

But I think that a clue to the action of the United States postal authorities may be found in the various contracts entered into between Mr. Vogel and the successive American contractors for the conveyance of New Zealand mails *via* San Francisco, in each of which contracts the name of the Australian Colonies is introduced. These contracts are, one concluded on the 22nd November, 1870, between Mr. Vogel and Messrs. Holladay and Brenham, another, dated the 6th February, 1871, between Mr. Vogel and Messrs. Webb and Holladay; and a third dated the 7th March, 1871, between Mr. Vogel and Messrs. Webb and Holladay.

As all these agreements contain the same provision and in the same words, I will confine myself to an examination of the last. Clause 23 of this agreement provides, in terms of the Postal Convention, that no mails whatever to or from any of the colonies of Australia, shall be received on board or carried in any of the steam vessels employed under the contract, without the written consent of the Postmaster-General. This, of course, could not be complained of; but the 24th clause provides that "in pursuance of the Postal Convention . . . and in order to insure reasonable contributions from the Australian Colonies . . . the Postmaster-General and the contractors will use their best endeavours to prevent the transmission of all mails to or from any of the Australian Colonies . . . unless such colony . . . shall enter into arrangements with the Postmaster-General as provided by clause 15." This reference to clause 15 is evidently an error, as it does not bear upon the question, but its meaning is discovered by turning to clause 15 of the contract of the 6th February, 1871, which allows the Postmaster-General, but not the contractors, to make arrangements with Australian Governments for the conveyance of mails.

This correspondence upon the subject must, I think, show that the contractors, if not the Postmaster-General, have been acting under the provisions of the contract; and it is highly probable they would do so, as the clause subjects them to a penalty of £500 for a wilful breach of this stipulation.

J. D.

29th December, 1871.

No. 6.

MEMORANDUM OF AGREEMENT made the seventeenth day of February, one thousand eight hundred and seventy-two, between WILLIAM HENRY WEBB, of New York, in the United States of America, Esquire, and BEN HOLLADAY, of San Francisco, in the United States of America, aforesaid, Esquire, hereinafter called "the Contractors," of the one part, and THE AUSTRALASIAN STEAM NAVIGATION COMPANY, a Corporation carrying on business in Sydney, in the Colony of New South Wales, and elsewhere, hereinafter called "the said Company," of the other part

WHEREAS by a Memorandum of Agreement dated the seventh day of March, one thousand eight hundred and seventy-one, and made between the Honorable Julius Vogel, Postmaster-General of New Zealand, of the one part, and the Contractors, of the other part, it was, amongst other things, agreed that the Contractors should establish a line of mail steam vessels, to be called "The United States, New Zealand, and Australia Mail Steamship Line," to run between the ports of San Francisco and New Zealand, to commence at San Francisco on the 8th day of April, one thousand eight hundred and seventy-one, for ten years, and that one of the vessels to be employed under the said contract should leave San Francisco once in every twenty-eight days, and should proceed thence to Port Chalmers, by way of and calling at Auckland, Wellington, and Lyttelton, in New Zealand; and one of the said vessels should leave Port Chalmers once in every twenty-eight days, and should proceed to San Francisco, by way of and calling at Lyttelton, Wellington, and Auckland: And further, that the Contractors should, once in every twenty-eight days, run a steamer in connection with the aforesaid steamers between Auckland and Sydney, and between Sydney and Auckland, and, if required to do so by the Postmaster-General, the Contractors should, or at their own option they might, run the said steamer to Melbourne, and from Melbourne to Sydney and Auckland, and which Memorandum of Agreement is set out in the Schedule (B) hereto: And whereas it has been arranged and agreed that a steamer shall be run to and from Melbourne in connection with such service, to run direct between Auckland and Melbourne, and between Melbourne and Auckland, if the Government of Victoria shall grant and pay a subsidy for the service, such subsidy to be agreed on between the parties hereto and the Postmaster-General for the time being of New Zealand, but otherwise to run *via* Sydney: And whereas it hath been agreed between the Contractors and the said Company that the said Company shall, at their own expense, provide and run steam vessels between Auckland and Sydney, Brisbane and Melbourne, for the carriage from and to Auckland of mails, passengers, and freight, for the Contractors, in connection with the said recited contract of the seventh day of March, one thousand eight hundred and seventy-one, and in good time to make immediate connection at Auckland with the steam vessels run under such contract, and otherwise in a manner and upon the terms and conditions hereinafter appearing: And the Postmaster-General of New Zealand hath testified his concurrence in such arrangement and agreement by a memorandum at the foot hereof, in manner therein set forth:

NOW THESE PRESENTS WITNESS that the Contractors jointly and severally, for themselves and each of them, their and each of their heirs, executors, and administrators and permitted assigns, covenant and agree with the said Company, and the said Company covenant and agree with the Contractors their executors and administrators and permitted assigns, in manner following, that is to say:—

That the said Company shall and will, at their own expense, provide and run first-class steam vessels from Auckland to Sydney, and from Sydney to Brisbane, and from Brisbane to Sydney, and from Sydney to Auckland; and (if such subsidy as aforesaid shall be obtained from the Government of Victoria) from Auckland direct to Melbourne, and from Melbourne direct to Auckland, or otherwise, from Auckland to Melbourne *via* Sydney, and from Melbourne to Auckland *via* Sydney, for the carriage of, and shall therein and thereby, at the expense of the said Company, carry for the Contractors, from and to the several places aforesaid, all the mails, passengers, and freight in connection with the steam vessels of the Contractors arriving at and departing from Auckland, from and to San Francisco and intermediate places, in pursuance of the above recited Memorandum of Agreement of the seventh day of March, one thousand