New Zealand Government for Honolulu, on the assumption that this would be sanctioned by some such arrangement as that under which the Victorian mails were conveyed by the Panama Mail Steamers from Sydney, New South Wales, and Wellington, New Zealand; and I should be glad to be favoured with the views of your Government on this subject at your earliest convenience.

I have, &c.,

The Hon. the Colonial Secretary, Wellington.

JAMES McCULLOCH.

No. 30.

The Hon. J. VOGEL to the Hon. the POSTMASTER-GENERAL, Melbourne.

SIR,—

General Post Office, Wellington, 1st August, 1870.

With reference to the letter from the Chief Secretary, of the 29th June last, No. 1,575, addressed to the Hon. the Colonial Secretary, Wellington, in which he states that the mail route *via* Galle and Suez being far more advantageous to the Colony of Victoria than the service by New Zealand and California, the proposal made by me in a letter dated the 11th January last cannot be entertained; also that, pending this decision being arrived at, mails from your Colony have been placed on board the steamers leaving Sydney under contract with the New Zealand Government for Honolulu, on the assumption that such would be sanctioned under some such arrangement as that under which your mails were conveyed by the Panama Mail Steamers from Wellington:

I have the honor to inform you that I am of opinion that, until your Government are sufficiently impressed with the value of the service *via* San Francisco to be willing to make the small contribution of £6,000 per annum asked, your Department should abstain from using it. I hope, on consideration, your Government will recognize that it is in no unfriendly spirit that this Government is constrained to come to the conclusion that it cannot agree to convey mails or correspondence by this route to or from non-contributing Colonies on such arrangement as the Chief Secretary proposes.

As to the use your Department have already made of the service, your Government can make such payment therefor as they think fit,—the money will go to the contractor. The impression has prevailed that the Victorian Government were willing to pay towards the service at the rate of £6,000 per annum. If they consider any claim attaches to them, they may pay at that rate for the use they have already made of the service.

I have, &c.,

The Hon. the Postmaster-General, Melbourne.

JULIUS VOGEL.

No. 31.

Mr. H. H. HALL, Sydney, to the Hon. J. VOGEL.

United States Consulate, Grafton Wharf,
Sydney, 30th June, 1870.

DEAR SIR,—

I had the honor of addressing you on the 20th instant, as per duplicate enclosed. I also enclose copy of a letter addressed to you on the 22nd instant, and which was handed to the Oriental Bank along with a draft I had to draw on my agents in Auckland. No doubt the draft will be duly honoured and said letter will then be cancelled.

I find that my expenses with these large steamers, for rent, coals and wages, &c., amount to £6,000 per month, and I shall esteem it a favour if you will be good enough to instruct the Manager of the Bank of New Zealand, Auckland, to place to my credit with the Oriental Bank, in addition to the £250, the further sum of £750 per month, making in all, with the credit to the Australian Steam Navigation Company, £2,000 per month, in the event of the subsidies not being granted in the meantime from Melbourne and New South Wales. At the end of six months you will then have paid me on account of postages from the Colonies not subsidizing, and passage money for the Mail Agents, the sum of £750, as follows:—

The Oriental Bank has paid me and the Australian Steam			
Navigation Company the sum of	£4,250 0 0
To pay in three months £2,000 per month	6,000 0 0
			<hr/>
			£10,250 0 0
Amount of subsidy for six months	...	£7,500 0 0	
Ditto of your letter of guarantee	...	2,000 0 0	
		<hr/>	9,500 0 0
			<hr/>
Say seven hundred and fifty pounds	...		£750 0 0